

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 3536  
ANSWERED ON MONDAY THE 8<sup>TH</sup> AUGUST, 2022  
SRAVANA 17, 1944 (SAKA)**

**REPAYMENT OF LOANS UNDER IBC**

**QUESTION**

**3536. SHRI SANJAY JADHAV:  
SHRI OMPRAKASH BHUPALSINH ALIAS  
PAWAN RAJENIMBALKAR:**

**Will the Minister of CORPORATE AFFAIRS**

**be pleased to state:**

- (a) whether the Ministry has taken cognizance of NCLTs taking note of the disproportionate amount paid to companies by borrowers using the Insolvency and Bankruptcy Code (IBC) in repayment of large loans and if so, the details thereof;**
- (b) whether the Government has initiated investigation against the borrowers taking over the control of companies through family members or benamis by misusing the IBC and if so, the details thereof along with the number of persons found guilty in it and the action taken against them;**
- (c) whether any complaint has been received by the Government or agencies regarding violation of law by defaulters or consultancy firms by misusing IBC; and**
- (d) if so, the details thereof and the immediate action taken by the Government in this regard?**

**ANSWER**

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS**

**[RAO INDERJIT SINGH]**

- (a) : No Sir. The Ministry does not have any role in corporate insolvency resolution process (CIRP) of a corporate debtor (CD) under the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). CD undergoing CIRP is resolved through a resolution plan formulated by resolution applicants based on market driven process. The Committee of Creditors (CoC) within its commercial wisdom assesses**

**the feasibility and viability of the resolution plan submitted by the proposed resolution applicant which is then approved by the Adjudicating Authority (AA). Further, the realization by creditors through CIRP under the Code is dependent on quality assets at the time of its resolution.**

**(b) : No such investigation has been initiated as section 29A of the Code enlists certain categories of undesirable persons which include related parties ineligible to submit a resolution plan during the CIRP. Regulation 36A(8) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 imposes a duty on Resolution Professional (RP) to conduct due diligence to satisfy themselves that the prospective resolution applicant is not ineligible under section 29A of the Code. The resolution plan approved by the CoC, within its commercial wisdom is then approved by AA under section 31 of the Code thereby ensuring that any undesirable persons under section 29A are unable to take over the CD. Likewise, during liquidation proceedings of CD, the proviso to Section 35(1)(f) bars a liquidator from selling immovable and movable property to any person who is ineligible to be a resolution applicant.**

**(c) and (d): The Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017 enable stakeholders to file a grievance or a complaint against service providers under the IBC. Besides this, Insolvency and Bankruptcy Board of India (IBBI, the Regulator) also receives complaints and grievances from Centralized Public Grievance Redress and Monitoring System (CPGRAM), Prime Minister's Office, MCA and other authorities. Till 31st July, 2022, the IBBI had received 6231 such complaints and grievances, of which 6172 have been disposed after examination.**

**Further, as per information available, Directorate of Enforcement has received one complaint against an RP of one CIRP in which appropriate action under applicable law has been taken. Further, CBI has received one complaint regarding abuse of process in one CIRP matter which was forwarded to the Regulator and on examination, the Regulator has not found any actionable material.**

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