

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 2260  
ANSWERED ON MONDAY THE 5<sup>TH</sup> AUGUST, 2024  
SHRAVANA 14, 1946 (SAKA)**

**RECOVERY FROM CREDITORS THROUGH INSOLVENCY PROCESS (CIRP)**

**QUESTION**

**2260. SHRI DUSHYANT SINGH:**

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether the Government is planning to increase recovery from creditors through Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC);**
- (b) if so, the details thereof and the steps taken by the Government to speed up and strengthen the process of insolvency resolution and if not, the reasons therefor;**
- (c) whether the Government has undertaken any evaluation for the effectiveness and success of Insolvency and Bankruptcy Code;**
- (d) if so, the details thereof along with the total corporate insolvency process completed under IBC (2016) and recovery rate of the same;**
- (e) whether the Government is planning to reduce the insolvency resolution period and CIRP; and**
- (f) if so, the details thereof?**

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**[HARSH MALHOTRA]**

- (a) & (b): Recovery for creditors through Corporate Insolvency Resolution Process (CIRP) is a market driven process. However, the Government has taken steps to foster efficiency in the process. The Government has already made six Amendments to the Insolvency and Bankruptcy Code, 2016, since inception. Further, during the financial year 2023-24, a total of 12 amendments to various regulations and model bye laws were carried out, thereby effectuating about 86 changes in the regulatory framework to further strengthen the Insolvency resolution process.**
- (c) & (d): A study was conducted by IIM Ahmedabad (IIM-A) on “Effectiveness of Resolution Process: Firm outcomes in the post-IBC period”. The study by IIM Ahmedabad reveals significant post-resolution improvements: increase in sales over three years, improved operational profitability, increased employment, asset growth, and higher market capitalization for listed firms. Till March 2024,**

**under the Code, 3,171 Corporate Debtors (CDs) have been successfully rescued. This includes 947 resolved cases yielding realizable value of over Rs. 3.36 lakh crores which works out to be around 162% against liquidation value. In addition, the Code has brought about behavioural change among debtors which has been instrumental for 28,818 CIRP applications, involving Rs.10.22 lakh crore, being withdrawn pre-admission (as per NCLT data).**

**(e) & (f): No such proposal is under consideration of the Government to reduce period under CIRP.**

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