

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

STARRED QUESTION NO. 191

ANSWERED ON MONDAY, DECEMBER 9, 2024/ AGRAHAYANA 18, 1946 (SAKA)

INSOLVENCY AND BANKRUPTCY FRAMEWORK

QUESTION

***191. SHRI BHARATSINHJI SHANKARJI DABHI:
SHRI TEJASVI SURYA:**

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the steps taken to set up a robust insolvency and bankruptcy framework;**
- (b) the measures taken to streamline the insolvency and liquidation process for Financial Service Providers (FSPs);**
- (c) the outcome and milestones achieved since the enactment of the Insolvency and Bankruptcy Code in the country; and**
- (d) the comparative analysis of insolvency frameworks and variations in the time allowed for companies to voluntarily file for bankruptcy and closure in the country with the other countries?**

ANSWER

**THE MINISTER OF FINANCE
AND CORPORATE AFFAIRS**

वित्त एवं कारपोरेट कार्य मंत्री

(SHRIMATI NIRMALA SITHARAMAN)

(श्रीमती निर्मला सीतारामन)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA STARRED QUESTION NO. *191 (11th POSITION) FOR 9th DECEMBER, 2024 REGARDING 'INSOLVENCY AND BANKRUPTCY FRAMEWORK'

(a): To strengthen the process of Insolvency Resolution and to ensure proper implementation of the provisions of Insolvency and Bankruptcy Code, 2016 (IBC), the Government has made six amendments to the IBC and Insolvency and Bankruptcy Board of India has made more than 100 amendments in regulations since inception of IBC.

(b): IBC provides a consolidated framework for reorganization, insolvency resolution and liquidation of corporate persons, except Financial Service Providers (FSPs). However, Section 227 of the IBC enables the Central Government to notify FSPs and categories of FSPs for the purpose of insolvency and liquidation proceedings. Accordingly, vide notification dated 18th November 2019, the Central Government, in consultation with the Reserve Bank of India (RBI), notified that insolvency resolution and liquidation proceedings of Non-Banking Finance Companies (which include housing finance companies) with asset size of Rs.500 crore or more, as per last audited balance sheet shall be undertaken in accordance with the provisions of the Code read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

(c): A total of 1068 cases have been resolved under the Corporate Insolvency Resolution Process (CIRP) under IBC leading to a recovery of about Rs. 3.55 lakh crore to the creditors since inception of IBC till September, 2024.

(d): Under IBC and the regulations made thereunder, the timeline for Corporate Insolvency Resolution Process is 180 days which can be extended by the Adjudicating Authority (AA) for a period of 90 days. The model timeline for the liquidation and voluntary liquidation process is one year and 270 days respectively. With respect to comparison of timeline with other countries, no such data is maintained.
