GOVERNMENT OF INDIA MINISTRY OF CORPORATE AFFAIRS

LOK SABHA STARRED QUESTION NO. 222 ANSWERED ON MONDAY, THE 17TH MARCH, 2025/ [PHALGUNA 26, 1946 (SAKA)]

PENDING CASES UNDER COMPANIES ACT IN NCLT

QUESTION

*222. SHRI MANICKAM TAGORE B:

SHRI VIJAYAKUMAR ALIAS VIAJY VASANTH:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

कॉरपोरेट कार्य मंत्री

- (a) the current backlog of cases pending under the Companies Act in the National Company Law Tribunal (NCLT) and the reasons contributing to the backlog;
- (b) the number of cases related to insolvency and bankruptcy under the Insolvency and Bankruptcy Code (IBC) currently pending in the NCLT and the steps taken/being taken to expedite their resolution;
- (c) whether the Government has taken any measures to reduce the backlog of pending cases in the NCLT, especially with regard to corporate affairs and insolvency matters and if so, the outcome of these measures; and
- (d) the impact of the backlog on India's ranking in the ease of doing business index and its overall investment climate?

ANSWER

THE MINISTER FOR FINANCE AND (SMT NIRMALA SITHARAMAN) CORPORATE AFFAIRS

वित्त एवं कॉरपोरेट कार्य मंत्री

(श्रीमती निर्मला सीतारमण)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE STARRED QUESTION NO. 222 FOR ANSWER IN LOK SABHA ON 17.03.2025.

(a) to (c) As per information provided by National Company Law Tribunal (NCLT), the number of cases pending under the Companies Act and Insolvency Bankruptcy Code, 2016 (IBC), as on 31.12.2024 are as under:

Companies Act (CA)	Insolvency Bankruptcy Code, 2016 (IBC)	Total
8,133	12,351	20,484

National Company Law Tribunal (NCLT) is a quasi-judicial body. There are several reasons for the pendency of cases in NCLT which, inter-alia depends on circumstances and complexity of each case, nature of evidence, number of Interlocutory Applications (IA), stay by the higher courts in many cases, cooperation of stake holders and adjournments.

To facilitate expeditious disposal, Government is taking necessary steps on an ongoing basis, which include implementation of e-court and hybrid court project, regular colloquiums for capacity building of members, provisions of infrastructure, filling up of vacancies, etc.

(d) The Government has taken a number of initiatives under Ease of Doing Business [EoDB] which are aimed at creating a conducive business environment. As a part of the above, Doing Business Report (DBR) 2019 was published by the World Bank. India's rank in resolving insolvency in the above report was 52. The introduction of the Insolvency and Bankruptcy Code (IBC) in 2016 significantly benefited India, improving its rank by 56 places to reach 52 in 2019 from 108 in 2018. The World Bank discontinued publishing its Doing Business Report (DBR) in September 2021, with the last report released in October 2019.

The B-Ready (Business Ready) project is a new initiative by the World Bank to replace the earlier Doing Business rankings. The B-Ready assessment focuses on various stages of a business lifecycle, including starting a business, dealing with construction permits and resolving insolvency.

The first B-Ready report was launched on October 3rd, 2024, and India is covered in the third phase of the project. The report covering India is expected in September 2026.

The IBC 2016 has been instrumental in maintaining a minimal backlog of insolvency cases, thereby improving India's ease of doing business and enhancing its overall investment climate.
