

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3813
ANSWERED ON MONDAY THE 16th MARCH, 2026/PHALGUN 25, 1947 (SAKA)**

INCREASE IN CORPORATE INSOLVENCY UNDER IBC

QUESTION

3813. Shri Sasikanth Senthil:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the total number of insolvency proceedings admitted under the Insolvency and Bankruptcy Code (IBC) during the last five years, State-wise and year-wise;**
- (b) the details of the insolvency proceedings that have been initiated on Micro, Small and Medium Enterprises (MSME) firms during the last five years, State-wise and year-wise;**
- (c) the average time taken for resolution of such proceedings and the percentage of cases resulting in liquidation;**
- (d) whether the Government has assessed the impact of prolonged insolvency processes on MSMEs and employment, if so, the details thereof; and**
- (e) whether any amendments are proposed to improve timely resolution and protect operational creditors and 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

[SHRI HARSH MALHOTRA]

(a) Details regarding number of insolvency proceedings admitted under Insolvency and Bankruptcy Code (IBC) during the last five years, year-wise are as under:-

Sl. No.	Period	No. of Corporate Debtors admitted
1	2020-21	536
2	2021-22	891
3	2022-23	1262
4	2023-24	1003
5	2024-25	724

State-wise data is not maintained.

(b) Corporate MSMEs undergoing pre-packaged insolvency resolution processes (PPIRPs), during the last five years is given below:-

Sl. No.	Period	No. of MSMEs admitted
1	2020-21	0
2	2021-22	2
3	2022-23	2
4	2023-24	8
5	2024-25	3

State-wise data is not maintained.

(c) 17 PPIRP applications have been admitted till December 2025, of which 1 application was withdrawn, 10 applications resulted in successful resolution of the MSME and remaining 6 are ongoing. The 10 applications resolved in PPIRP took an average of 355 days. No MSME admitted under PPIRP has moved into liquidation as of December 2025.

(d) No assessment specifically for MSME has been undertaken. However, a study was conducted by IIM Ahmedabad (IIM-A) on “*Effectiveness of Resolution Process: Firm outcomes in the post-IBC period*”. The study reveals that there was a 50% increase in average employee expenses three years post-resolution, indicating higher employment intensity in resolved listed firms.

(e) The Insolvency and Bankruptcy Code (Amendment) Bill, 2025 (the Bill) was introduced in the Lok Sabha on 12.08.2025. The Bill proposes several amendments to improve the processes under the IBC.
