GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

LOK SABHA
STARRED QUESTION NO. 14
ANSWERED ON MONDAY, JULY 20, 2026 / ASHADHA 29, 1948 (SAKA)

INSOLVENCY AND BANKRUPTCY CODE, 2016

QUESTION

***14. Shri Mukeshkumar Chandrakaant Dalal:**
Shri Yaduveer Wadiyar:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Insolvency and Bankruptcy Code (IBC), 2016 has brought about a structural transformation in the country's corporate insolvency resolution framework as compared to the pre-IBC period by replacing the multiple mechanisms to deal with stressed assets that existed prior to its enactment, if so, the details thereof;

(b) the comparative position of the pre-IBC and post-IBC insolvency resolution frameworks with regard to various parameters, timelines, recovery rates, resolution of stressed assets, liquidation outcomes and ease of doing business;

(c) whether the implementation of the IBC has improved credit discipline, reduced nonperforming assets (NPAs), enhanced lender confidence and facilitated the revival of viable companies as running entities, if so, the details thereof, including key performance indicators; and

(d) whether the Insolvency and Bankruptcy Code, 2016 has enabled Scheduled Commercial Banks to achieve faster resolution of stressed assets and higher recovery of dues and if so, the details of cases resolved, recovery rates and amounts recovered since its implementation, year-wise?

ANSWER

THE MINISTER OF FINANCE AND CORPORATE AFFAIRS **(SHRIMATI NIRMALA SITHARAMAN)**
(वित्त एवं कारपोरेट कार्य मंत्री) **(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. *14 (14th POSITION) FOR 20TH JULY, 2026 ASKED BY SHRI MUKESHKUMAR CHANDRAKAANT DALAL AND SHRI YADUVEER WADIYAR, HON'BLE MEMBER OF PARLIAMENT REGARDING "INSOLVENCY AND BANKRUPTCY CODE, 2016"

(a): The Insolvency and Bankruptcy Code, 2016 (IBC) consolidates the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons. The IBC has established four pillars of insolvency namely the Insolvency and Bankruptcy Board of India, defined the Adjudicating Authority, Information Utility and the Insolvency Professionals.

(b): In the pre-IBC period, there was no single law that dealt with insolvency and bankruptcy. The Sick Industrial Companies (Special Provisions) Act, 1985, the Recovery of Debt Due to Banks and Financial Institutions Act, 1993, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Companies Act, 2013 had provisions relating to insolvency and bankruptcy. The IBC has consolidated all these fragmented laws and resolved 1419 companies as on 31st March 2026. These cases have led to a recovery of ₹ 4.32 lakh crore to the creditors, which amounts to a realisation of 94.6% of fair value and 166.9% of liquidation value. IBC has enhanced the ease of doing business by providing a time-bound and transparent mechanism for resolving insolvency, improving investor confidence and credit availability.

(c) : As per the RBI's Financial Stability Report of June 2026, the Gross Non-Performing Assets (GNPA) ratio of Scheduled Commercial Banks has declined from its peak of 11.2% in March 2018 to a low of 1.8% in March 2026.

The impact of the IBC on credit discipline has also been corroborated by a comprehensive study conducted by the Indian Institute of Management Bangalore (IIMB). The study finds that IBC has prompted borrowers to adhere to stipulated loan payment schedules. During the period under review, the study notes a significant reduction in loan accounts deemed '*Overdue*', both in terms of the Rupee amount as well as in terms of the number of accounts.

A report by the Indian Institute of Management Ahmedabad (IIM-A) (August 2023; available at www.ibbi.gov.in), analysed the financial performance of firms that underwent resolution under the IBC and found significant improvements in the

profitability, liquidity, and overall financial health of resolved firms in the post-resolution period. These findings underscore the positive impact of IBC on business continuity and value preservation.

(d) : The resolution time and recovery data varies from case to case depending upon the quality of the insolvent asset. Data relating to Financial Creditors, including Scheduled Commercial Banks is given below. Separate data for Scheduled Commercial Banks is not maintained centrally. Year-wise details of cases resolved, recovery rates and amounts recovered since the implementation of IBC by all Financial Creditors including banks and financial institutions are as under:

Year	No. of cases	Realisable amount by FCs (₹ in Crore)	% of realisation
2017-18	18	3,807	54%
2018-19	74	1,07,321	55%
2019-20	131	39,043	27%
2020-21	119	27,102	27%
2021-22	141	46,198	24%
2022-23	186	54,125	39%
2023-24	258	44,736	28%
2024-25	259	54,604	37%
2025-26	233	42,003	20%

The details of the resolved cases are available on the website of Insolvency and Bankruptcy Board of India (https://ibbi.gov.in).

******