

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1257
ANSWERED ON FRIDAY, THE 9TH FEBRUARY, 2018
[MAGHA 20, 1939 (SAKA)]**

REVIEW OF IBC

**1257. SHRI RAM CHARITRA NISHAD:
SHRI B.VINOD KUMAR:**

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

कारपोरेट कार्य मंत्री

- (a) whether the Government has appointed a Committee to review the Insolvency and Bankruptcy Code (IBC) to address concerns and remove glitches and if so, the details thereof;**
- (b) whether about 300 cases have been admitted for resolution by the National Company Law Tribunal and several of them being pushed by the Government and Reserve Bank of India as the promoters were seen to be dragging revival and if so, the details thereof;**
- (c) whether one of the biggest worries of IBC is the treatment of home buyers under it and if so, the details thereof;**
- (d) whether the other major concern is related to allowing promoters to bid for a companies or an asset that is being sought to be released and if so, the details thereof; and**
- (e) whether the Review Committee sought suggestions from stakeholders to ensure efficient functioning of IBC and if so, the details thereof?**

ANSWER

**THE MINISTER OF STATE FOR LAW AND JUSTICE
AND CORPORATE AFFAIRS**

(SHRI P.P. CHAUDHARY)

**विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री
(श्री पी.पी. चौधरी)**

- (a) Madam, Ministry has constituted Insolvency Law Committee (ILC) vide order dated 16.11.2017 with a view to examine the suggestions received regarding provisions of Insolvency and Bankruptcy Code, 2016 (Code). The ILC shall take stock of the functioning and implementation of the Code, identity the issues that may impact the efficiency of the Corporate Insolvency resolution and liquidation framework prescribed under the Code and make suitable recommendations to address such issues, with a view to enhance efficiency of the processes prescribed and for effective implementation of the Code.**

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- (b) As on 31st December, 2017, 524 cases have been admitted for resolution by various benches of National Company Law Tribunal. Further, RBI has apprised that it issued directions to certain banks for referring 12 accounts, with outstanding amount greater than Rs.5,000 crore and with 60% or more classified as non-performing as on 31.03.16, to initiate the insolvency resolution process under IBC. These 12 accounts constituted about 25% of the gross NPAs of the banking system. In addition, RBI also issued directions to resolve certain other accounts within six months, failing which insolvency proceedings under IBC will need to be initiated.**
- (c) It is one of the issues which is under examination by the ILC.**
- (d) The concern is addressed by the IBC (Amendment) Act 2018, by which the IBC was amended to further strengthen the insolvency resolution process by prohibiting certain persons from submitting a resolution plan who, on account of their antecedents, may adversely impact the credibility of the processes under the Code and further make provisions to specify certain additional requirements for submission and consideration of the resolution plan before its approval by committee of creditors.**
- (e) The ILC has sought suggestions/comments related to provisions of the Code and rules and regulations notified thereunder from stakeholders vide Public notice dated 12.12.2017, upto 10th January, 2018. The said suggestions/comments will be considered by ILC.**
