

**Address by the Hon'ble DFS Secretary at  
IBBI Annual Day 2025**

**Event:** 9<sup>th</sup> Annual Day of the Insolvency and Bankruptcy Board of India

**Date:** 1<sup>st</sup> October 2025

**Venue:** Pradhanmantri Sangrahalaya, New Delhi

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- Hon'ble Justice Ashok Bhushan, Chairperson, NCLAT;
- Hon'ble Members of the NCLAT and NCLT;
- Smt Deepti Gaur Mukherjee, Secretary, MCA;
- Shri Ravi Mittal, Chairperson, IBBI;
- Distinguished Members of the Board;
- Senior officials from the Government;
- Insolvency Professionals and Registered Valuers;
- Legal scholars, colleagues and friends — Good Evening.

It is a privilege to join you on the Annual Day of the Insolvency and Bankruptcy Board of India. We gather not merely to mark a date on the calendar, but to celebrate a transformative national effort: building a modern insolvency regime that rescues viable enterprises, returns value to creditors, protects jobs wherever possible, and reinforces confidence in India's economy. In less than a decade, the IBC has moved us from an era of intractable

distress to an ecosystem that rewards responsibility and revival. We stand on the shoulders of your work.

## **I. The IBC Journey: From Reform to Results**

When the Insolvency and Bankruptcy Code was enacted in 2016, it signalled a fundamental shift: time-bound resolution, creditor empowerment, and restoration of economic value. As a country, we made a clear statement that the misuse of credit has consequences, and that genuine business failures will be addressed through orderly processes that give enterprises a second chance.

Today, nine years on, the results are tangible:

- Since the CIRP provisions came into effect on 1 December 2016, **8,608 CIRPs** have been initiated up to **31 August 2025**. Of these, **6,693** have been completed, and **1,915** are ongoing.
- **1,285** cases have culminated in approved resolution plans. In these, creditors have realised approximately **₹3.96 lakh crore**, translating to about **32.5%** of admitted claims, **170.8%** of liquidation value, and **94.1%** of fair value.
- **1,329** cases were closed through appeals, reviews, or settlements; **1,210** were withdrawn under section 12A; and **2,869** have proceeded to liquidation.

- The average time to resolve cases that concluded in resolution plans has been **724 days** (or **602 days** after accounting for time excluded by the Adjudicating Authority). Of the total resolutions, **242** concluded within **330 days** (post time-exclusion), and **112** within **270 days**.
- IBC has led to behavioural change in the debtor-creditor relationship by shifting the focus from the 'Debtor in Possession' to a 'Creditor in Control' regime. The fear of losing control of the firm on initiation of corporate insolvency resolution process (CIRP), is nudging debtors to settle their dues with the creditors as soon as possible. It may be mentioned that up to March 2025, 30,310 applications for initiation of CIRPs, having underlying default of Rs 13.78 lakh crore were resolved before their admission itself.

We must also recognise the developmental dimension of this reform. A significant portion of companies that eventually went into liquidation were legacy BIFR or non-going-concern cases, where value had eroded long before IBC could intervene. Even so, IBC has given many distressed businesses a genuine path to revival—putting assets back to work, preserving employment where feasible, and allowing fresh capital and management to restore productivity.

One sentence, often recalled from the early jurisprudence around IBC, captures the spirit of this reform: **the defaulter's paradise is lost, and the rightful place of the economy is regained.** The message is simple—pay your dues, respect your contracts, and if the business stumbles, there is a fair, time-bound process to restructure or exit.

## II. Recent Performance: A Year of Steady Momentum

Your work in the most recent period reflects quiet, steady progress despite capacity constraints across the system:

- In the quarter **April–June 2025**, **61** resolution plans were approved. Creditors realised **₹6,566 crore**, which is **29%** of admitted claims in those cases, **209%** of liquidation value, and **143%** of fair value.
- On the **avoidance transactions** front, **1,442** applications—covering approximately **₹3,89,964 crore**—have been filed with the Adjudicating Authority. **379** cases, involving **₹66,919 crore**, have been disposed of so far, resulting in a clawback of around **₹7,930.77 crore**.
- In **liquidation**, **2,869** processes have commenced to date, and **1,462** have reached final report stage. More than **75%** of the CIRPs ending in liquidation involved companies

previously with BIFR and/or defunct—underscoring the cost of late intervention.

- The **voluntary liquidation** framework for solvent exits has matured, with **2,375** processes initiated and **1,825** completed through final reports—reducing barriers to efficient capital redeployment.
- The **personal guarantor** ecosystem is taking shape: **4,292** applications have been filed since inception, covering about **₹2.86 lakh crore**. **718** have been admitted, **44** repayment plans approved (with **10** implemented, **12** closed prematurely, and **22** in implementation). **63** bankruptcy applications involving **₹6,954.19 crore** have been filed, largely by creditors.

These are not just statistics. Behind every plan approved is a committee that took hard commercial calls; behind every liquidation is a sober recognition that value is best preserved through swift closure; behind every avoidance action is a step toward fairness and deterrence; and behind every voluntary liquidation is a solvent business choosing an efficient, lawful exit.

### **III. Challenges We Must Confront—With Solutions We Are Advancing**

We should be candid where the system can improve. **Timeliness** remains our most pressing challenge. The Code envisages 180 days for CIRP, extendable to 330 days. Yet, multiple frictions—from admission delays to process-stage litigation—have stretched timelines. Every avoidable day in insolvency is a day of value erosion.

Similarly, while recoveries in resolved cases are markedly higher than the pre-IBC era, we should aim higher. The evidence is clear: resolution as a going concern consistently yields superior outcomes to liquidation. Our collective endeavour must be to compress timelines, deepen bidder participation, and sharpen the tools that discourage value-destructive behaviour.

That is precisely why the Government has advanced the next wave of reforms.

### **IV. IBC 2.0: The Amendment Bill Referred to the Select Committee**

Earlier this year, the **Insolvency and Bankruptcy Code (Amendment) Bill, 2025** was introduced in the Parliament. The Bill has been **referred to the Select Committee of Parliament** for detailed examination. It draws on nine years of learning and

extensive stakeholder feedback. Its objectives are simple and ambitious: **faster processes, stronger value maximisation, cleaner conduct, and greater certainty for investors.**

The Bill, as introduced, contemplates measures along the following lines:

### **1. Stronger Timelines and Swift Admissions**

Clear, enforceable timelines—especially at admission—so that complete applications demonstrating default are admitted expeditiously. Swift admission preserves value, enhances bidder interest, and sets an efficient cadence for the entire process.

### **2. Part approval of Plans Where Appropriate**

Another important reform is the enabling of part approval of resolution plans. This ensures that, once the CoC has voted, the business can be swiftly handed over to the resolution applicant—accelerating revival—while creditor distributions can continue in parallel.

### **3. Creditor-Initiated Resolution Process**

A creditor-led, time-bound mechanism—overseen by an insolvency professional—can resolve distress. This hybrid approach widens the toolkit, allowing earlier, lower-cost interventions.

#### 4. **Group Insolvency and Cross-Border Cooperation**

Provisions to facilitate coordinated resolution of **inter-connected group companies** and to lay the groundwork for **cross-border insolvency** in line with international best practices—crucial in a world where Indian enterprises and capital flow across borders.

#### 5. **Improvement in provisions relating to avoidance transactions**

The Bill also strengthens provisions on avoidance transactions by expanding the look-back period. Instead of being counted from the insolvency commencement date, the period will now be reckoned from the date of filing. This ensures a wider window for scrutiny and a stronger deterrent against value-eroding transactions.

#### 6. **Time-Bound Liquidation with Creditor Oversight**

A more purposeful liquidation framework with clearer timelines, enhanced CoC visibility into progress, and faster options where assets are negligible—so that capital is not trapped in unproductive procedures.

These are pragmatic, second-generation reforms. They neither dilute the core design of IBC nor add needless complexity. They **accelerate what works, fix what delays, and deter what destroys value**. Once the Select Committee completes its

deliberations, we are sure it will deliver a robust law that meets the aspirations of creditors, investors, and citizens alike.

## **V. Broader Economic Context: Why Insolvency Reform Matters**

Insolvency reform is not a narrow legal exercise. It is a macroeconomic instrument. By restoring credit discipline and enabling rapid recycling of capital from stressed assets to productive use, the IBC supports **investment, growth, and job creation**. Over the last several years, as resolution outcomes have continued and deterrence has strengthened, India's banking sector has seen a marked improvement in asset quality and profitability. The IBC is central to this healing.

There is also a deeper cultural shift. Entrepreneurs today know that **success is honoured, and failure is not stigmatized—but non-compliance is not tolerated**. The IBC provides a fair exit when a venture does not work, a fair chance at revival when it can, and a firm response to misconduct. That balance is essential for a dynamic, innovation-driven economy.

## **VI. Acknowledgements: The People Behind the Process**

We at DFS also review some of the processes that are ongoing from time to time so that challenges are addressed in real time and outcomes are continually strengthened.

On this Annual Day, allow me to place on record the deep appreciation for:

- **The Adjudicating Authorities and appellate forums**, who bear immense caseloads and whose jurisprudence has provided clarity and confidence. Capacity augmentation and digital enablement will further empower your vital role.
- **Insolvency Professionals (IPs)**, the first responders in distress. You step into challenging environments, keep businesses as going concerns, conduct complex processes under scrutiny, navigate litigation, and still deliver outcomes. Your professionalism is the backbone of the Code.
- **Creditors and CoC members**, especially banks and financial institutions, who have embraced decisive, commercial decision-making. Your discipline and pragmatism are central to value maximisation.
- **The wider ecosystem**—valuers, transaction auditors, information utilities, professional agencies, and academics—whose contributions ensure transparency, integrity, and continuous learning; and lastly **the IBBI**.

Each of you has helped convert a bold legislative idea into a functioning, improving **national capability**.

## **VII. The Road Ahead: Speed, Value, Trust**

As we look forward, let us set clear aspirations:

- **Speed:** Move from months to weeks in admission; from years to the envisaged **330 days** in most resolutions; and keep liquidation purposeful and time-bound.
- **Value:** Increase bidder participation, deepen markets for stressed assets, and keep businesses running as going concerns wherever feasible.
- **Trust:** Ensure that the process is predictable for investors, fair to all classes of creditors (including homebuyers where applicable), and unforgiving of misconduct.

Technology will be a force multiplier—whether in digital case management, e-auctions that attract broader participation, data analytics that shorten diligence, or integrated platforms that reduce friction across stakeholders. We will continue to support these enablers.

It is our endeavour in Department of Financial Services to streamline the implementation of IBC and its objectives in coordination with Public Sector banks. Several advisories have

been issued for better implementation of IBC which includes, inter alia the following:

- Once a decision is taken in COC/JLM, individual banks must stick to it.
- Banks' representatives including panel lawyers must attend NCLT & NCLAT hearings without fail to avoid unnecessary adjournments and procedural delays. As far as possible, they themselves should not seek adjournments and they must attend the hearings well prepared.
- There should be proper evaluation matrix of resolution professionals and law firms.
- Valuations should be discussed in meeting of Committee of Creditors.
- Bank wise training program for middle level managers at the cutting edge be organised for greater awareness.
- Working capital requirements of companies undergoing IBC proceedings should be kept in mind by banks.

Let me end on a note of conviction. Insolvency law is, at heart, a story of **second chances**—for capital, for companies, and for workers. It is also a story of **responsibility**—that credit must be honoured, and that markets function when contracts are enforced and wrongs are remedied swiftly. The IBC has already changed

India for the better. With the next set of reforms, it will do even more.

I congratulate the IBBI on its Annual Day. I congratulate every professional and institution in this room for the work you have done—and for the work you will do in the months ahead to make India's insolvency regime faster, fairer, and stronger.

Thank you. **Jai Hind.**

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