

IBC Boosts Ease of Doing Business and Asset Realisation; 1,194 companies successfully resolved under IBC enabling realisation of 3.89 lakh crore by creditors

Six legislative amendments and Over 100 regulatory changes made to strengthen insolvency framework and reduce delays

IBC Accounts for Nearly Half of Bank Recoveries in FY 2024–25

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The Insolvency and Bankruptcy Code (IBC) has played a crucial role in reshaping India's insolvency framework. The major achievement of the Insolvency and Bankruptcy Code (IBC) has been its ability to resolve financially distressed companies and realisation by the creditors thereon. By offering a clear and time-bound framework for revival, the IBC has strengthened creditor confidence and encouraged both domestic and foreign investment. The IBC has played a pivotal role in improving the ease of doing business in India by introducing a faster and more structured insolvency resolution process maximising the value of assets, promote entrepreneurship, availability of credit and balance the interests of all the stakeholders. As of March 31, 2025, a total of 1,194 companies have been successfully resolved under the IBC framework. Through these cases, creditors have realised an amount of ₹3.89 lakh crore which is over 170% of the liquidation value and more than 93% of the fair value of these companies, as assessed at the time of admission into the IBC process.

IBC has played a crucial role in improving the overall health of India's banking sector. According to the latest RBI's Financial Stability Report (June 2025), Gross Non- Performing Assets (GNPAs) have significantly declined, reaching a multi-decadal low of 2.3% at the end of March 2025. This reduction indicates a stronger, more stable banking system. The RBI's Report on Trends and Progress of Banking in India for 202324 (released on December 26, 2024) highlights that SCBs recovered a total of ₹96,325 crore through various channels. Out of this, the IBC channel alone contributed a significant ₹46,340 crore, accounting for 48.1% of the total recoveries. The Government has undertaken six legislative amendments to the IBC and introduced over 100 changes to the regulations since its inception, to strengthen the insolvency resolution framework and enhance procedural efficiency thus minimizing the delays.

The IBC has led to a behavioural shift among companies and their debtors. By creating a credible threat that defaulting companies might lose ownership, the Code has fundamentally reshaped the dynamics between debtors and creditors.

Several initiatives have been taken to build the capacity of insolvency professionals (IPs). In FY 2024–25, the Insolvency and Bankruptcy Board of India (IBBI) conducted a series of workshops, webinars, and

conclaves to enhance practical skills. It also collaborated with expert bodies like the World Bank, Indian Institute of Corporate Affairs (IICA) and International Finance Corporation (IFC) for training and research. Additionally, international conferences at Indian Institute of Management (IIM) Ahmedabad, IIM Bangalore, and Indian School of Business (ISB) Hyderabad brought together global experts, offering IPs valuable exposure to best practices

This information was given by Minister of State in the Ministry of Corporate Affairs and Minister Of State in the Ministry of Road Transport and Highways, Shri Harsh Malhotra in Lok Sabha today.

NB/AD

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