GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2327
ANSWERED ON MONDAY, AUGUST 3, 2026/SHRAVANA 12, 1948 (SAKA)

UPGRADATION OF THE INSOLVENCY ECOSYSTEM
QUESTION

2327. Shri Praveen Khandelwal:

Will the Minister of CORPORATE AFFAIRS
be pleased to state:

(a) whether the Government has reviewed the functioning of the pre-packaged insolvency resolution process for micro, small and medium enterprises under the Insolvency and Bankruptcy Code and the measures taken to improve its uptake;

(b) if so, the details thereof, including the status of the proposed integrated technology platform for the insolvency ecosystem and e-filing before the National Company Law Tribunal;

(c) the details of corporate insolvency cases admitted, resolved and the average resolution time recorded during the last three years, year-wise;

(d) whether the Government has taken or proposes to take any special measures for faster, low cost insolvency resolution and creditor protection for small trading enterprises, including those in commercial hubs such as Chandni Chowk in Delhi; and

(e) if so, the details thereof and if not, the reasons therefor?

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) and (b): Yes Sir. The functioning of the Pre-Packaged Insolvency Resolution Process (PPIRP) for Micro, Small and Medium Enterprises (MSMEs) was reviewed based on the experience gained in its implementation and stakeholder feedback. Based on the review, amendments were introduced vide the Insolvency and Bankruptcy Code (Amendment) Act, 2026 to strengthen the PPIRP framework including, inter alia, the following:

(i)The existing provisions relating to information to be furnished along with the application to initiate Pre-packaged Insolvency Resolution Process (PPIRP) have been simplified to give greater flexibility and ease of the documentation process for MSMEs to use the PPIRP route to insolvency.

(ii) the threshold for initiation of PPIRP has been relaxed from 66% to 51% of voting share of unrelated financial creditors, thereby lowering barriers for MSMEs to access the mechanism.

The System Integrator for the Integrated Platform for IBC Ecosystem (iPIE) has been onboarded. The e-filing before the National Company Law Tribunal is done through the existing e-court system.

(c): The year-wise details of corporate insolvency cases admitted, resolved and the average resolution time recorded during the last three years is at Annexure.

Time taken to resolve each case depends on circumstances and complexity of each case, nature of evidence, number of Interlocutory Applications (IAs), stay by the higher courts, cooperation of stake holders and adjournments etc.

(d) and (e): No such proposal is under consideration.

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Annexure

Information in respect of the corporate insolvency cases admitted, resolved and the average resolution time recorded during the last three years, year-wise is given below:

SL. No.	Period	No. of Admissions*	No. of Resolutions*	Average Resolution Time (in days) after excluding the time excluded by the Adjudicating Authority (AA)
(i)	2023-24	1004	258	705
(ii)	2024-25	734	259	718
(iii)	2025-26	665	333	751

***As per data given by IBBI which is updated based on the information filed by resolution professionals from time to time.**