17.10 hrs

The Insolvency and Bankruptcy Code (Amendment) Bill, 2025, as reported by Select Committee? contd

[illegible] ([illegible]) : [illegible], [illegible] ([illegible]) [illegible], 2025 [illegible]-[illegible], [illegible]-[illegible] ? ([illegible]) [illegible], [illegible], [illegible]

[illegible], [illegible] 2016 [illegible], [illegible] 87 [illegible], [illegible] 13.9 [illegible]-[illegible], [illegible], [illegible], [illegible] 2016 [illegible], [illegible]

[illegible], [illegible] 14 [illegible] 14 [illegible], [illegible], [illegible]

[illegible], [illegible]

[redacted], [redacted]: [redacted]

[redacted], [redacted] 5 [redacted] 20 [redacted], [redacted]-[redacted], [redacted] 50 [redacted]-[redacted]-[redacted] ? ([redacted])

[redacted], [redacted] 11.5 [redacted], 2025 [redacted] 2.25 [redacted], [redacted]-[redacted] It is in a very good position. [redacted]

[redacted], [redacted] ? [redacted] ... ([redacted]) [redacted], [redacted]

[redacted], [redacted], [redacted], [redacted]-[redacted]

2021

9,000

2000

1.85

180

90

10

20

36.5

2017-18

[redacted] 2016 [redacted] 66 [redacted] 66 [redacted] 51 [redacted] 51 [redacted] …([redacted]) [redacted]

[redacted] ([redacted]) [redacted], [redacted], [redacted], [redacted], [redacted]-[redacted] 2016 [redacted] 2.7, 2.5 [redacted], [redacted]

[redacted]? [redacted], [redacted]-[redacted] 120 [redacted], [redacted], [redacted]-[redacted], [redacted]

[redacted]-[redacted] ([redacted]) [redacted], [redacted], [redacted], [redacted], [redacted]-[redacted], [redacted]? ([redacted]) [redacted]? [redacted]? [redacted]-[redacted]

[redacted] 240[redacted] 240[redacted]? [redacted] 240[redacted]? [redacted], [redacted] 2027 [redacted] 2047 [redacted], [redacted], [redacted], [redacted]-[redacted], [redacted], [redacted]? ([redacted]) [redacted]? [redacted]?? ([redacted]) [redacted], [redacted]? ([redacted]) [redacted], [redacted], [redacted]

[redacted]

[redacted]

ADV. GOWAAL KAGADA PADAVI (NANDURBAR): Hon. Chairperson, Madam, I have heard the hon. Member from the Treasury Bench speak. But I would start with the basic thing that this Bill just talks about timelines. It mandates faster decisions as procedural requirements. But I ask the Government how timelines can be enforced when institutions themselves are collapsing. The National Company Law Tribunal and the NCLAT are burdened with vacancies, infrastructure shortages, and mounting backlogs. The hon. Supreme Court, in multiple observations, including matters related to tribunal functioning, has clearly stated that justice delayed is justice denied. In cases concerning Tribunal vacancies, the Court has emphasised that adjudicatory bodies must be adequately staffed to uphold the rule of law. Yet this Bill is silent about that. This Government wants speed without capacity, deadlines without delivery, and reform without any kind of responsibility.

One of the biggest failures of the IBC regime has been the massive haircuts taken in the large corporate insolvency cases. Banks, mostly public sector banks, have accepted huge losses. And whose money is that? This is the money of the poor depositor, the money of the farmer, or a tribal from my constituency. Yet the Bill does nothing to regulate or even examine these haircuts. No transparency, no accountability, no safeguards.

The hon. Supreme Court, in the Committee of Creditors of SST Limited v. Satish Kumar Gupta, upheld the commercial wisdom of creditors, but also emphasised that the process must be fair, equitable, and within the framework of the law. But what we see today is not fairness. It is institutionalised compromise at the cost of public wealth.

The Bill introduces definitions of avoidance transactions and fraudulent trading. But definitions are not enforcement. Where is the accountability? Where is the mechanism to ensure that those who syphon funds, mismanage companies, and defraud creditors, are punished? They very well know the names of the ones who have syphoned funds and escaped the country. But what are they doing to bring them back? The Supreme Court in Swiss Ribbons v. Union of India upheld the IBC precisely because it was designed to prevent errant promoters from regaining control without paying their dues. But in practise, what is the actual reality? They did not mention what is the actual status and what is the reality right now. Promoters are walking away; banks are taking losses; and the public has to pay.

The Bill does nothing to strengthen enforcement under Section 66. It does nothing to ensure recovery from those who have caused the damage. One of the most dangerous aspects of the Bill is excessive reliance on delegated legislation. We have seen that in all the other Government Bills that they bring into play. Especially in critical frameworks like group insolvency and cross-border insolvency, which are not defined in the law itself, they fail to mention that. Instead, they are left to rules and regulations. This is not reform. This is complete abdication.

The Supreme Court in multiple judgments has clearly held that essential legislative functions cannot be delegated. But the Government is systematically bypassing the Parliament. So then, why are we here? Why are we debating upon these laws if you are giving everything to the executive authority, and through notifications, when it is not there in the part of the law or the part of the main body of the law? Yet the Bill introduces provisions to allow recovery from guarantor?s assets during insolvency.

Let us be honest, this is half a reform. There is no comprehensive framework to trace hidden assets, break complex ownership structures, and recover funds from related parties. So, what happens? The company collapses, but the wealth remains hidden elsewhere. This is the actual reality that the Government refuses to accept. The Bill strengthens the role of Committee of Creditors, even allowing it to continue during liquidation. But who actually regulates these regulators? Who ensures that the decision is not arbitrary? Who ensures that the public interest is not sacrificed for private settlements? The Supreme Court in SS Steel has recognised that the primacy of CoC does not intend for it to become unchecked power. The Bill introduces procedural changes through operational creditors. But let us ask: who are the small suppliers, the MSMEs, and the workers truly protected? Are they actually protected? Are they still standing at the end of the line? The Supreme Court also acknowledges the distinction and also emphasises fairness. Yet today, small creditors wait while big financial institutions decide.

In the end, I would just like to mention this [illegible]

[illegible]

The hon. Member said, where is our *Neta*. I would like to mention that even if their leader is outstanding, it also means that they might be standing out somewhere and not sitting in the House. So, instead of raising issues against my leader, they should look at themselves. They should look at themselves in the mirror and look at making the reforms in the Insolvency and Bankruptcy Code, and actually look at the recovery rates in the banks. Therefore, this Bill should be sent to a Select Committee or a JPC for due consideration. That is all I want to say.

[illegible]. [illegible] ([illegible]) : [illegible]

[illegible] 2009 [illegible] 2009 [illegible] 2014 [illegible] 2008 [illegible]

[illegible] 2009, 2010, 2011 [illegible] 2012 [illegible]

[illegible] 2014 [illegible]

[illegible] ? [illegible] 2004 [illegible] 2014 [illegible] 2014 [illegible]

[illegible] ? [illegible] 2013-14 [illegible]

[illegible] 80/20 [illegible] 20 [illegible], 80 [illegible] 2014-15 [illegible] 5 [illegible] ? [illegible]

[illegible]

[illegible] 15 [illegible] 2004 [illegible] 2005 [illegible] 9 [illegible], 9 [illegible] 4.28 [illegible]

[illegible] 1947 [illegible] 2014 [illegible] 52 [illegible] 15 [illegible] 50 [illegible] 10 [illegible] 11 [illegible], [illegible]-[illegible] ?

[illegible], [illegible] 2009 [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible].

[illegible], [illegible], [illegible], [illegible]: [illegible], [illegible], [illegible] 80 [illegible] 100 [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible], [illegible]

[redacted]

[redacted] may [redacted] shall [redacted]

[redacted]? [redacted]: [redacted]

[redacted] ?May? [redacted] ?Shell? [redacted] 66 [redacted], 70 [redacted]

[redacted] 51 [redacted], [redacted]

[redacted], [redacted], [redacted], [redacted], [redacted], [redacted], [redacted]-[redacted], [redacted], [redacted], [redacted]? [redacted]-[redacted] 1300 [redacted] 2024-25 [redacted] 4.5 [redacted], [redacted] 4.5 [redacted], [redacted]-[redacted] 49.3 [redacted] 50 [redacted]

[redacted], [redacted] 2004 [redacted] 2014 [redacted], [redacted] 18 [redacted] 18 [redacted], 10 [redacted], [redacted], [redacted], [redacted], [redacted]-[redacted] 50 [redacted], [redacted], [redacted]

[redacted]

[redacted]? [redacted]

[redacted] : [redacted]

[redacted] 30 [redacted], 2026 [redacted] 11 [redacted]

18.00 hrs

The Lok Sabha then adjourned till Eleven of the Clock on Monday, March 30, 2026/ Chaitra 09,1948 (Saka).