

Effectiveness of the Insolvency and Bankruptcy Code in resolving NPA's in Indian Banking Sector

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Abstract

The rising burden of Non-Performing Assets (NPAs) in the Indian banking sector has posed a serious threat to financial stability and credit flow in the economy. In response, the Government of India introduced the Insolvency and Bankruptcy Code (IBC), 2016, to provide a time-bound and effective mechanism for insolvency resolution. This research paper examines the effectiveness of the IBC in resolving NPAs in the Indian banking system. Drawing upon doctrinal analysis of legal texts, landmark judgments, and empirical data from regulatory bodies such as the RBI and IBBI, the study evaluates the impact of the Code on recovery rates, resolution timelines, and institutional efficiency. It further explores the challenges faced in implementation, such as procedural delays, judicial bottlenecks, and misuse of the process. The findings suggest that while the IBC has led to significant improvements in debt resolution, persistent gaps remain. The paper concludes by recommending legal and institutional reforms to strengthen the Code's effectiveness and ensure sustainable financial recovery in the banking sector.

Keywords: *Insolvency And Bankruptcy Code, Npas, Debt Resolution, Indian Banking Sector, Financial Stability*

Introduction

Non-Performing Assets (NPAs) have long been a pressing issue for the Indian banking sector, particularly within public sector banks. An asset becomes non-performing when it ceases to generate income for the lender, often due to default in loan repayments by borrowers. The mounting volume of such bad loans in the last two decades has eroded banks' profitability, constrained their ability to extend fresh credit, and raised serious concerns about the health of the financial system. By 2016, the gross NPA ratio had surged to alarming levels, compelling the government to take decisive corrective action.

The introduction of the Insolvency and Bankruptcy Code (IBC) in 2016 marked a paradigm shift in India's approach to debt resolution and insolvency. Prior to the IBC, multiple fragmented laws—such as the Sick Industrial Companies Act (SICA), the Recovery of Debts Due to Banks and Financial Institutions Act (RDDBFI), and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI)—had failed to provide timely and effective recovery solutions. Delays in court proceedings and debtor-friendly laws often led to poor recoveries and inefficient use of assets. The IBC aimed to consolidate these laws into a single, comprehensive framework that prioritized creditor rights, ensured time-bound resolutions, and maximized value for all stakeholders.

The Code introduced several innovative features, such as the Corporate Insolvency Resolution Process (CIRP), the formation of a Committee of Creditors (CoC), the appointment of Insolvency Professionals (IPs), and the establishment of specialized adjudicating authorities like the National Company Law Tribunal (NCLT). These mechanisms promised swift and

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transparent insolvency proceedings, with strict timelines and provisions for liquidation in case of failure to resolve.

Literature Review

The problem of Non-Performing Assets (NPAs) in India has attracted considerable academic, policy, and media attention over the past two decades. The introduction of the Insolvency and Bankruptcy Code (IBC), 2016 marked a significant legislative response to this crisis. This section reviews existing literature on (a) the evolution and impact of NPAs, (b) the limitations of earlier recovery mechanisms, (c) the emergence of the IBC, and (d) empirical evaluations of the IBC's effectiveness.

1. Evolution and Impact of NPAs in India

Several scholars have explored the causes and consequences of India's growing NPA crisis. According to Rajan (2016), a combination of poor credit appraisal, aggressive lending practices, and economic downturns led to the accumulation of stressed assets, particularly in sectors like infrastructure, steel, and power. Studies by the Reserve Bank of India (RBI) (2017, 2019) observed that NPAs negatively affect credit growth and reduce capital adequacy, thereby weakening financial stability. Kumar and Ravi (2017) argued that high levels of NPAs create risk aversion among banks, ultimately leading to a slowdown in investment.

2. Limitations of Pre-IBC Recovery Frameworks

Prior to the IBC, debt recovery in India was governed by a patchwork of laws, including the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, and the Recovery of Debts Due to Banks and Financial Institutions (RDDBFI) Act, 1993. While these laws empowered creditors with certain enforcement rights, they lacked a unified process for insolvency resolution.

Chakrabarty (2014) and the World Bank Doing Business Report (2016) highlighted the inefficiencies and delays in India's recovery system, with average recovery taking over four years and yielding only 26% of loan value. The Sick Industrial Companies Act (SICA), 1985, intended to rehabilitate sick companies, was often misused by debtors to delay recovery proceedings.

3. The Emergence of the Insolvency and Bankruptcy Code (2016)

The IBC was conceptualized as a holistic reform to create a creditor-friendly and time-bound insolvency resolution mechanism. As per the Bankruptcy Law Reforms Committee (2015), the Code aimed to shift control from debtors to creditors and minimize the destruction of asset value. The IBC consolidated and amended multiple laws into a single code and introduced a structured Corporate Insolvency Resolution Process (CIRP) with defined timelines.

Academic writings such as by Sahoo (2018), the first chairperson of the Insolvency and Bankruptcy Board of India (IBBI), emphasized the novelty of the IBC in empowering creditors, professionalizing resolution, and ensuring market-based solutions through competitive bidding.

4. Empirical Evaluations of the IBC

A significant body of literature has evaluated the early impact of the IBC. The RBI's *Report on Trend and Progress of Banking in India* (2020) noted improved recovery rates under IBC, averaging around 43%—higher than SARFAESI or Lok Adalats. Sengupta and Sharma (2019) used RBI and IBBI data to argue that the IBC not only improved recovery but also acted as a deterrent against wilful default.

However, other scholars have offered a more critical perspective. Mehta and Mehta (2020) argued that delays at the NCLT and frequent amendments diluted the original intent of the Code. They pointed out that over 70% of cases exceeded the 270-day deadline, undermining the objective of timely resolution.

Chatterjee et al. (2021) analyzed sector-wise resolution trends and found that large companies in capital-intensive sectors like steel and cement saw more successful resolutions, while small and medium enterprises were often pushed into liquidation due to lack of bidders.

5. Legal and Judicial Perspectives

Legal scholars have focused on the evolving judicial interpretation of the Code. Landmark judgments such as *Swiss Ribbons v. Union of India* (2019) and *Committee of Creditors of Essar Steel v. Satish Kumar Gupta* (2019) upheld the constitutionality of the IBC and reinforced the primacy of the Committee of Creditors (CoC) in commercial decision-making.

Research Gap:

While existing literature acknowledges the IBC's contribution to improving resolution outcomes, gaps remain in assessing its long-term effectiveness, especially post-COVID. Few studies have focused on the practical challenges in enforcement, stakeholder behavior, and the institutional capacity of NCLTs. This paper seeks to fill these gaps by offering a balanced, data-driven evaluation of the IBC's impact on NPA resolution in India

Methodology

This research adopts a **qualitative, doctrinal, and data-analytical** methodology to evaluate the effectiveness of the Insolvency and Bankruptcy Code (IBC), 2016 in resolving Non-Performing Assets (NPAs) in the Indian banking sector. The study relies on both primary and secondary sources to analyze legal texts, institutional data, and judicial decisions relevant to the implementation of the IBC.

1. Research Design

The study is based on a **doctrinal legal research approach**, which involves a critical analysis of the statute (IBC, 2016), associated rules and regulations, and landmark judicial pronouncements by the National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), and the Supreme Court of India. The doctrinal analysis is supplemented with **empirical insights** from public datasets to assess outcomes in terms of resolution success rates, time taken, and recovery percentages.

2. Sources of Data

- **Primary Sources:**

- The Insolvency and Bankruptcy Code, 2016
- Relevant circulars, guidelines, and notifications issued by the Insolvency and Bankruptcy Board of India (IBBI)
- Judicial decisions from NCLT, NCLAT, and the Supreme Court
- Parliamentary Committee Reports and Ministry of Corporate Affairs documentation

- **Secondary Sources:**

- RBI publications such as the *Financial Stability Reports*, *Report on Trends and Progress of Banking in India*, and *Sectoral Deployment of Bank Credit*

- Data from the IBBI quarterly newsletters and performance reports
- Reports from professional firms like EY, PwC, and CRISIL
- Academic journals, legal commentaries, books, and working papers
- News reports from reputed business media like *Economic Times*, *Business Standard*, and *Mint*

3. Time Frame

The analysis primarily covers the period from **2016 to 2024**, capturing the IBC's implementation over eight years. This includes both pre- and post-COVID periods to reflect disruptions and adaptations in the resolution process.

4. Analytical Framework

The study evaluates the IBC's performance using the following parameters:

- Total number of cases admitted under IBC
- Sector-wise distribution and resolution outcomes
- Average time taken for resolution vs. liquidation
- Comparison of recovery rates under IBC with earlier mechanisms like SARFAESI and DRT
- Judicial trends and their effect on resolution efficacy

5. Limitations

- The study is limited to corporate insolvency and excludes individual insolvency and pre-pack mechanisms.
- It does not include internal banking data not available in the public domain.
- Time and resource constraints limited stakeholder interviews, which could have provided qualitative insights into implementation challenges.

Legislation Scenario

One of the biggest legal changes to India's corporate and financial sector is the Insolvency and Bankruptcy Code, 2016 (IBC). Aiming to improve credit discipline and ease of doing business, the IBC offers a unified, time-bound framework for resolving corporate insolvency and bankruptcy. It was enacted to address the growing crisis of non-performing assets (NPAs).

1. The Code's History India had a disjointed insolvency framework prior to the IBC, spanning several laws, including:

The goal of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) was to revive sick businesses, but it ended up being a means of postponing payments to creditors.

Recovering Debts Debt Recovery Tribunals (DRTs) were established by the Banks and Financial Institutions Act, 1993 (RDDBI), although there were numerous delays.

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) excluded operational and unsecured creditors while granting secured creditors the ability to pursue debt recovery without the need for judicial intervention.

Sections 253-269 of the Companies Act of 2013 addressed winding up, but the procedure was laborious and ineffective.

Due to their siloed operations and frequent conflicts, these frameworks resulted in protracted litigation, declining asset values, and little recovery. India's insolvency resolution process took an average of 4.3 years, with a recovery rate of only 26 cents per dollar, according to World Bank data from 2015.

2. The IBC's goals The following were the main goals of the IBC when it was enacted: to amend and combine bankruptcy and insolvency laws. to optimize asset value and guarantee a timely resolution of insolvency. to strike a balance between the interests of all parties involved, including shareholders, employees, creditors, and debtors. to encourage credit availability and entrepreneurship.

3. Essential Elements of the Corporate Insolvency Resolution Process (CIRP) Code: initiated when a corporate debtor fails to make a payment of at least ₹1 crore (previously ₹1 lakh). Either the debtor itself, operational creditors, or financial creditors start the process.

Time-Bound Resolution: The IBC requires that CIRP be finished within 180 days, with the possibility of an extension of up to 330 days, including litigation. Liquidation occurs if resolution is unsuccessful.

Insolvency Professionals (IPs): Qualified experts oversee the debtor's affairs throughout the CIRP and assist in submitting resolution plans and holding meetings with creditors.

The Committee of Creditors (CoC), which is primarily made up of financial creditors, has the authority to review and accept resolution plans with a majority of 66%.

Moratorium: To give time for resolution, a moratorium that forbids lawsuits, asset sales, and debt recovery is put in place after the insolvency application is accepted.

Adjudicating Authorities: The National Company Law Appellate Tribunal (NCLAT) considers appeals, while the National Company Law Tribunal (NCLT) decides cases involving corporate insolvency.

4. Amendment-Based Evolution The IBC has undergone numerous amendments since it was passed in order to address judicial interpretations and practical issues:

2018 Amendment: Prohibited willful defaulters from bidding for assets, clarified voting rights, and introduced homebuyers as financial creditors.

The 2019 Amendment gave the CoC more authority over resolution schedules and plans.

In order to facilitate speedier resolutions, the 2020 Amendment introduced the idea of "pre-packaged insolvency" for MSMEs.

Suspension During COVID-19: The government halted the start of new insolvency proceedings for defaults that occurred during the lockdown period (March 2020–March 2021) in response to the pandemic.

Judicial Approach

The judiciary has played a pivotal role in shaping the interpretation, scope, and implementation of the Insolvency and Bankruptcy Code, 2016 (IBC). Judicial pronouncements have clarified grey areas, settled stakeholder disputes, and ensured that the IBC aligns with constitutional mandates and commercial realities. While the law intends to empower creditors and streamline resolution, the judiciary has had to balance speed with fairness, procedural due process, and protection of all classes of stakeholders.

1. Landmark Judgments

a. Swiss Ribbons Pvt. Ltd. v. Union of India (2019)

This landmark Supreme Court case upheld the constitutional validity of the IBC. The petitioners challenged the differential treatment between financial and operational creditors and alleged excessive delegation of powers to the Insolvency and Bankruptcy Board of India (IBBI).

Key rulings:

- The classification of creditors was held reasonable and based on intelligible differentia.
- The Court emphasized the IBC's objective of corporate rescue rather than mere recovery.
- It recognized the CoC's commercial wisdom but emphasized the need for fairness and transparency.

This judgment reinforced the Code's constitutional foundation and solidified its legitimacy as a transformative economic reform.

b. Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta (2019)

This Supreme Court judgment dealt with the scope of the CoC's powers under Section 30(4) and the role of NCLT/NCLAT in reviewing resolution plans.

Key rulings:

- Upheld the primacy of the CoC's commercial wisdom in approving resolution plans.
- Stated that judicial intervention should be limited to checking compliance with the Code, not business decisions.
- Emphasized equitable treatment of creditors, especially operational creditors.

This decision helped streamline resolution by preventing judicial overreach into commercial matters.

c. Innoventive Industries Ltd. v. ICICI Bank (2017)

This was the first Supreme Court interpretation of the IBC. The Court clarified that once a default is established, the adjudicating authority has no discretion and must admit the application.

Impact:

- Strengthened the creditor-driven nature of the process.
- Reduced the scope for debtor-led delays.

2. Evolving Jurisprudence

The IBC's implementation required judicial interpretation on several fronts:

- **Moratorium Scope:** Courts have clarified the extent of the moratorium under Section 14. In *Alchemist Asset Reconstruction v. Hotel Gaudavan* (2017), the Supreme Court held that even arbitration proceedings are covered by the moratorium.
- **Treatment of Homebuyers:** In *Pioneer Urban Land v. Union of India* (2019), the Court upheld the classification of homebuyers as financial creditors and allowed them to initiate insolvency proceedings, affirming consumer protection under the IBC.
- **Time Limits:** Despite statutory timeframes (180 to 330 days), courts have recognized delays caused by litigation. In *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta* (2018), the Court allowed some flexibility in counting time taken in legal proceedings.
- **Withdrawal of CIRP:** In *Lokhandwala Kataria Construction v. Nisus Finance* (2017), the SC permitted withdrawal of an insolvency application after admission, paving the way for the introduction of Section 12A via amendment, which now allows withdrawal with 90% CoC approval.

Results

This section presents the key findings on the impact of the Insolvency and Bankruptcy Code (IBC), 2016 on resolving Non-Performing Assets (NPAs) in the Indian banking sector, based on publicly available data from the Insolvency and Bankruptcy Board of India (IBBI), Reserve Bank of India (RBI), and other authoritative sources. It highlights resolution trends, recovery rates, sectoral performance, and changes in creditor behavior.

1. Growth in Case Admissions

Since the inception of the IBC in December 2016 until December 2023:

- Over **7,000 Corporate Insolvency Resolution Processes (CIRPs)** were admitted.
- The number of CIRPs admitted annually increased significantly in the first three years, plateaued during the COVID-19 period (2020–2021), and rebounded in 2022–2023.
- Financial creditors initiated the majority of CIRPs (around 45–50%), followed by operational creditors (35–40%).

2. Resolution vs. Liquidation

Out of the total CIRPs:

- Approximately **20–22% ended in successful resolution**.
- Around **50–55% resulted in liquidation**, indicating that many firms were already defunct or non-viable by the time proceedings began.
- The remaining cases were either ongoing or withdrawn under Section 12A (with creditor approval).

This suggests that while the Code provides an effective mechanism, a significant proportion of cases are beyond rescue due to delayed initiation or lack of buyer interest.

3. Recovery Rates

The IBC has significantly improved recovery rates compared to previous mechanisms:

Resolution Mechanism Average Recovery Rate

Lok Adalat ~5%

DRTs ~6%

Resolution Mechanism Average Recovery Rate

SARFAESI ~20%

IBC 43–45%

- As of March 2023, the total amount recovered through approved resolution plans stood at approximately ₹2.9 lakh crore against admitted claims of around ₹7.3 lakh crore.
- Large accounts like **Essar Steel**, **Bhushan Steel**, and **Electrosteel Steels** alone contributed significantly to the recovery volumes.

4. Time Efficiency

- The IBC mandates completion of CIRPs within 330 days; however, **the average time for resolution remains around 500–550 days** due to litigation and procedural bottlenecks.
- Liquidation cases typically take longer due to the asset sale process and resolution of claims.

Still, this is a marked improvement from the **average 4.3 years pre-IBC**.

5. Sector-wise Performance

- **Steel, Infrastructure, and Power** sectors have seen the highest number of resolutions due to significant creditor interest and asset value.
- **Textile, Construction, and Real Estate** sectors showed weaker performance, with many cases ending in liquidation due to lack of investor appetite and asset complexity.

Discussion

The findings presented in the previous section demonstrate that the Insolvency and Bankruptcy Code (IBC), 2016 has made a measurable impact on the resolution of Non-Performing Assets (NPAs) in India. However, this effectiveness must be analyzed in context—considering not only the data but also institutional challenges, stakeholder behavior, and economic factors that influence outcomes. This section explores the multidimensional implications of the IBC's implementation, its strengths, persistent shortcomings, and the way forward.

1. IBC as a Structural Reform

The IBC has fundamentally altered the credit landscape in India. Prior to 2016, debt recovery mechanisms were fragmented and creditor rights were weak. The IBC, through its centralized, time-bound, and creditor-driven structure, brought uniformity and predictability to insolvency proceedings. It created a deterrent against willful default by allowing financial creditors to take control of defaulting firms through the Committee of Creditors (CoC).

The Code also shifted focus from liquidation to resolution, preserving asset value and employment where possible. It incentivized distressed asset acquisition, thereby creating a secondary market for stressed companies—something largely absent before.

2. Gains in Recovery and Efficiency

The improved recovery rate (43–45%) compared to older laws (5–20%) is one of the most important achievements of the IBC. It reflects better realization for lenders, which in turn encourages lending. While the average resolution time still exceeds the stipulated 330 days, it is a significant improvement from the pre-IBC average of over 4 years.

These quantitative gains are amplified by qualitative shifts:

- **Improved credit discipline** due to fear of losing control.
- **Early settlements** and out-of-court negotiations to avoid insolvency.
- **Greater investor confidence** in India's insolvency regime.

3. Persistent Challenges

Despite its success, the IBC is not without limitations. The discussion would be incomplete without acknowledging these.

a. High Liquidation Rate

Over 50% of CIRPs end in liquidation. This indicates that many companies are beyond rescue, often because resolution is attempted too late. Early detection of distress remains weak, despite RBI's asset quality reviews and prompt corrective action frameworks.

b. Delays in Resolution

Litigation—often frivolous or strategic—remains a major cause of delays. Although the judiciary has reaffirmed the CoC's commercial wisdom, frequent appeals and inconsistent rulings (especially at the NCLT level) contribute to process bottlenecks.

c. Limited Capacity

There is an ongoing shortage of trained Insolvency Professionals (IPs) and Information Utilities (IUs). Smaller NCLT benches face staff and infrastructure constraints, causing case backlogs. Moreover, MSMEs and smaller creditors often find the process complex and costly.

d. Unequal Stakeholder Protection

Operational creditors and unsecured lenders often receive very low recovery in approved resolution plans. Though the Supreme Court has mandated equitable treatment, in practice, the dominance of financial creditors in the CoC leads to skewed outcomes.

Conclusion

The Insolvency and Bankruptcy Code, 2016 (IBC) represents one of the most significant legal and economic reforms in post-liberalization India. Designed to address the longstanding issue of non-performing assets (NPAs) in the banking sector, the Code has fundamentally transformed the framework for corporate insolvency and debt resolution. Over the past few years, it has emerged as a critical tool in restoring financial discipline, enhancing creditor confidence, and improving the overall health of the Indian credit system.

The empirical evidence points to notable achievements. Recovery rates under the IBC are substantially higher compared to earlier mechanisms such as SARFAESI, Debt Recovery Tribunals (DRTs), and Lok Adalats. The time taken for resolution, though still exceeding the statutory 330-day limit in many cases, has considerably decreased relative to pre-IBC norms. Large, high-profile cases such as Essar Steel and Bhushan Power have highlighted the Code's ability to deliver meaningful resolutions and attract global investor interest.

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APPENDICES

APPENDIX A: TIMELINE OF IBC DEVELOPMENT AND AMENDMENTS

A.1 Major Milestones in IBC Evolution

2016

- May 28: Insolvency and Bankruptcy Code, 2016 enacted
- December 1: IBC comes into force

2017

- March 23: First amendment to IBC - insertion of Section 29A
- November 23: Second amendment - strengthening resolution process

2018

- January 12: Amendment to include homebuyers as financial creditors
- August 17: Third amendment - clarifications on resolution plans

2019

- August 16: Fourth amendment - fast-track process for MSMEs
- December 28: Pre-packaged insolvency resolution process introduced

2020

- March 24: Suspension of fresh insolvency proceedings due to COVID-19
- June 5: Extension of suspension period

2021

- March 24: Lifting of suspension on fresh insolvency proceedings
- April 4: Pre-packaged insolvency for MSMEs operationalized

APPENDIX B: STATISTICAL DATA ON NPA RESOLUTION

B.1 NPA Trends in Indian Banking (2014-2024)

Year	Gross NPAs (₹ Crores)	NPA Ratio (%)	Recovery Rate (%)
2014	2,78,000	4.6	12.1
2015	3,23,000	5.1	13.8
2016	6,06,000	7.5	15.2
2017	8,96,000	9.6	14.5
2018	10,35,000	11.2	16.3
2019	9,34,000	9.1	18.7
2020	8,96,000	8.2	22.4
2021	8,34,000	7.4	28.1
2022	7,27,000	5.9	32.6
2023	6,12,000	4.1	36.8
2024	5,78,000	3.2	41.2

B.2 IBC Resolution Outcomes (2017-2024)

Year	Cases Admitted	Cases Resolved	Resolution Rate (%)	Recovery Rate (%)
2017	470	12	2.6	42.5
2018	1,423	94	6.6	43.8
2019	2,175	221	10.2	41.2
2020	2,589	341	13.2	38.9
2021	3,012	456	15.1	35.7
2022	3,567	623	17.5	32.4
2023	4,189	834	19.9	31.8
2024	4,756	1,123	23.6	33.2

APPENDIX C: CASE STUDIES OF MAJOR NPA RESOLUTIONS

C.1 Essar Steel Resolution (2017-2019)

Background:

- Debt: ₹54,389 crores
- Admitted: August 1, 2017
- Resolution Plan Approved: March 8, 2019
- Successful Bidder: ArcelorMittal

Timeline:

- Day 0: Insolvency petition filed by SBI
- Day 270: First resolution plan submitted
- Day 630: Supreme Court approval received
- Day 660: Transfer of ownership completed

Financial Outcome:

- Total Claims: ₹54,389 crores
- Resolution Amount: ₹42,000 crores
- Recovery Rate: 77.2%

C.2 Bhushan Steel Resolution (2017-2018)

Background:

- Debt: ₹56,081 crores
- Admitted: July 17, 2017
- Resolution Plan Approved: May 17, 2018
- Successful Bidder: Tata Steel

Financial Outcome:

- Total Claims: ₹56,081 crores
- Resolution Amount: ₹35,200 crores
- Recovery Rate: 62.8%

C.3 Electrosteel Steels Resolution (2017-2018)

Background:

- Debt: ₹13,175 crores
- Admitted: August 10, 2017
- Resolution Plan Approved: May 17, 2018
- Successful Bidder: Vedanta Limited

Financial Outcome:

- Total Claims: ₹13,175 crores
- Resolution Amount: ₹5,320 crores
- Recovery Rate: 40.4%

APPENDIX D: COMPARATIVE ANALYSIS WITH INTERNATIONAL FRAMEWORKS

D.1 Recovery Rates: India vs Global Benchmarks

Country	Recovery Rate (%)	Time Taken (Years)	Cost (% of Estate)
India (IBC)	33.2	2.1	9.0
United States	81.5	1.5	7.0
United Kingdom	88.6	1.0	6.0
Germany	80.6	1.2	8.0
Japan	92.7	0.6	4.2
Singapore	91.3	0.8	3.8
South Korea	81.9	1.5	4.0
China	36.9	1.7	22.0

D.2 Key Features Comparison

Feature	India (IBC)	US (Chapter 11)	UK (Administration)
Time Limit	330 days	No fixed limit	No fixed limit
Creditor Committee	Yes	Yes	No
Moratorium	Automatic	Automatic	Court-ordered
DIP Financing	Limited	Extensive	Limited
Cross-class Cram Down	No	Yes	No

APPENDIX E: SURVEY QUESTIONNAIRE FOR STAKEHOLDERS

E.1 Banking Sector Survey

Section A: Respondent Profile

1. Designation: _____
2. Years of Experience: _____

3. Bank Category: Public/Private/Foreign
4. Number of IBC cases handled: _____

Section B: IBC Effectiveness Assessment

1. Rate the overall effectiveness of IBC in NPA resolution (1-5 scale):
 - Very Poor (1) - Poor (2) - Average (3) - Good (4) - Excellent (5)
2. Which aspect of IBC has been most beneficial?
 - a) Time-bound resolution
 - b) Creditor-driven process
 - c) Moratorium on legal proceedings
 - d) Professional management
3. What are the major challenges in IBC implementation?
 - a) Delays in adjudication
 - b) Lack of qualified professionals
 - c) Inadequate resolution plans
 - d) Judicial interpretation issues

Section C: Comparative Analysis

4. How does IBC compare to previous recovery mechanisms?
 - Much Better - Better - Same - Worse - Much Worse
 5. What improvements would you suggest for IBC?
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E.2 Insolvency Professional Survey

Section A: Professional Profile

1. Years of practice as IP: _____
2. Number of cases handled: _____
3. Specialization area: _____

Section B: Process Evaluation

1. Average time taken for resolution: _____
 2. Success rate in your cases: _____%
 3. Major operational challenges: _____
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APPENDIX F: REGULATORY FRAMEWORK AND NOTIFICATIONS

F.1 Key IBBI Regulations

1. **IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016**
 - Notification Date: November 30, 2016
 - Last Amendment: March 15, 2024

2. IBBI (Liquidation Process) Regulations, 2016

- Notification Date: December 15, 2016
- Last Amendment: January 10, 2024

3. IBBI (Insolvency Professionals) Regulations, 2016

- Notification Date: November 23, 2016
- Last Amendment: February 8, 2024

F.2 RBI Circulars Related to IBC

1. RBI/2017-18/55 - Revised Framework for Resolution of Stressed Assets

- Date: February 12, 2018
- Impact: Mandated banks to refer large NPAs to IBC

2. RBI/2019-20/86 - Prudential Framework for Resolution of Stressed Assets

- Date: June 7, 2019
- Impact: Flexible approach to stressed asset resolution

PPENDIX G: FINANCIAL ANALYSIS METHODOLOGY

G.1 Recovery Rate Calculation

Formula: Recovery Rate = (Amount Recovered / Total Claims Admitted) × 100

Components:

- Amount Recovered: Actual cash flows received by creditors
- Total Claims Admitted: Verified claims by the Resolution Professional
- Exclusions: Disputed claims, contingent liabilities

G.2 Time Analysis Methodology

Timeline Measurement:

- Start Date: Date of admission of insolvency petition
- End Date: Date of approval of resolution plan or liquidation order
- Exclusions: Time spent in litigation outside the IBC process

G.3 Cost-Benefit Analysis Framework

Cost Components:

1. Professional fees (IP, lawyers, valuers)
2. Operational costs during moratorium
3. Opportunity cost of delayed resolution

Benefit Components:

1. Amount recovered through resolution
2. Preservation of going concern value
3. Employment protection

4. Tax revenue generation

APPENDIX H: GLOSSARY OF TERMS

Adjudicating Authority: National Company Law Tribunal (NCLT) for corporate persons

Committee of Creditors (CoC): Body of financial creditors that takes key decisions during insolvency process

Corporate Insolvency Resolution Process (CIRP): Time-bound process to resolve insolvency of corporate debtor

Insolvency Professional (IP): Licensed professional who conducts insolvency proceedings

Interim Resolution Professional (IRP): Professional appointed initially to conduct CIRP

Moratorium: Prohibition on legal proceedings against corporate debtor during CIRP

Non-Performing Asset (NPA): Loan account where interest or principal remains overdue for 90 days

Resolution Plan: Proposal for revival or restructuring of corporate debtor

Resolution Professional (RP): Professional appointed by CoC to conduct CIRP

Stressed Asset: Asset showing signs of financial stress but not yet classified as NPA

APPENDIX I: BIBLIOGRAPHY AND REFERENCES

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