

Insolvency and Bankruptcy Code, 2016

IBC evolution and journey
over last nine years

January 2026

4096.56

3010.33

4333.55

EY

■ ■ ■
The better the question.
The better the answer.
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Nine Years of IBC: An ecosystem has been created, leading to a paradigm shift in the credit culture of India



Nine years since its enactment as on 1st Dec 2016, IBC has emerged as a cornerstone of India's financial reform, transforming its credit culture, with sharp rise in early settlements in over 30,000 cases



Till 30 Sep'25, IBBI reported that 8,659 entities have been admitted into insolvency, out of which 6,761 entities have achieved closure, including 1,300 successful resolution, 2,565 settlements (including withdrawn u/s 12A of IBC) and 2,896 transferred to liquidation.



Further, timely business revival supported by strong post-resolution performance (+76% revenue, +80% liquidity, ~2x workforce, +130% CAPEX), and multi-decadal low gross NPAs reflect improved financial health and fresh credit infusion capabilities.



Despite progress, structural challenges persist, including prolonged resolution timelines (~597 days as against mandated 330 days), value erosion due to delays (~15% beyond 330 days; and further ~5% beyond 600 days).



The upcoming IBC Amendment Bill, 2025 aims to unlock the next phase of India's insolvency reforms, introducing creditor-led, group and cross-border insolvency frameworks. These changes are expected to accelerate resolutions, maximize value, and further modernize India's insolvency architecture.



In this document we have analyzed various trends in India's insolvency space for the last 9-year period, basis public information, such as IBBI newsletters, annual reports, IIM Ahmedabad study and other public documents

Over nine years, IBC has created a Resolution Framework enabling value unlock and business revival

30,000+

...corporate debtors resolved before admission under the IBC

INR 12 lakh crore

...approx. aggregate debt resolved under IBC via submission of resolution plans for 1,300 cases

63

...sanctioned NCLT judges (judicial + technical) in 16 benches spread across India

6,761*

...entities achieved closure (including transfer for liquidation) under the IBC out of 8,659 entities admitted

2.58%

...gross NPA of banks as of 31 March 25, reached a multi-decadal low as per RBI report and MoF publication

4,576

...Insolvency Professionals (IPs) registered under IBBI to act as resolution professional / liquidators

*Excluding FiSPs and 1 CD that moved directly from BIFR to resolution

Contribution of the IBC to the Indian economy:



Improved bank recovery as compared to erstwhile mechanisms such as DRTs, SARFAESI, Lok Adalat, etc.



Enhanced investor confidence and supported in development of private credit market.



Reduction in NPAs and faster resolution have improved banks' balance sheets, enhancing fresh capital infusion capabilities in the economy.

Source: IBBI quarterly newsletters and annual reports, IBBI database, EY Insights, public information

Out of 8,659 cases admitted into Insolvency, 6,761 cases are closed by way of resolution, withdrawal/settlement or liquidation

8,659

...entities have been admitted for the Corporate Insolvency Resolution Process ('CIRP') under the IBC

INR 4 lakh crore

...approx. resolution value realized by creditors from 1,300 cases resolved under IBC since inception

171%

...of the liquidation value of CD realized by creditors from 1,300 cases resolved

1,300*

...resolution plans received for companies admitted CIRPs

597 days^

...time elapsed between Insolvency Commencement Date ('ICD') and plan approval by NCLT

98%

...of the fair value of CD realized by creditors via resolution plans in 1,300 cases

*Excluding FISPs and 1 CD that moved directly from BIFR to resolution

^Excluding excluded time approved by Adjudicating Authority as per IBC

Turnaround and revival under IBC:



Improvement in post-resolution performance of companies, with ~76% revenue growth and a two-times increase in workforce within three years of resolution



Higher capital infusion in companies by way of CAPEX (+130%) and liquidity (+80%), post successful resolution

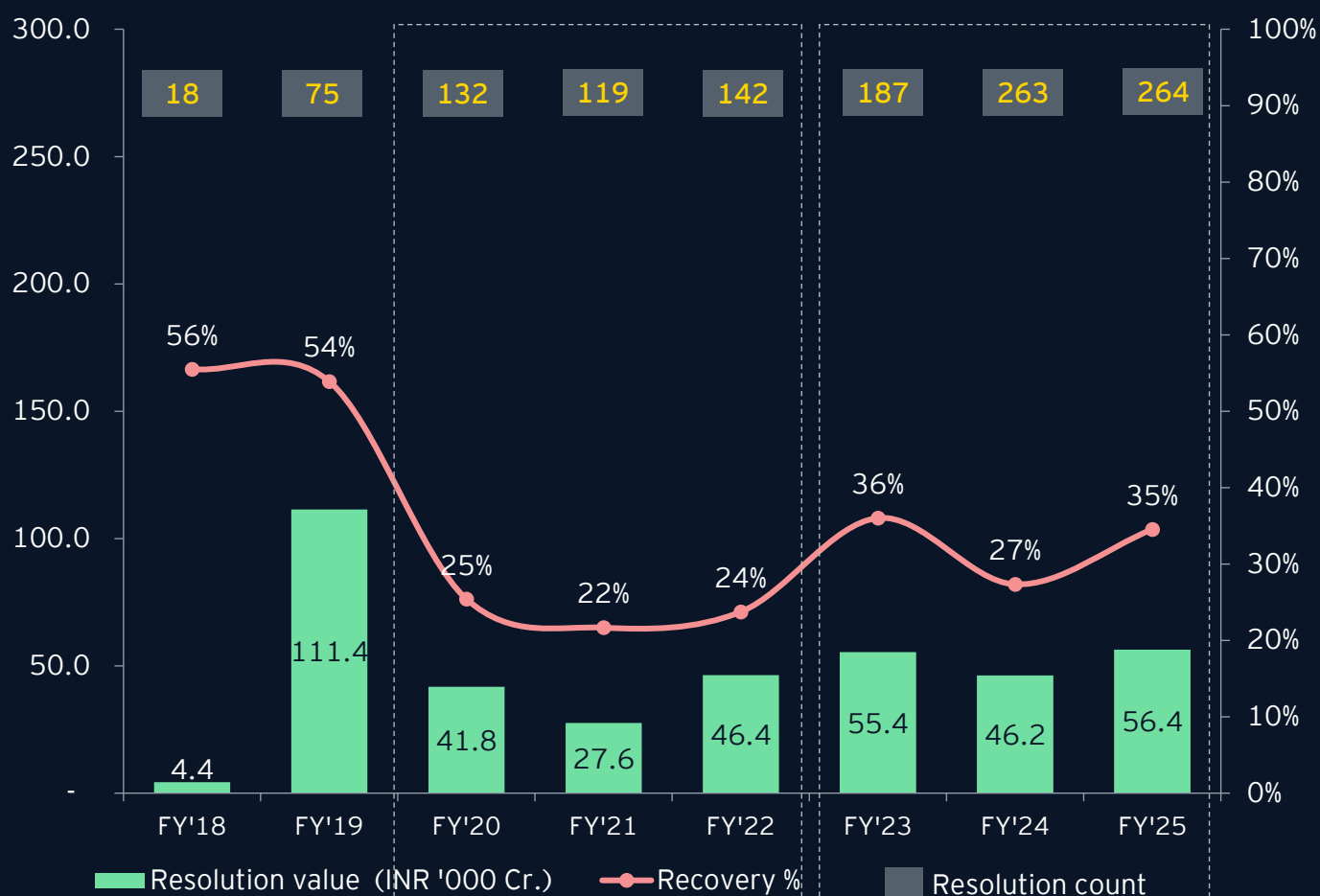


Improvement in market valuation of resolved listed entities by ~three times from pre-resolution value to ~US\$69 billion

Source: IBBI quarterly newsletters and annual reports, IIM Ahmedabad Study, EY Insights

Resolution outcome in terms of resolution value, count and recovery % improved in last 3 years (as compared to Covid period)






YoY resolution count, claim recovery % and amount realized



Average annual resolution count	131	238
Average annual recovery %	~23%	~32%
Average annual resolution amount	INR 38,852 crore	INR 52,651 crore

Source: IBBI quarterly newsletters and annual reports, IBBI resolution update, EY Insights

While cases resolved within 330 days are limited; the recovery % in such cases is higher

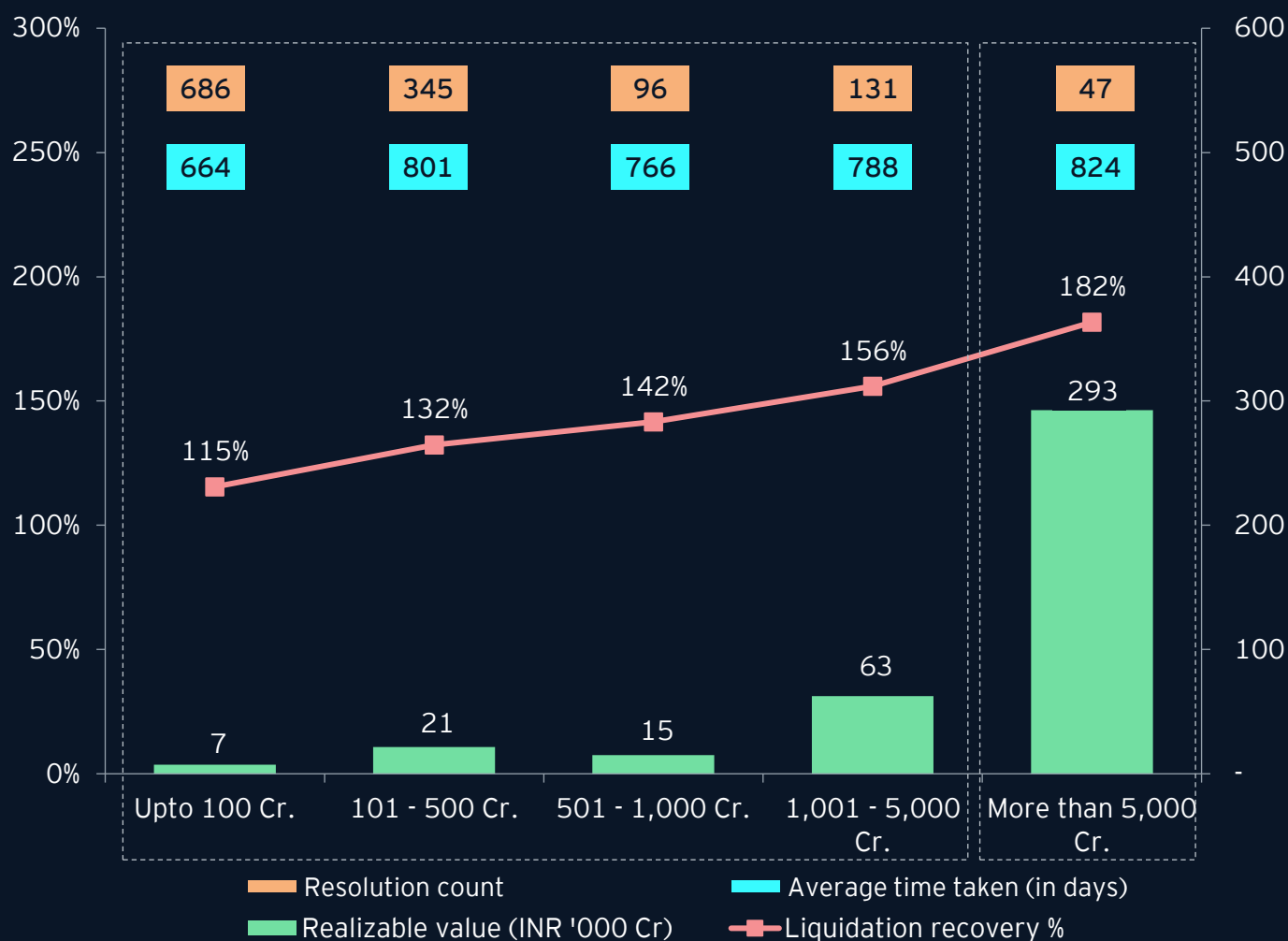
	Up to 330 days	331 - 600 days	More than 600 days
 Resolution count	170	480	655
 Average claim size	INR 712 crore	INR 882 crore	INR 1,033 crore
 Realization amount	INR 59,416 crore	INR 140,239 crore	INR 199,063 crore
 Creditor realization %	49%	33% ▼	29% ▼
 Liquidation value realization %	221%	169% ▼	160% ▼

Deterioration of core assets and lengthy litigation erode value for Corporate Debtors (CDs) during the CIR process. The negative correlation between resolution value and timelines shows that faster resolution is crucial to strengthen stakeholder recovery and preserve entity value.



Source: IBBI quarterly newsletters and annual reports, IBBI resolution update, EY Insights

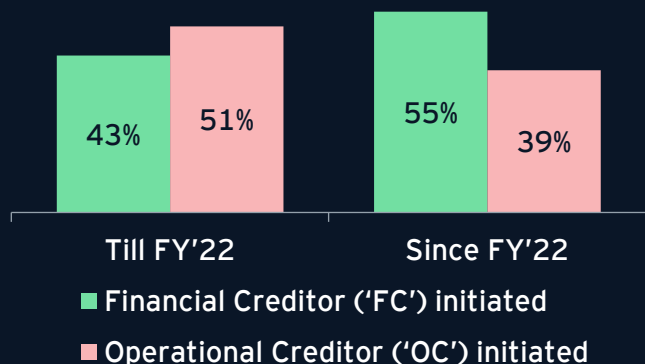
47 cases with more than INR 5,000 crore claim contributed INR 2.9 lakh crore out of total resolution recovery of INR 4 lakh crore



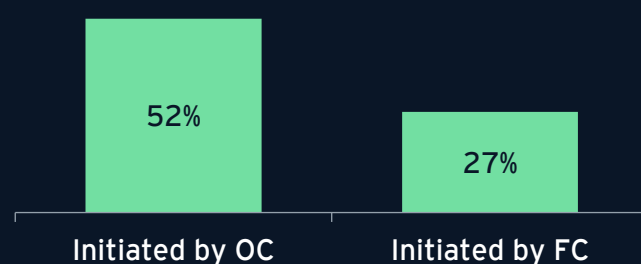
Larger cases tend to take longer to resolve under CIRP; However, they also deliver higher value realization as a percentage of liquidation value. This indicates that **differentiated mechanisms** may help achieve quicker and higher-value resolutions for large cases.

Distinct closure patterns and value dynamics for financial and operational creditor initiated CIRP proceedings

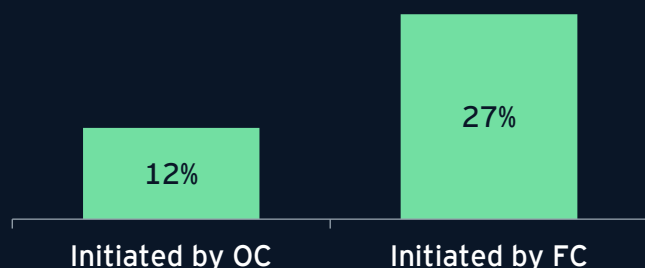
CDs admitted for CIRPs



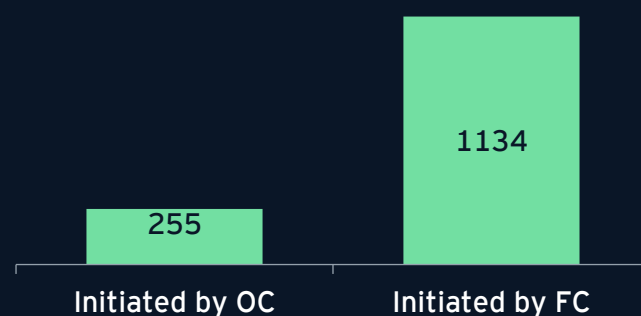
Cases settled/withdrawn



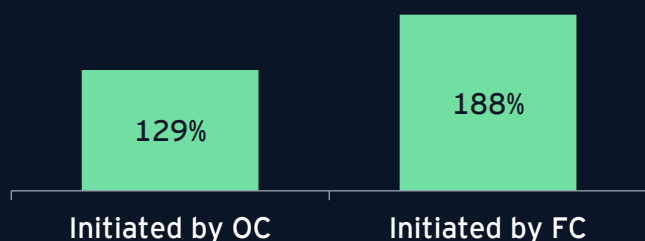
Cases yielding resolution plan



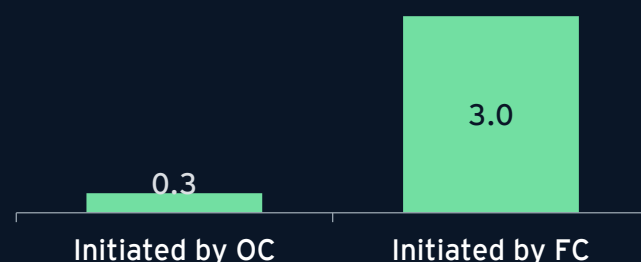
Average claim size (INR Cr.)



Realization % of liquidation value



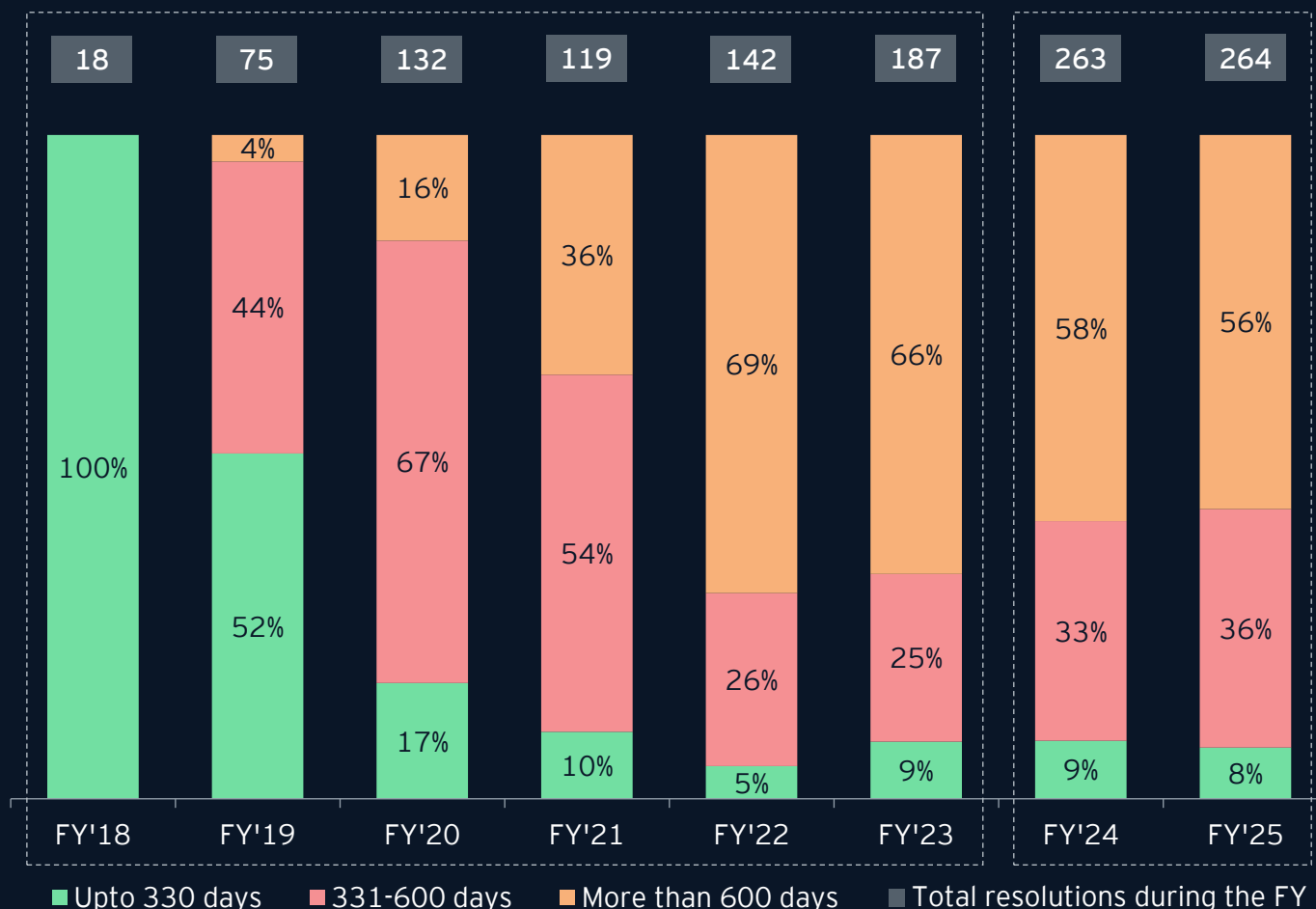
Amount realized (INR lac Cr.)



Higher resolutions, larger claim sizes, and better recoveries are observed in FC-initiated insolvency proceedings, while OC-initiated cases are predominantly resolved through settlements (withdrawn under Section 12A). Is there a need to evaluate a distinct resolution mechanisms for FC initiated cases?

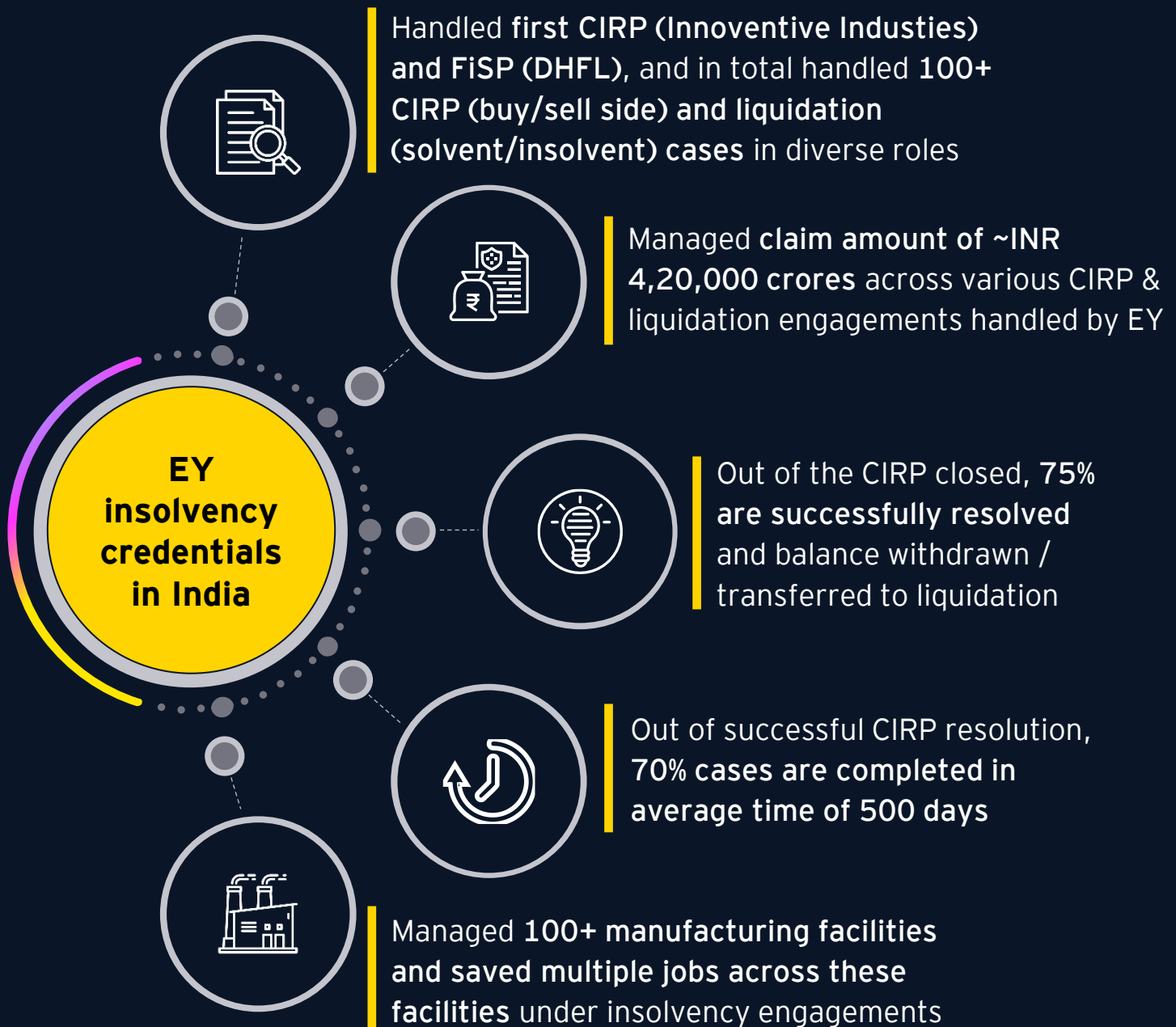
Improvement in number of cases resolved annually; however, elongated timelines remain a challenge

YoY resolved cases and timeline bracket



- A steady rise in yearly resolutions since inception, coupled with **longer timelines**, has contributed to **value erosion and delayed recovery** for stakeholders.
- From FY24 onwards, **marginal improvement was observed in the resolution timeline** with a higher % of cases resolved within 600 days, however only a handful of cases resolved within 330 days, i.e., process mandated timeline as per IBC.

EY has extensive experience of 9+ years in the insolvency space with 200+ dedicated professionals



Marquee cases

AMW Autocomponent	AMW Motors	ARGL Limited
Amtek Auto	Asian Color Coated	Aviom
Calyx Pharmaceuticals	Castex Technologies	Delhi Baroda Road Carrier
DHFL	Dignity Buildcon	Harvest Hotels
Hiranmeye Energy	HNG	Hotel Horizon
Indian Steel	Innoventive Industries	KAIL Limited
Kohinoor CTNL	Lavasa Corporation	Mandhana Industries
Meenakshi Energy	Metalyt Forgings	Mittal Corp
Nirmal Lifestyle	Opto Infrastructure	Orchid Pharma
Parekh Aluminix	Privilege Industries	Rajesh Hotels
Ricoh India	Ruchi Soya	Sarga Hotels
SevenHills Healthcare	Sharon Bio-Medicine	Shipra Estates
SICAL Logistics	Siti Networks	SREI
SU Toll Road	Supertech ORB	Tarun Realty
Trimax IT Infrastructure	Ushdev Angitech	VS Lignite
Vadraj Cement	Viceroy Hotels	Vidarbha

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EYIN2601-010

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