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**HOW TO DO PROCESS REFORMS?:
CASE STUDY OF VOLUNTARY
LIQUIDATION IN INDIA**

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How To Do Process Reforms?: Case Study of Voluntary Liquidation in India

EXECUTIVE SUMMARY

Large number of process reforms have been done in recent years- including simplification of administrative processes, changes in regulations and legislations, removing obsolete laws, closure of outdated government entities and so on. Even if these changes appear small in many cases, they have led to significant efficiency gains in the overall system. In this paper, we illustrate the impact of process reforms in the area of voluntary liquidation of companies.

The purpose of this paper is to provide a case study of how a problem is identified, solved and the outcome measured. The hope is that such a systematic study will lead to institutionalization of such reforms.

The bulk of companies that shut down worldwide every year are voluntary, rather than due to involuntary causes such as insolvency or bankruptcy. In India, there are two main routes for voluntary liquidation. One is under Section 248 of the Companies Act, 2013 and the second is Section 59 of the Insolvency and Bankruptcy Code. For both, the process was very complicated and time-consuming until very recently as was pointed out in the Government of India's Economic Survey 2020-21 and 2021-22. The process reforms carried out since then have completely changed the outcome.

The companies could apply for voluntary liquidation to the Registrar of Companies (RoCs) under Section 248(2) after extinguishing all assets and liabilities, provided they do not have any litigation. Despite this, it used to take 499 days on an average to close a company until 2021-22. Upon investigation, it was found that there were various obstacles in the system including long time taken by RoCs to publish notices of closure in the newspaper, no fixed timelines for each step, multiple demands of document resubmissions, delays in getting response from external departments and regulators. We found that among these, most of the delay was due to notices not being published in newspapers and gazette on time. Note that this was possible because the process had been fully mapped.

So, to begin with, the key issue was resolved- with notices being published weekly or fortnightly. This itself reduced the average time of disposal of applications from 499 days in 2021-22 to 195 days by 2022-23.

Next, Ministry of Corporate Affairs set up a Centralized Processing for Accelerated Corporate Exit (C-PACE)- the exclusive authority responsible for handling the entire strike-off process. This is a transparent system with no physical interface with C-PACE or RoCs. Under this system, timelines have been fixed for each step, nodal officers from each department have been identified, number of resubmission requests by RoCs has been limited.

The results of the revised process have been dramatic. The average time taken for striking off of cases filed under this system reduced to only 90 days in 2023-24 and further to 60 days in 2024-25 (until January).

This is even better than what was envisaged when C-PACE was announced, which was getting the processing time to under 6 months.

Similarly, the time taken under Section 59 of IBC was also much longer than stipulated. Although the numbers are small, this route is important as it deals with large cases. As on December 2021, 1115 cases had been filed. Out of the total, final reports had been received for 49% cases (546), but the final order of dissolution was passed for only 25% cases. Out of the ongoing cases- 35% were on for more than 2 years and another 18% were ongoing for one to two years.

The delays were due to various reasons: getting No Objection Certificate (NoCs) from various departments like Income Tax, lack of SoPs to grant NoCs, varying requirements by different NCLT benches, opening of liquidation bank accounts and so on. The most important issue which used to prolong the process was the practise of seeking a NOC from the various departments by liquidators in most cases, even though the Code and Regulations had not mandated it.

To address this, first a clarification was issued by IBBI in November 2021 stating that there is no requirement of NOC from the Income Tax Department. Second, Voluntary Liquidation Regulations were amended in April 2022- brining a requirement of submitting a compliance certificate (called as Form H) along with the final report. This is a checklist which enabled faster processing of cases. Adjudicating Authority for faster disposal of cases. In addition, the timelines for submitting final report were amended. It was reduced to 90 days for cases with no creditors and 270 days in all other cases.

The result have begun to show. Overall, the average time taken for submission of final report has reduced drastically. It now stands at 203 days for all cases and 199 days for cases with no creditors, as opposed to 499 days and 461 days respectively before the amendment was brought in. Further, as on December 2024, 2133 cases were initiated for voluntary liquidation. Out of the total cases, final report has been submitted for 75% cases, 54% cases have been closed by dissolution with the rest 21% are at the NCLT level. Contrast this with final reports submitted for 49% of cases and final orders for dissolution passes for only 25% cases as of December 2021. Only 101 companies were closed by dissolution in 2021, and the number has increased to 423 in 2024 respectively.

This revised process has created system defaults that now allow the normal cases to simply pass through without delays. This can now serve as an example that can be used for many other government processes.

I. BACKGROUND

Process reforms are the nuts-and-bolts reforms, often microeconomic in nature, with a specific focus on an individual sector or issue. Their core objective is to simplify and streamline operational processes and enhance the efficiency of a particular activity. Although such reforms involve small changes, they still have the potential to make significant impact.

We have identified that there are at least seven¹ types of process reforms so far. We have explained them in detail in our Working Papers, “*Process Reforms as Public Policy: Case of India*”² in 2024 and “*Process Reforms: Fixing the Nuts -and-Bolts*”³ in 2023.

The first type, which is the simplest of all, requires administrative streamlining of existing processes. This is done in cases where the hurdle in the process is not due to the rules or law, rather due to administrative reason(s). The second type of process reforms requires changes in regulations under the existing law as some processes get complicated due to the complex regulations governing them. The third type requires amendments to the legislation. The fourth type requires adding capacity at some level of the government. This is relevant in cases where some bottleneck is developing in necessary government activity due to capacity constraints such as lack of manpower, IT infrastructure etc. The fifth type of process reforms involve removing of a state mandated activity. This involves getting rid of a requirement or mandatory activity that is not adding enough value to a process. The sixth type of process reform involves merging, closing or restructuring government bodies which have outlived their utility. Finally, the seventh type includes revesting default lists. All organizations including government works on the basis of default lists- it could list of invitees, national monuments, vendors and so on. Typically a few are changed from time to time at the margin, but a large number of lists simply get perpetuated year after year. Simply revisiting some of these default lists can bring in important changes.

In this paper, we use a case study of process of Voluntary Liquidation of companies to illustrate two kinds of process reforms- administrative streamlining and changes in regulations.

Liquidation of a company is not always involuntary as happens in case of insolvency and bankruptcy. It is in many cases voluntary where a company can decide to close its operation even when its viable. It could be due to personal reasons, profitability issue, change in

¹ In the two working papers, we had mentioned six categories of process reforms, however since then we have added one more category since then.

² https://www.competitiveness.in/wp-content/uploads/2024/04/TID_WP_18_Process_Reforms_as_Public_Policy_Sanjeev_Sanyal.pdf

³ http://dspg.du.ac.in/wp-content/uploads/2023/11/Process-Reforms-Working-Paper-Nov-2023_Final.pdf

technology, project completion and so on. For ease of doing business, it is equally important to have a smooth voluntary exit process as much as for involuntary exit.

The Voluntary Liquidation of companies in India was a complicated and time-consuming process until very recently. Starting in 2021, we began to write about this issue. For the first time, this issue was flagged in the Economic Survey 2020-21⁴, followed by a paper titled “Simplifying Voluntary Liquidation Process: Improving the Ease of exit in India” in IBBI’s annual publication⁵. The following two-three years have seen major reforms in the area yielding significant results.

In the current scenario, there are two prominent methods of voluntary liquidation in India. One is under the Insolvency and Bankruptcy Code and the other is through the Registrar of Companies (RoC) under Section 248 of the Companies Act, 2013 (Companies Act).

II. VOLUNTARY LIQUIDATION UNDER THE COMPANIES ACT 2013

Section 248(2) of the Companies Act is currently the most popular way to voluntarily close a company. A company may, after extinguishing all its liabilities, by a special resolution or consent of 75% members in terms of paid-up share capital, may file an application in a prescribed manner to the Registrar of Companies (RoC). There must not be any pending litigations against the company for them to be able to apply for winding up under this section. The rules relevant to this process were the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.

Considering that there are no pending litigations and the assets and liabilities have been extinguished, this should be a faster winding up process. However, when we first discovered the issue in 2021, this was not the case!

As per the data available from the Ministry of Corporate Affairs (MCA), out of the total cases that were processed in 2020-21, only 20% took less than a year, 63% cases were in process from one to two years and the rest 16% for even more than two years. In addition, out of the 28,536 pending cases as on June 13, 2021, nearly 10% were pending for more than 1000 days and 54% cases (15,310) were pending for more than one year (Economic Survey 2021-22). It took on an average 499 days to strike off a case until that time.

In order to understand what was leading to the delays, we mapped the “As-is” process of application and its processing as the first step. This is very important as the main bottlenecks can only be identified if there is a clear process map.

⁴ https://www.indiabudget.gov.in/budget2021-22/economicsurvey/doc/vol1chapter/echap06_vol1.pdf

⁵ <https://ibbi.gov.in/uploads/publication/1d8b31fc65f7ac6f09a973be8f12f868.pdf>

(i) PROCESS OF VOLUNTARY LIQUIDATION UNDER SECTION 248(2) PRIOR TO REFORMS

Step 1: Company has to convene a board meeting to approve closure of bank account, pay off all the pending liabilities, and prepare the latest financial statement of the Company after closure of bank account.

Step 2: Company files a STK-2 form with the respective RoC alongwith the requisite fees.

Step 3: Director shall furnish declaration in the e-form stating that the company does not have any dues towards any government department. This has to be certified by a Chartered Accountant/Cost Accountant/Company Secretary. In addition, the STK-2 form has to be accompanied by copy of the resolution, indemnity bond duly notarised by every director in Form STK-3, an affidavit in Form STK-4 by every director of the company.

Step 4: RoC issues a public notice in a prescribed manner in (i) official website of Ministry of Corporate Affairs; (ii) Official Gazette; (iii) Largest circulating newspaper, one in English and other one in vernacular language giving 30 days' notice time for any claims and objections to be raised. Objections, if any, from external agencies are to be submitted to roc within 30 days.⁶

Step 5: After expiry of notice period, RoC shall strike off companies name and publish dissolution notice in Official Gazette and the same shall also be placed on the official website of Ministry of Corporate Affairs. On the publication in the Official Gazette of this notice, the company shall stand dissolved.

(ii) ISSUES FACED IN THE PROCESS

(a) There was **no strict timeline** in place to be followed by RoC leading to uncertainty among companies applying for liquidation.

(b) RoC used to **take a lot of time** to publish the final notice of strike off in newspapers. RoCs have to give notice in two leading newspapers – one in English and other one in Vernacular language. These notices may run upto 5 to 10 full size pages. Since the cost of publication of notice in leading newspapers are high, RoCs generally used to wait for

⁶ Note that if the company applying for winding up is regulated under Special Act (under section 8), approval of the concerned Regulatory body is required, otherwise not required. This would include the following companies:

i) companies which have conducted or conducting non-banking financial and investment activities as referred to in the Reserve Bank of India Act, 1934 (2 of 1934) or rules and regulations thereunder;

(ii) housing finance companies as referred to in the Housing Finance Companies (National Housing Bank) Directions, 2010 issued under the National Housing Bank Act, 1987 (53 of 1987);

(iii) insurance companies as referred to in the Insurance Act, 1938 (4 of 1938) or rules and regulations thereunder;

(iv) companies in the business of capital market intermediaries as referred to in the Securities and Exchange Board of India Act, 1992 (15 of 1992) or rules and regulations thereunder;

(v) companies engaged in collective investment schemes as referred to in the Securities and Exchange Board of India Act, 1992 (15 of 1992) or rules and regulations thereunder;

(vi) asset management companies as referred to in the Securities and Exchange Board of India Act, 1992 (15 of 1992) or rules and regulations thereunder;

(vii) any other company which is regulated under any other law for the time being in force.

accumulation of processing of more STK-2 forms, and once they got substantial number of cases publication of notice in newspapers would be done in one go.

(c) There was no upper limit in terms of **how many resubmissions can be demanded by RoCs**. This led to multiple resubmissions that had to be made by companies leading to delays. For instance, in many cases, RoC demands that the documents need to be resubmitted for any inconsistency in the notarisation and apostalisation as there was no standardised format.

(d) RoCs noted that in various cases there were delays in getting response from external departments and regulators.

Our research showed that out of all the issues listed above, majority of the delay was happening due to notices not being published in newspapers on time. This also verifies the pareto principle- which states that roughly 80% consequences arise from 20% of the causes, hence it is also in many cases called as 80-20 rule.

(iii) STEPS UNDERTAKEN AND ITS IMPACT

1) Administrative streamlining

To begin with, the key administrative issues in the process was resolved- which was faster publication of notices in the newspapers and gazette. In addition, there was a push to clear the backlog of applications. This itself reduced the average time of disposal of applications to 195 days by 2022-23, as compared to 499 days in 2021-22. Not only this, 94% applications started getting disposed off in less than a year.

The Economic Survey 2021-22 noted that as the pending cases had reduced to 9,768 as of 10th January 2022, out of which only about 16.3 percent are pending for more than a year. This was in contrast with 28,536 cases pending as of mid-June 2021, out of which 54 percent were pending for more than a year⁷.

2) Setting up of a central portal called Centre for Processing Accelerated Corporate Exit (C-PACE)

The next step was complete overhaul of the administrative process. Finance Minister, Nirmala Sitharaman announced the setting up of Centralized Processing for Accelerated Corporate Exit (C-PACE) in Union Budget 2022-23 with the aim of expediting the voluntary closure. At that time, the goal was to reduce the time taken to complete the process to less than 6 months.

MCA issued a notification dated April 17, 2023⁸, thereby introducing the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules,

⁷ <https://www.indiabudget.gov.in/budget2022-23/economicsurvey/doc/echapter.pdf>

⁸ <https://www.mca.gov.in/bin/dms/getdocument?mids=ab6Q0qvTuxNB7D4Ij6zO7Q%253D%253D&type=open>

2023. The main aim of the Amendment Rules, 2023 was to provide clarity on the authority responsible for matters relating to removal of names of companies from the register of companies as prescribed under section 248 of the Companies Act, 2013 and the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.

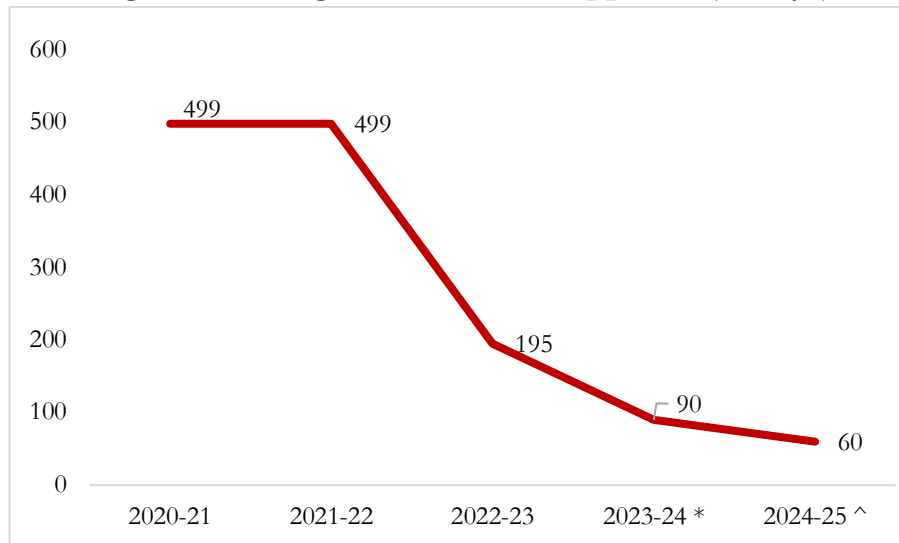
As per the new rules, C-PACE became the exclusive authority responsible for handling the entire strike-off process, ensuring a streamlined and centralized approach. C-PACE became operational on 1st May 2023. This is a centralized one-window system for the companies, external regulators and RoCs. Under this system, any company has to file an application of closure under section 248(2) to the Registrar, Centre for Processing Accelerated Corporate Exit in Form No. STK-2 along with a fee of Rs 10,000.

Now the entire process of publishing the notices in gazette and newspapers has been streamlined with the publications happening weekly or fortnightly. In addition, nodal officers have been identified from each department so that response can be received in time and time to be taken for each step has been fixed. Further, the number of resubmission requests by RoCs has been made limited (to two). This system is completely transparent and faceless requiring with no physical interaction of C-PACE/RoC with the businesses. Form no STK-2, Form no STK-6 and Form no STK-7 were substituted with newer forms.

The results have been dramatic! In the first year of its existence, C-PACE struck off 13,614 companies. This included the cases that were filed in the older system and had been transferred to C-PACE. The average time taken for striking off of cases filed under this system reduced to only 90 days in 2023-24 (Figure 1). In 2024-25 (upto January), another 14,218 companies have been struck-off in an average time of 60 days in 2024-25 (upto January). Remember, this is in contrast with 499 days in 2021-22. This is even better than what was envisaged when C-PACE was announced. Our research suggests that this is now one of the fastest in the world.

Notice here that the improvement here been due to targeting of the exact issued and resolving them.

Figure 1: Average time taken for approval (in days)



Source: Ministry of Corporate Affairs

Note: * Since May 2023

^ April 2024 to January 2025

III. VOLUNTARY LIQUIDATION PROCESS UNDER IBC

Section 59 of IBC states that ‘A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under this chapter’. This is a relatively newly introduced path for voluntary liquidation and, is usually used for companies with larger paid-up capital than ones under Companies Act. Section 59 of IBC together with the IBBI (Voluntary Liquidation Process) Regulations, 2017 (Voluntary Liquidation Regulations) provide the mechanism for voluntary liquidation of a corporate person.

However, it was observed that this is a very time taking process. In fact, the issue was first flagged in Economic Survey 2020-21. When we first discovered the issue, as on December, 2021, 1115 cases had been filed under this scheme so far. Out of the total, final reports had been received for 546 cases, however the final order of dissolution was been passed in 283 cases. 559 cases were ongoing- out of which 35% were going on for more than 2 years and another 18% were ongoing in between one to two years.

(i) PROCESS OF VOLUNTARY LIQUIDATION PRIOR UNDER IBC PRIOR TO REFORMS

The major steps for Voluntary Liquidation Process under section 59 of IBC are as follows:

Step 1: Board meeting is held approving the voluntary liquidation. Section 59(3) (a) of the Code provides that majority of the directors of the company shall pass declaration regarding solvency and the company not being liquidated to defraud any person. Such declaration is to be accompanied with (a) audited financial statements and record of

business operations of the company for the previous two years or since its incorporation, whichever is later and (b) a report of the valuation of assets of the company, if any, prepared by a Registered Valuer.

Step 2: Passing of shareholder's resolution and appointing a liquidator. Section 59 (3) (c) of the Code provides that there shall be a resolution / special resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily and appointing an insolvency professional to act as the liquidator. Further, creditors representing two-thirds in value of the debt of the company shall approve the said resolution within seven days of such resolution.

Step 3: Liquidator files the resolution to Insolvency and Bankruptcy Board of India (IBBI) and RoC within seven days as per section 59(4) of the Code and regulation 3 (2) of Voluntary Liquidation Regulations. Regulation 14 of Voluntary Liquidation Regulations requires to make public announcement (in English and Regional Newspapers) within 5 days calling stakeholders to submit claims within 30 days (section 38 (1) of IBC).

Step 4: Opening a designated bank account for cash and liquid funds and closure of existing bank account(s) and transfer of funds to designated bank account.

Step 5: Apply for No Objection Certificate (NOC) in Central Board of Direct Taxes, Central Board of Indirect Taxes and Custom, Employee Provident Fund Organisation and sectoral regulators. It is important to note that these compliances are not explicitly mentioned in the Code but these compliances are implied.

Step 6: Liquidator gives final remittance to shareholders and deposits applicable withholding taxes and then closes the bank account.

Step 7: Liquidator then submits a final report to shareholders, RoC, IBBI and National Company Law Tribunal (NCLT).

Step 8: Order is passed by NCLT.

Step 9: File copy of order for dissolution of corporate debtor with RoC vide Form INC 28 and RoC to strike-off the name of Corporate Debtor from RoC. *This is also not specified under the Code, however this task is also implied.*

(ii) ISSUES FACED IN THE PROCESS

- (a) The first cause of the delay in process happened due to **delays in obtaining NOCs from various departments**. The Code **does not specifically mention the need for taking NOCs from departments**, however it was implied that NOCs from various departments including Central Board of Direct Taxes, Central Board of Indirect Taxes and Custom, Employee Provident Fund Organisation and other sectoral regulators needs to be taken. This leads to confusion among the departments, liquidators etc. as to the exact procedure to be followed. It was found that NOCs were being taken, from at least IT Department by liquidators under Section 178 of Income-tax Act, 1961 ('Act') in about 80% of cases. In various cases, it was being undertaken as a matter of abundant

caution to avoid any future liability by liquidators. At the time, the average time to take NOCs was just short of an year.

- (b) There are **no Standard Operating Procedures (SoPs) in the departments for granting NOCs**. The departments have no well-defined SoPs to grant NOCs for the voluntary liquidations applications. As per the current practice, the liquidators write a letter to the head of the departments asking for any claims that the department has on the company and to grant NOCs. The department then assesses the application and respond. Since there are no SoPs, the claims raised by the departments come with a lag and not within stipulated time period.
- (c) There is a **lack of standard guidelines on requirements by NCLT bench**. Discussion with market participants show that certain benches of the NCLT specifically require an NOC from the relevant RoC to be submitted before taking the application for dissolution on record, even though this requirement does not emanate from regulations. In some cases, NCLT benches were seeking comments from IT Department, RoC or IBBI as well. This leads to lags in the processes as the company has to then go back to take the specified clearances.
- (d) There is **hesitancy in the banks for closure of existing bank accounts and also for opening of the new liquidation bank account** by the liquidator which is a mandatory step in the liquidation proceedings. The bank employees are not fully aware of the requirements leading to hesitancy among them.
- (e) In various cases, **there are delays in getting Income Tax or GST refunds** which leads to delay in submission of final report.

(iii) STEPS UNDERTAKEN AND ITS IMPACT

- (a) As a first step, IBBI issued a circular stating that it has been noticed that even after providing opportunity for filing of claims, the liquidators seek 'No Objection Certificate' (NOC) or 'No Dues Certificate' (NDC) from the Income Tax Department despite the fact that the Code or the Regulations do not envisage seeking such NOC/NDC. The process of applying and obtaining of such NOC/NDC from the Income Tax Department consumes substantial time and thus militates against the express provisions of the Code, and also defeats the objective of time-bound completion of process under the Code.

The circular further stated that *“It is hereby clarified that as per provisions of the Code and the Regulations read with Section 178 of the Income tax Act, 1961, an Insolvency Professional handling*

voluntary liquidation process is not required to seek any NOC/NDC from the Income Tax Department as part of compliance in the said process.”⁹

- (b) In April 2022, IBBI introduced the Insolvency and Bankruptcy board of India (Voluntary Liquidation Process) Amendment Regulations 2022¹⁰ which mandated that the liquidator shall submit a Compliance Certificate in Form H along with the application to the Adjudicating Authority.

This compliance certificate is essentially a checklist with all the details of Voluntary Liquidation. This is a set of 8 tables consists of all details (*The Form H is placed at Annex*). This has details like name and details of corporate persons such as year of incorporation, paid up share capital etc.; dates in which the key steps like intimation to statutory authority, opening bank accounts, details of realization from various sources such as sale of assets, refunds from statutory authorities, distribution of unsold assets during the process of voluntary liquidation; details of distribution to stakeholders.

In addition, there is a separate table that lists the number of days that were supposed to be taken for each step as per the stipulated timeline and the liquidator has to report the actual time taken for each step. If the time taken has been more than 90 or 270 days for different category of cases, the reason for the same has to be clearly stated in the Form H. Details on all undischarged matters pending before court or tribunal are also to be reported in this certificate. Having a comprehensive checklist enables the Adjudicating Authority for faster disposal of cases.

- (c) As per the amendment in regulations brought out in April 2022, the timeline for submitting final report was reduced. It was reduced to 90 days for cases with no creditor and 270 days in all other cases¹¹.

The impact of these steps taken are clearly visible (Table 1 and 2). As on December 2024, 2,133 cases were initiated for voluntary liquidation. Out of the total cases, final report has been submitted for 75% cases (1598) with 54% cases closed by dissolution and the rest 21% are at the NCLT level. About 23% cases are ongoing. This is a massive improvement as compared to where we were in 2021. As on December 2021, final reports were submitted for only 49% cases and final orders for dissolution were passed for only 25% cases. Only 101 companies were closed by dissolution in 2021. The number increased to 162 in 2022 and further to 276 and 423 in 2023 and 2024 respectively. Not only this, 17% of ongoing cases were more than two years old. Over time, the number gradually started decreasing and now stands at 6.7% as on end-December 2024 (Table 2).

⁹ <https://ibbi.gov.in/uploads/legalframwork/cc881169aad7ee239aca7954505a76ab.pdf>

¹⁰ <https://ibbi.gov.in/uploads/legalframwork/08722b75c35b6fbbd5a38299a2284e6a.pdf>

¹¹ <https://ibbi.gov.in/uploads/legalframwork/58a764339ab143815a6b1ca9c79921ec.pdf>

Table 1: Status of Voluntary Liquidations

Status (as on)	December 2020	December 2021	December 2022	December 2023	December 2024
Initiated	817	1115	1430	1763	2133
Closed by withdrawal	8	10	14	20	43
Final Report Submitted	360	546	893	1253	1598
Closed by Dissolution	182	283	445	721	1144
Ongoing	449	559	523	490	492
> Two years	105	193	195	175	143
> One year ≤ Two years	150	100	112	86	85
> 270 days ≤ 1 year	69	101	68	70	69
> 180 days ≤ 270 days	12	32	34	26	27
> 90 days ≤ 180 days	49	73	41	53	84
≤ 90 days	64	60	73	80	84

Source: IBBI Quarterly newsletters

Table 2: Percentage of cases under voluntary Liquidation

Status	December 2020	December 2021	December 2022	December 2023	December 2024
Closed by withdrawal	1.0	0.9	1.0	1.1	2.0
Final Report Submitted	44.1	49.0	62.4	71.1	74.9
Closed by Dissolution	22.3	25.4	31.1	40.9	53.6
Ongoing	55.0	50.1	36.6	27.8	23.1
> Two years	12.9	17.3	13.6	9.9	6.7
> One year ≤ Two years	18.4	9.0	7.8	4.9	4.0
> 270 days ≤ 1 year	8.4	9.1	4.8	4.0	3.2
> 180 days ≤ 270 days	1.5	2.9	2.4	1.5	1.3
> 90 days ≤ 180 days	6.0	6.5	2.9	3.0	3.9
≤ 90 days	7.8	5.4	5.1	4.5	3.9

Source: IBBI Quarterly newsletters

Overall, the average time taken for submission of final report has reduced drastically after the Regulations were amended in April 2022. It now stands at 203 days for all cases and 199 days for cases with no creditors, as opposed to 499 days and 461 days respectively before the amendment was brought in (Table 3). However, the time taken is still higher than stipulated for cases with no creditors.

Table 3: Average time taken for submission of final report

	Total number of cases	Total number of final report submitted	Average time taken in submission of Final report	No of cases where no creditor exists	Average time taken in submission of Final report in cases with no creditors
Before amendment	1244	1089	499	764	461
After amendment	889	509	203	362	199

Source: IBBI

One thing that still can be improved further is the faster processing at NCLT level, so that the time taken for final closing of companies can be reduced after submission of the final report.

IV. CONCLUSION

Process reforms are an important part of a policy maker’s toolkit. However, they are not systematically researched, documented or taught. This means that policy makers are continuously re-inventing the art of doing something that should be institutionalized and routine.

The purpose of this paper was to illustrate the benefits of targeted process reform. As shown, art of delivering such reforms involves the following: (a) mapping the current process; (b) identify the exact blockages; (c) taking steps to clear the blockages; (d) monitoring the outcome.

We hope that this case study can be used to teach and institutionalize process reforms in the government so that such improvements become routine. As a part of this effort, we intend to document and publish other such case studies in future.