

# IBC overhaul aims to cut delays, boost recoveries: Icra report

The latest amendments to the Insolvency and Bankruptcy Code (IBC), focusing on faster admissions, tighter timelines and greater creditor control, aim to significantly improve recovery outcomes and reduce delays, ICRA said in its recent report.

The IBC (Amendment) Act, 2026, which received Presidential approval recently, introduces a creditor-driven insolvency framework and removes key procedural bottlenecks that had slowed down the resolution process over the past few years. The changes, ICRA noted, are aimed at “reducing delays, maximising value for all stakeholders, and improving governance.”

A central benefit of the reform is the introduction of the Creditor-Initiated Insolvency Resolution Process (CIIRP)—an out-of-court mechanism designed for quicker and more cost-effective resolutions. The framework, described as a “creditor-driven... route with a 150-day timeline”, is expected to enable early resolution of stress while minimising business disruption by allowing the existing management to continue operations under oversight.

The push for faster resolution comes at a time when recovery rates have weakened sharply. Realisations dropped to around 20 per cent in the December quarter of FY26, implying significant haircuts of ₹80 per cent for lenders, underscoring the urgency for reform.

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