

# 'IBC better than earlier debt recovery methods'

## Process needs tweaks, govt. on it: Das

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Reserve Bank of India Governor Shaktikanta Das on Friday said recoveries under the IBC process had been 'far greater' than via other debt resolution mechanisms. His comments come in the wake of criticism that banks were taking steep haircuts in large Insolvency and Bankruptcy Code (IBC) cases.

"The total recovery in the Lok Adalat regime was about 5%," Mr. Das said in a post-policy media interaction. "Under the Debt Recovery Tribunal framework it was 6%. Under the SARFAESI Act, recovery was 20%," he said. "Under the IBC, it is 39-40%.... Till the onset of the pandemic, the recovery was 45%. It is only



Shaktikanta Das

during the pandemic year that the recovery has slightly come down," he stressed.

However, there was room to improve. "The implementation of IBC, of course, requires [changes], the time taken needs to be reviewed and the government has undertaken further legislative actions to streamline the process and rationalise the system," he added.