



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"If you can stay positive in a negative situation, you win."

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➤ **Share of realty recoveries under insolvency and bankruptcy code rises to 18.8%**

India's real estate sector on a reported basis accounted for more than 50 per cent of the total realizations under Insolvency and Bankruptcy Code (IBC) 2016. However, subsequent to the release of data by the Insolvency and Bankruptcy Board of India (IBBI), a large key case went sub-judice following the admission of an appeal before the NCLAT resulting in real estate sector accounting for 18.8% of total realizations under IBC.

This compares very well to total realizations of 1.2% in the period between its inception in FY17 to September 2022, finds a joint report by property consultants ANAROCK and leading law firm, Khaitan & Co.

"The total number of corporate insolvency resolution process ("CIRP") cases filed has risen from an average of 208 in FY22 to an average of 313 in FY23. FY24 however has commenced on a weak note with 238 cases admitted overall in the first quarter. Real estate cases have averaged about 18-20 in each quarter between October 2021 and December 2022. However, this jumped sharply in March 2023 to 44 corporate debtors being admitted into CIRP," said Shobhit Agarwal, MD & CEO, ANAROCK Capital.

With a view to further streamline the CIR process, the Ministry of Corporate Affairs has invited comments on changes being considered to the IBC. The report covers the several key changes that are being considered. Significantly, these also include the increased use of technology in the IBC eco-system to make it more efficient and effective.

Source : Business Standard

Read Full news at: https://www.business-standard.com/economy/news/share-of-realty-recoveries-under-insolvency-and-bankruptcy-code-rises-to-18-8-123101900111_1.html

➤ Voluntary insolvency sees faster resolution

New Delhi: Bankruptcy filings by stressed firms themselves have seen faster resolutions than those initiated by financial or operational creditors, but the recovery in such cases has been below par, according to data compiled by the insolvency regulator.

The average time taken to resolve a stressed company under the Insolvency and Bankruptcy Code (IBC) was 632 days as of June 2023, way above the 270 days stipulated by the Insolvency and Bankruptcy Code (IBC), show the data from the Insolvency and Bankruptcy Board of India (IBBI). But in cases where the stressed firms had filed for voluntary bankruptcy, the time taken was 541 days, possibly due to less litigation.

Of the 6,811 insolvency cases filed until June 2023, 408 (6%) were initiated by the sick firms themselves. Financial creditors, including banks, accounted for almost 45% of the total filings, while 49% of the cases were initiated by operational creditors. Until June 2023, 720 cases have witnessed resolution. The cases filed by financial creditors took 643 days to get resolved while those by operational creditors took 635 days.

Source :The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/news/company/corporate-trends/voluntary-insolvency-sees-faster-resolution/articleshow/104535389.cms?from=mdr>

➤ NCLT Mumbai Approves Resolution Plan For Topworth Steel & Power Pvt. Ltd., A Topworth Group Company

The National Company Law Tribunal ("NCLT"), Mumbai Bench, comprising of Justice V.G. Bisht (Retd.) (Judicial Member) and Shri Prabhat Kumar (Technical Member), while adjudicating a petition filed in State Bank of India v Topworth Steel and Power Private Ltd., has approved the Resolution Plan submitted by Amalgam Steel and Power Ltd. for Topworth Steel and Power Pvt. Ltd. The Resolution Plan is valued at Rs. 260 Crores, while the total admitted claims of the Corporate Debtor amounted to Rs. 3,499 Crores.

Source: Live Law

Read Full news at: <https://www.livelaw.in/ibc-cases/nclt-mumbai-approves-resolution-plan-for-topworth-steel-power-pvt-ltd-a-topworth-group-company-240489>

