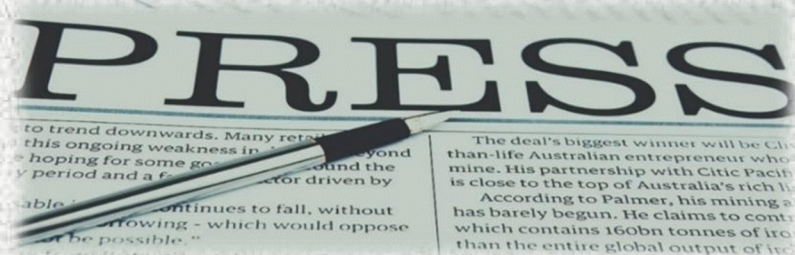


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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



*"Fortunes are built during the down market and collected in the upmarket."*

## Updates on Insolvency and Bankruptcy Code

### ➤ NBFC crisis: It's a solvency issue manifest as liquidity crisis, says CEA Krishnamurthy Subramanian

The CEA asserted that the onus of ensuring the quality of ratings lies solely with the rating agencies; they can't just crib that companies didn't provide enough information to them to be able to discharge their duty efficiently. Amid mounting fears that more non-banking financial companies (NBFCs) may default like IL&FS due to a growing liquidity crunch, chief economic advisor (CEA) in the finance ministry Krishnamurthy Subramanian said on Thursday that the issue is actually one of solvency of a very few players.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/default-by-nbfc-its-a-solvency-issue-manifest-as-liquidity-crisis-says-cea/1574045/>

### ➤ Real estate crisis: Representative voting by homebuyers likely.

The MCA has placed two options on the table — representative voting among home-buyers by treating them as a sub-class among the financial creditors or by stipulating that the majority threshold could be met by just counting those who are present and vote in the CoC meeting.



A stalemate in Jaypee Infratech's insolvency resolution process and the possibility of similar deadlocks in the rescue plans for other bankrupt realtors, where homebuyers form a major chunk in terms of creditors by value, has triggered a review of the Insolvency and Bankruptcy Code (IBC)

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/salvaging-bankrupt-realtors-representative-voting-by-homebuyers-likely/1572896/>

➤ **'Banks expected to realise Rs 80K crore from IBC in FY20'**

The higher realisation in FY2020 would be driven by the expected conclusion of the corporate insolvency resolution process (CIRP) of two large accounts, Essar Steel Ltd and Bhushan Steel and Power Ltd, according to ICRA Ratings. Banks are expected to realise more than Rs 80,000 crore in FY20 from the Insolvency and Bankruptcy Code (IBC) compared to about Rs 66,000 crore realised in FY19, says a report.

**Source: Indian Express**

**Please find the full news at:**

<https://indianexpress.com/article/business/banks-expected-to-realise-rs-80k-crore-from-ibc-in-fy20-5717956/>

➤ **IBC is finding more takers, but the process is getting painfully slower**

The biggest success story under the Insolvency and Bankruptcy Code (IBC) so far, the resolution of a dying Bhushan Steel and the process of takeover by Tata Steel for Rs 35,571 crore, would complete one year in a few days. In the 94 resolved cases since the inception of IBC, lenders have taken haircuts of as much as 55 per cent on average.

**Source: Business Standard**

**Please find the full news at:**

[https://www.business-standard.com/article/economy-policy/ibc-is-finding-more-takers-but-the-process-is-getting-painfully-slower-119050701206\\_1.html](https://www.business-standard.com/article/economy-policy/ibc-is-finding-more-takers-but-the-process-is-getting-painfully-slower-119050701206_1.html)



### ➤ NCLT refers Sterling Biotech for liquidation

The dedicated bankruptcy court has rejected an application from the Sterling Biotech lenders to withdraw their insolvency resolution petition. The lenders, led by Andhra BankNSE 2.09 %, had sought the tribunal's approval after accepting the one-time settlement (OTS) from the Sandesara brothers, the fugitive promoters of Sterling Biotech.

Source: *Economic Times*

Please find the full news at:

<https://economictimes.indiatimes.com/industry/healthcare/biotech/nclt-refers-sterling-biotech-for-liquidation/articleshow/69260439.cms>



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