

Check
**MUTUAL
FUNDS**Upcoming
IPOs in 2024. **IPO**NIFTY PERFORMANCE
Nifty 50
₹25198.7 -81.15 -0.32%SENSEX PERFORMANCE
BSE Sensex
₹82352.64 -202.8 -0.25%

MUST READ

Meerut-Lucknow Vande Bharat Express leads to changes in timings for several trains- Check full list here

[Business News](#) / [Business](#) / [Banking Finance](#) / INTERVIEW | 80% Of Stressed Assets Resolved, Only 20% In Liquidation, Says MS Sahoo, Head Of The Insolvency Regulator, IBBI

INTERVIEW | 80% of stressed assets resolved, only 20% in liquidation, says MS Sahoo, head of the insolvency regulator, IBBI

Since the IBC's inception in 2016, as many as 780 companies have gone into liquidation while only 190 companies have seen resolution.

Written by [Banikinkar Pattanayak](#)

Updated: March 3, 2020 13:04 IST

[Follow Us](#)

RELATED NEWS

UK announces a freeze in minimum income threshold for family visas



How Dunzo emptied its cart – Desertion by Google, Reliance Retail was final blow



Bengaluru-Madurai Vande Bharat Express: From Bengaluru to Madurai in 7 hours 45 minutes – Check schedule, stoppages and more



Canada's visa system under fire as undocumented Indian immigration to US reaches new heights



Delhi-Ghaziabad-Meerut RRTS: Namo Bharat trail run on 6.5 km Sahibabad to Anand Vihar stretch likely to begin in November



MS Sahoo, the head of the insolvency regulator IBBI, asserts three-fourths of the companies that have gone into liquidation were already defunct when the Code was invoked.

Even as the insolvency and bankruptcy code (IBC) is set to complete four years in May, critics have called it a tool of liquidation rather than resolution. MS Sahoo, the head of the insolvency regulator IBBI, asserts three-fourths of the companies that have gone into liquidation were already defunct when the Code was invoked. So the claims of massive job losses due to liquidation under the IBC are unfounded. In an interview to FE's Banikinkar Pattanayak, Sahoo says as and when fresh default cases come up, chances of resolution as well as recovery remain high. Edited excerpts:

Since the IBC's inception in 2016, as many as 780 companies have gone into liquidation while only 190 companies have seen resolution. Is the Code delivering on its promise?

Delhi Transport Minister hails premium bus initiative as key to tackling pollution

[Roadways](#) September 4, 2024 17:35 IST

The number of companies getting into liquidation is four times that of companies getting rescued. But this needs to be seen in the context. The companies rescued had assets valued at close to Rs.0.8 lakh crore, while the companies sent for liquidation had assets valued only at Rs.0.2 lakh crore, when they entered the IBC process. Thus, in value terms, stressed assets rescued are four times those sent for liquidation. It is also important to note that of the companies rescued, one-third were either defunct or under the BIFR (Board of Industrial and Financial Reconstruction). And of the companies sent for liquidation, three-fourth were either defunct or under the BIFR.

Also Read



Why has Russia banned 5 New York Times journalists, 87...

Ukrainian air defence neutralises over 10 drones in...

What can we expect from the 54th GST meeting on...

Burn a hole in your privacy? Inside Meta's 'Pay or Consen...

Will there be a situation where fewer companies will go for liquidation and more will see resolution?

Yes. In the days to come, a smaller number of companies would reach the stage of liquidation and, therefore, fewer liquidations. A distressed asset has a [life](#) cycle. Its value declines with time, if distress is not addressed. The credible threat of IBC process that a company may change hands has changed the behaviour of debtors. Thousands of debtors are settling defaults at early stages of the life cycle of a distressed asset. They are settling when default is imminent, on the receipt of a notice for repayment but before filing an application, after filing application but before its admission, and even after admission of the application, and making best effort to avoid consequences of IBC process. These stages are akin to preventive care, primary care, secondary care, and tertiary care in respect of sickness. Most of the companies are rescued in these stages and hardly 5% of companies reach the liquidation stage, which is something like quaternary care / hospices. At this stage, the value of the company is substantially eroded, and hence some of them would be rescued, and others liquidated. The stakeholders would increasingly address the distress in early stages and the best use of IBC would be not using it all.

A media report has suggested job losses of 1.1 million on account of liquidations. Is it correct?

I have seen the report. It is premised on the misconstruction that the companies undergoing liquidation have assets (and consequently employment), at least equal to the aggregate claim of the creditors, which is Rs.4.6 lakh crore. But the reality is they have far lower level of assets on the ground, which are valued at just Rs.0.2 lakh crore. Take the examples of Ghotaringa Minerals and Orchid Healthcare, which are liquidated. They owed

Delhi Transport Minister Kailash Gahlot praised the government's app-based premium bus aggregator scheme as a crucial move in the fight against pollution. The scheme, which allows for dynamic fares and digital ticketing, aims to reduce reliance on private vehicles and promote ...

STOCK ACTION [VIEW ALL SHORTS >](#)

NSE

BSE

Nifty 50



Top Performing Indices

Top Gainers

Top Losers

Name	LTP	Chg
Nifty 50	25,198.70 AD Ratio: 0.61	-81.15 -0.32%
Nifty Bank	51,400.25 AD Ratio: 0.22	-288.85 -0.56%
Nifty Next 50	75,450.55 AD Ratio: 1.20	36.90 0.05%
Nifty 100	26,275.75 AD Ratio: 0.89	-65.95 -0.25%
Nifty 200	14,293.85 AD Ratio: 0.87	-32.95 -0.23%

[VIEW ALL](#)

PHOTO GALLERY

'One Night Stand': Review; Sunny Leone movie is an erotic emotional excursion

Top 6 World's most expensive cars cost over Rs 300 crores combined: Cars for the planet's richest

Rs 8,163 crore, while they had absolutely no asset and employment. What is material in this context is the assets a company really has or employment it provides, and not how much it owes to creditors. The IBC process would release the idle or under-utilised assets valued at Rs.0.2 lakh crore, which would have dissipated with time, for employment. 51 companies having assets valued at Rs.93 crore have been completely liquidated. Rs.96 crore realised from the sale of those assets has been released. Also, consider the [jobs](#) saved by the rescue of 80% of the distressed assets (through resolution), and the jobs being created by new owners of rescued companies.

How has been the recovery for financial creditors so far?

Under the IBC, recovery is incidental, only after rescuing a company in distress. This incidental recovery has been pretty good. As many as 190 companies have been rescued till December, 2019 through resolution plans. They owed Rs.3.8 lakh crore to creditors. However, the realisable value of the assets available with them, when they entered IBC process, was only Rs.0.77 lakh crore. The IBC maximises the value of the existing assets, not of the assets which do not exist. Under IBC, the creditors recovered Rs.1.6 lakh crore, which is about 207% of the realisable (liquidation) value of these companies. . Any other option of recovery or liquidation would have recovered at best Rs.100 minus the cost of recovery/liquidation, while the creditors recovered Rs.207 under IBC. The excess recovery of Rs.107 is a bonus on account of IBC. Despite recovery of 207% of the realisable value, the financial creditors had to take a haircut of 57%, as compared to their claims. This only reflects the extent of value erosion by the time the companies entered the IBC process. Nevertheless, as compared to other options, bankers have recovered much better through IBC. Please consider the recovery in early stages distress, which is much higher, and it is primarily because of IBC.

How do you see the Code's performance vis-à-vis other tools like Sarfaesi and DRT, etc?

One can compare the recovery rate under IBC with other options for recovery. The [RBI](#) data indicate that in 2018-19, the banks recovered 5.3%, 3.5%, 14.5% and 42.5% of the amount involved respectively through Lok Adalats, DRTs, SARFAESI and IBC. In addition to recovery and rescue, the Code provides so many enduring benefits for which there is no comparison. This is a Swachhata drive to clean up NPAs, and to put companies in capable and credible hands. This reinforces rule of law that treats every company on the same level playing field, irrespective of its size or the influence of the people behind them. Repayment of loan is no more an option, but an obligation. With IBC in place, as the Hon'ble [Supreme Court](#) puts it, the defaulter's paradise is lost. Failing is succeeding in Silicon Valley. An entrepreneur should not be stuck up in a business if he is failing to deliver. The Code rescues the entrepreneurs from further perils, as observed by the Prime Minister.

Resolution process in as many as 635 of the 1,961 ongoing cases have exceeded the mandatory 270 days. How to cut the delay?

Three things have happened. The bench capacity of the NCLT and NCLAT have been substantially increased recently. There has been considerable learning by all elements of the ecosystem over the last two years. The resolution is now

Anubhuti coaches with aircraft-like features to replace Shatabdi 1st-AC Executive chair cars; 20 amazing facts

Top 5 fastest bikes in India under Rs 3 lakh: One of them is quicker than a sportscar

In Pictures: People stage protests across India as country boils over rape and murder of Kolkata doctor

Today's Commodity Rate

4 SEP, 2024 **New Delhi**

PETROL ₹94.72/LTR ₹0.00 ↕ >

DIESEL ₹87.62/LTR ₹0.00 ↕ >

[VIEW TRENDING NEWS](#) >

LATEST NEWS

Delhi Transport Minister hails Capital's premium bus initiative as key to tackling pollution



professionalised. Most of the contentious issues have been sorted out by the Hon'ble Supreme Court. The impact of these is visible in disposal of matters in the last quarter.

Get Live [Share Market](#) updates, [Stock Market Quotes](#), and the latest [India News](#) ... [Read More](#)

First published on: 02-03-2020 at 00:20 IST

STOCK MARKET STATS

- Market Stats
- Top Gainers
- Top Losers
- Indices Performance
- Gold Rate Today
- Silver Ra

Ukraine foreign minister resigns as war triggers major government shake-up



TCS partners with Google Cloud to enhance cybersecurity solutions



Geetanjali Homestate appoints Manushi Chhillar as brand ambassador to boost real estate campaigns



'Promise to restore statehood': Rahul Gandhi kicks off Congress' campaign ahead of Jammu and Kashmir polls



TRENDING TOPICS

- INCOME TAX CALCULATOR
- SILVER RATE TODAY
- GOLD RATE TODAY
- IPO
- STOCK MARKET QUOTES
- MUTUAL FUNDS
- NEET PG RESULT 2024 LIVE

TOP CATEGORIES

- MARKET
- JOBS
- INDIA NEWS
- BUSINESS
- MONEY
- HEALTH CARE
- JOB CARRIER
- LIFE
- PHOTOS
- LIFESTYLE
- NDA VS INDIA LOK SABHA ELECTION
- MAHARASHTRA ELECTION

STOCK MARKET STATS

- MARKET STATS
- NSE TOP GAINERS
- NSE TOP LOSERS
- BSE TOP GAINERS
- BSE TOP LOSERS
- INDICES PERFORMANCE
- NIFTY 50
- BSE SENSEX PERFORMANCE
- STOCK MARKET QUOTES

TOP NSE/BSE COMPANIES SHARE PRICE

- TOP NSE/BSE COMPANIES SHARE PRICE
- RELIANCE SHARE PRICE
- SBI SHARE PRICE
- TATA MOTORS SHARE PRICE
- HDFC SHARE PRICE
- INFOSYS SHARE PRICE
- ICICI SHARE PRICE
- TCS SHARE PRICE
- ITC SHARE PRICE
- BAJAJ FINANCE SHARE PRICE
- MARUTI SHARE PRICE
- TATA STEEL SHARE PRICE
- BAJAJ FINSERV SHARE PRICE
- L&T SHARE PRICE
- INDUSIND BANK SHARE PRICE
- BSE SENSEX
- BPCL SHARE PRICE
- TITAN SHARE PRICE
- INDIAN OIL CORPORATION SHARE PRICE
- AXIS BANK SHARE PRICE
- HOUSING DEVELOPMENT FINANCE CORP SHARE PRICE
- KOTAK MAHINDRA BANK SHARE PRICE
- HINDUSTAN UNILEVER SHARE PRICE
- BHARTI AIRTEL SHARE PRICE
- TECH MAHINDRA SHARE PRICE
- ASIAN PAINTS SHARE PRICE
- HCL SHARE PRICE
- NTPC SHARE PRICE
- NIFTY BANK
- ADANI ENTERPRISES SHARE PRICE
- PGCIL SHARE PRICE
- HINDALCO SHARE PRICE
- JSW STEEL PRICE
- NESTLE SHARE PRICE
- TECH MAHINDRA SHARE PRICE
- GRASIM SHARE PRICE
- WIPRO SHARE PRICE
- HDFC LIFE SHARE PRICE
- ONGC SHARE PRICE
- CIPLA SHARE PRICE
- SBI LIFE SHARE PRICE
- DR REDDYS LABS SHARE PRICE
- BRITANNIA SHARE PRICE
- COAL INDIA SHARE PRICE
- ADANI PORTS SHARE PRICE
- EICHER MOTORS SHARE PRICE
- APOLLO HOSPITALS SHARE PRICE
- TATA CONS. PROD SHARE PRICE
- BAJAJ AUTO SHARE PRICE
- DIVIS LABS SHARE PRICE
- UPL SHARE PRICE
- HERO MOTOCORP SHARE PRICE

STOCK PRICE QUOTES

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z

| OTHERS

POPULAR BANKS IFSC CODE

POPULAR BANKS IFSC CODE | SBI BANK IFSC CODE | HDFC BANK IFSC CODE | ICICI BANK IFSC CODE | AXIS BANK IFSC CODE

| CANARA BANK IFSC CODE | BANK OF BARODA IFSC CODE | INDIAN BANK IFSC CODE | PNB BANK IFSC CODE | BANK OF INDIA IFSC CODE

| KOTAK MAHINDRA BANK IFSC CODE | UNION BANK OF INDIA IFSC CODE | CENTRAL BANK OF INDIA IFSC CODE | IDBI BANK IFSC CODE

| INDIAN OVERSEAS BANK IFSC CODE | YES BANK IFSC CODE

STATE ELECTIONS

ELECTION 2024 | LOK SABHA ELECTION 2024 SCHEDULE | CHHATTISGARH ELECTION 2023 | MIZORAM ELECTION 2023

| RAJASTHAN ELECTION 2023 | TELANGANA ELECTION 2023 | LOK SABHA ELECTIONS 2024

TOP COMMODITIES

GOLD RATE TODAY | GOLD RATE IN CHENNAI | GOLD RATE IN KERALA | GOLD RATE IN HYDERABAD | GOLD RATE IN BANGALORE

| GOLD RATE IN MUMBAI | GOLD PRICE IN DELHI | GOLD PRICE IN AHMEDABAD | GOLD PRICE IN KOLKATA | SILVER RATE TODAY

| SILVER RATE IN BANGALORE | SILVER RATE IN AHMEDABAD | SILVER RATE IN HYDERABAD | SILVER RATE IN CHENNAI

| SILVER RATE IN JAIPUR | SILVER RATE IN MUMBAI | SILVER RATE IN DELHI | SILVER RATE IN LUCKNOW | PETROL PRICE

| PETROL PRICE IN DELHI | PETROL PRICE IN MUMBAI | PETROL PRICE IN BANGALORE | PETROL PRICE IN HYDERABAD

| PETROL PRICE IN CHENNAI | PETROL PRICE IN KOLKATA | PETROL PRICE IN PUNE | DIESEL PRICE | DIESEL PRICE IN DELHI

| DIESEL PRICE IN BANGALORE | DIESEL PRICE IN MUMBAI | DIESEL PRICE IN HYDERABAD | DIESEL PRICE IN CHENNAI

| DIESEL PRICE IN CHANDIGARH | DIESEL PRICE IN JAIPUR | DIESEL PRICE IN LUCKNOW

TRENDING TOPICS

Budget 2024 Live

TRENDING STORIES

India Election Results 2024 Highlights: Nitish Kumar, Chandrababu Naidu attend NDA meet at Modi residence, INDIA huddle shortly		PSEB 10th Result 2024 Highlights: Results OUT at pseb.ac.in, how to check, direct link to scoreboard	BSEB Bihar Board 10th Result 2024 Live Updates: Result declared at bsebmatric.org	Happy International Women's Day 2024: Share wishes, greetings, and messages with friends and family
Maha Shivratri 2024: Spread festive wishes and quotes to commemorate this special occasion	Lok Sabha Elections 2024: Congress CEC clears Rahul Gandhi's candidacy for Wayanad seat, first candidate to be out soon	PM Modi LIVE: PM Modi congratulates participants and awardees of National Creators Awards	JM Financial says will fully cooperate with Sebi in probe into public issue of debt securities	

MORE FROM BUSINESS

TCS partners with Google Cloud to enhance cybersecurity solutions	Geetanjali Homestate appoints Manushi Chhillar as brand ambassador to boost real estate campaigns	EXCLUSIVE: Samir Modi says willing to end family feud but called board 'defunct' and mother a 'dictator' ahead of AGM on September 6	NBFC-MFIs' evolving asset quality risks to impact profitability, growth in FY25: ICRA	Snowflake growth strong as Indian enterprises start AI data journey, says India MD
UK Home Secretary orders review of foreign hiring trends in tech and engineering sectors	PM Modi begins two-day Singapore visit, emphasizes India as prime investment destination	DGCA, IndiGo successfully conduct first RNP AR validation flight at Kathmandu Airport	DGCA report highlights 23% drop in unstabilised flight approaches, 25% reduction in risk-bearing airprox in 2023	Ad volumes in movie genre decreased by 4% in H1, 2024 compared to the same period of previous year, reveals TAM report

SC pans Uttarakhand CM Dhami's decision to appoint IFS officer overruling objections	No pension for MLAs who defect: Himachal Assembly passes new Bill	In J-K's Ramban, Rahul Gandhi calls L-G 'raja', says restoring statehood is Congress's priority	Bombay HC refuses to direct CBFC to release certification copy to Kangana Ranaut's 'Emergency' producers at present	Paris Paralympics 2024 Day 7 Live Updates: Harvinder Singh's archery R32 soon, Sachin Khilari wins silver in Men's Shot Put F46 for India's 21st medal
--	---	---	---	--

FOLLOW US



DOWNLOAD APPS



EXPRESS GROUP

INDIAN EXPRESS GROUP	The Indian Express
Loksatta	Jansatta
Inuth	Ramnath Goenka Awards
MyInsuranceClub	IE Tamil
IE Malayalam	IE Bangla
IE Gujarati	IE Education
This Website Follows The DNPA's Code Of Conduct	Compare Term Insurance

QUICK LINKS

- T&C
- Privacy Policy
- Hindi
- Pan Card
- Aadhaar Card
- Insurance
- World News
- Entertainment
- Airlines/Aviation
- CONTACT US
- About Us