

## Chart 15: Company insolvency cases edged lower

Source: IBBI, Acuity Knowledge Partners

Note: As on 30 September 2020

Sectoral Distribution of CIRPs (Corporate Insolvency Resolution Process)	No. of CIRPs		
	Admitted	Closed	Ongoing
Manufacturing:	1,639	870	769
» Textiles, leather and apparel products	279	162	117
» Basic metals	286	145	141
Real estate, renting and bus activities	793	398	395
Construction	428	208	220
Wholesale and retail trade	398	204	194
Hotels and restaurants	93	54	39
Electricity and others	124	46	78
Transport, storage and communication	119	71	48
Others	414	215	199
<b>Total</b>	<b>4,008</b>	<b>2,066</b>	<b>1,942</b>

- » A series of lockdowns put most companies under stress, as they reported reduced/negative growth and revenue, increasing the risk of insolvency/bankruptcy
- » In Q3 2020, the number of ongoing insolvency cases was 1,942 (down from 2,108 in Q2 2020), with manufacturing topping the chart again (39% of the total)
- » We expect the number of CIRP cases to increase after the suspension of the filing of insolvency is lifted, even though the threshold amount of default (required to initiate CIRP) has been increased to INR10mn from INR100k in March