

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



PRESS

“ We must embrace pain and burn it as fuel for our journey.”

Updates on Insolvency and Bankruptcy Code

➤ A first for PSUs: NHPC acquires Lanco's Teesta-6 hydro project under IBC

In a first instance of a state-run company acquiring a stressed asset under the insolvency and bankruptcy code, NHPC on Friday signed an agreement to take over and implement the 500-MW Teesta-6 hydro electric project in Sikkim. The project was being developed by Lanco Energy but progress had stalled since April, 2014 due to funds constraints with the company.

According to the resolution plan approved by the Hyderabad National Company Law Tribunal (NCLT) bench, NHPC would pay Rs 897.5 crore to the project's financial creditors. Including the bid amount, the total estimated cost of the project — expected to be completed in five years — is seen to be Rs 5,748 crore.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/a-first-for-psus-nhpc-acquires-lancos-teesta-6-hydro-project-under-ibc/1727099/>

➤ Time-bound e-bidding to speed up IBC resolution

The government is actively considering introducing a short, time-bound, online financial bidding process in corporate insolvency cases to improve transparency and reduce litigation, a senior official said. Currently, creditors of a company undergoing insolvency proceedings are free to negotiate with potential bidders individually, which has led to offers being revised, bids coming in after the deadline and associated litigation, prolonging the process.

The Centre aims to quicken resolution proceedings by setting a time limit for financial bids. “Once a resolution applicant submits a plan and the plan meets basic eligibility criteria, you can shortlist eligible ones and then give them a window for, say 48 hours, to do financial bidding on a platform,” corporate affairs secretary Injeti Srinivas said, explaining how the proposed window would work.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/economy/policy/time-bound-e-bidding-to-speed-up-ibc-resolution/articleshow/71496833.cms>

➤ **NCLT calls for Metalyst Forgings rebid**

The National Company Law Tribunal’s (NCLT) Mumbai bench has ordered a fresh round of bidding for stressed auto forgings company Metalyst Forgings after finding truth in winner Deccan Value Investors’ claim that its plan had been “vitiating” due to “incorrect information” on the asset. However, it emphasised that DVI could have carried out its due diligence more effectively to avoid “derailing” of the resolution process.

By not opting for liquidation, NCLT reinforced that “the object of the Insolvency & Bankruptcy Code is not liquidation of the corporate debtor, but resolution of the insolvency situation.” It also said that since in the first round of bidding, 17 expressions of interest (EoIs) had been submitted, and that there is still “value and hope” for Metalyst. NCLT has given the resolution professional (RP) of Metalyst 21 days to invite fresh bids. The committee of creditors (CoC) will take a call within two weeks of that.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/nclt-calls-for-metalyst-forgings-rebid/articleshow/71484032.cms>



Insolvency Professional Agency of Institute of Cost Accountants of India
(A Section 8 Company incorporated under Companies Act 2013)
CMA Bhawan, 3 Institutional Area, Lodi Road,
New Delhi-110003