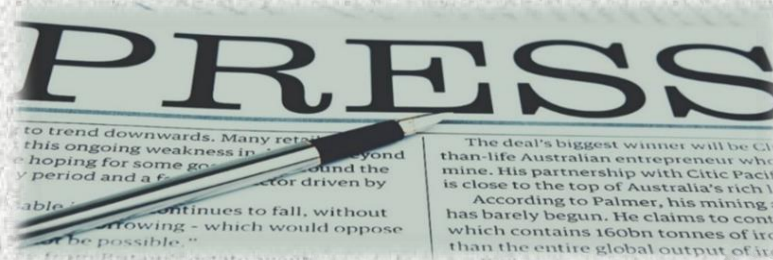


# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**"Trust because you are willing to accept the risk, not because it's safe or certain."**

## Updates on Insolvency and Bankruptcy Code

### ➤ Personal guarantor insolvency under IBC from December 1

The government on Tuesday notified rules for the initiation of insolvency proceedings against personal guarantors to corporate debtors, to be applicable from December 1. Under these rules, if insolvency proceedings against a corporate debtor under the Insolvency and Bankruptcy Code are already in process, the same bench of the bankruptcy court would also deal with the proceedings against the personal guarantor.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/economy/policy/personal-guarantor-insolvency-under-ibc-from-december-1/articleshow/72134967.cms>

### ➤ NCLAT rejects DBS Bank's plea challenging distribution of funds from Ruchi Soya resolution plan

The National Company Law Appellate Tribunal (NCLAT) has dismissed the plea of Singapore-based DBS Bank, a dissenting financial creditor of Ruchi Soya, challenging the distribution of proceeds from the bid submitted by Patanjali Ayurveda. A three-member NCLAT bench headed by Chairperson Justice S J Mukhopadhaya, said a secured creditor cannot dissent with the resolution plan just to get more funds than other creditors and claim preference over other creditors. The appellate tribunal said, if a financial creditor does not accept the feasibility and viability of the plan and holds it as discriminatory, it has right to dissent during the voting and can be treated as a 'dissenting financial creditor'.



**Source: Economic Times**

**Please find the full news at:**

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nclat-rejects-dbs-banks-plea-challenging-distribution-of-funds-from-ruchi-soya-resolution-plan/articleshow/72140733.cms>

### ➤ **NCLT orders insolvency process at low-cost carrier Air Costa**

The bankruptcy court has ordered corporate insolvency resolution process for the grounded South Indian low-cost air carrier, Air Costa, owned by the Vijayawada-based Lingamaneni family's LEPL Projects. Air Costa is the second Indian airline, after Jet Airways, to undergo court-monitored debt resolution process under the Insolvency and Bankruptcy Code. Aviation regulator Director General of Civil Aviation had in June 2017 suspended the flying licence of the airline, making it officially wind up operations.

**Source: Economic Times**

**Please find the full news at:**

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/nclt-orders-insolvency-process-at-low-cost-carrier-air-costa/articleshow/72120963.cms>

### ➤ **Bankruptcy law comes of age**

More than two years ago, the Reserve Bank of India ordered local banks to take Essar Steel and 11 other borrowers to 'trials' under a revamped bankruptcy law enacted in late 2016. The jury is finally out on India's most significant piece of bad loan legislation: It has, unequivocally, recognised the primacy of secured creditors in asset-sale proceeds. But the ride so far has been rather rocky, testing the patience of all stakeholders. So much so that the chair of the country's largest lender, State Bank of India, had invoked divine intervention just three months ago, expressing his disappointment with the progress on bankruptcy cases — and their evident reflection in the masslender's quarterly financial statements.

**Source: Economic Times**

**Please find the full news at:**

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bankruptcy-law-comes-of-age/articleshow/72135268.cms>



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