

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



*"Make every detail perfect and limit the number of details to perfect"*

## Updates on Insolvency and Bankruptcy Code

### ➤ NCLT orders insolvency resolution process against CIL subsidiary

In a setback to Coal India (CIL), the Kolkata bench of the National Company Law Tribunal (NCLT) has ordered commencement of the corporate insolvency resolution process against its subsidiary Eastern Coalfields (ECL). The tribunal has admitted the insolvency petition, filed by Hinduja Group-controlled Gulf Oil Lubricants India (GOLIL), against ESL under Section 9 of the Insolvency & Bankruptcy Code (IBC), as the coal miner refused to pay the interest amount on the original debt towards goods supplied.

Source: Financial- Express

Please find the full news at:

<https://www.financialexpress.com/industry/nclt-orders-insolvency-resolution-process-against-cil-subsiary/1420557/>

### ➤ Tata Steel's petition: NCLAT reserves order on Bhushan Power

The National Company Law Appellate Tribunal (NCLAT) has reserved order on Bhushan Power and Steel Ltd (BPSL), and directed both JSW Steel and Tata Steel to file written submissions, if any, by next Wednesday. As the case was filed by Tata Steel alleging that lenders of BPSL allowed rival JSW Steel to revise its bid upward twice after Tata Steel was declared the highest bidder.

Source: *Thehindubusinessline*

Please find the full news at:

<https://www.thehindubusinessline.com/companies/tata-steels-petition-nclat-reserves-order-on-bhushan-power/article25790847.ece>

### ➤ Era Infra's Insolvency: Contractual Commitments Are Financial Debt, Says NCLT

A recent decision by the Delhi bench of the National Company Law Tribunal will bring significant comfort to lenders who have advanced loans based on contractual commitments that are not strictly seen as guarantees. Treating contractual commitments as financial debts will give lenders, who have claims arising from guarantees, voting rights akin to those creditors who have lent to the corporate debtor itself. The decision was made in the case of Era Infra Engineering Ltd. after the resolution professional dismissed several claims of ICICI Bank Ltd.

Source: *Bloombergquint*

Please find the full news at:

<https://www.bloombergquint.com/insolvency/era-infras-insolvency-contractual-commitments-are-financial-debt-says-nclt>

### ➤ Lenders start to lose trust in Liberty House's bid to buy stressed firms under IBC

Casting doubts over the ability of Liberty House to meet its commitments under resolution plans for Adhunik Metaliks and Amtek Auto, the Committee of Creditors led by ICICI Bank is said to have rejected the resolution plan submitted by the London-based Group for debt-laden shipbuilder ABG Shipyard Ltd.

Source: *Thehindubusinessline*

Please find the full news at:

<https://www.thehindubusinessline.com/money-and-banking/lenders-start-to-lose-trust-in-liberty-houses-bid-to-buy-stressed-firms-under-ibc/article25795676.ece>

## ➤ Four ways to make Insolvency & Bankruptcy Code work

The finance minister Arun Jaitley has hinted at a possible 'settlement scheme' to deal with the stressed loans in the near future. This scheme will go together with the Insolvency and Bankruptcy Act (IBC). Two years after the new bankruptcy code came into existence, there are many ideas that are under implementation and discussion to support the new code such as Settlement Scheme where the banks and the corporate would sit together to work out a debt settlement plan. Pre-packaged bankruptcy scheme where the banks and the corporate debtor will work out a restructuring plan beforehand and then approach the bankruptcy code to approve it. Project Sashakt which is a three-point formula to avoid bankruptcy proceedings against the stressed corporate and lastly strengthening IBC by plugging the loopholes.

*Source: Business today*

Please find the full news at:

<https://m.business today.in/lite/story/4-ways-to-make-insolvency-and-bankruptcy-code-work/1/302920.html>

