

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Shallow men believe in luck. Strong men believe in cause and effect." - Ralph Waldo Emerson

Updates on Insolvency and Bankruptcy Code

➤ Insolvency and Bankruptcy Code: Act has tightened slack loopholes, but it has increased workload of NCLT

Within a short span of two years, the IBC has been amended multiple times to smoothen the roadblocks faced in its smooth implementation and it has successfully transformed the process of resolution of commercial insolvency in India. But IBC has also increased the load at the NCLTs by manifolds and it has drawn significant criticism for being a law more for the bankers, and less for the smaller operational creditors. Also, MSMEs are not very pleased with the treatment they have been meted out under the IBC and even the power sector is also fighting for its life before the Supreme Court, seeking some respite from IBC and its strict timelines.

Source: Firstpost

Please find the full news at:

https://www.firstpost.com/business/insolvency-and-bankruptcy-code-act-has-tightened-slack-loopholes-but-it-has-increased-workload-of-nclt-5833841.html?expedite/amp_article/show/67355397.cms

➤ Adhunik Metaliks Case: Lenders may negotiate with second-highest bidder

After UK-based Liberty House has failed to make the upfront cash payment within the stipulated time for acquiring bankrupt Adhunik Metaliks under IBC, lenders to the steelmaker are not opting for liquidation at this point of time as many companies have shown interests in buying the debt-ridden firm under the insolvency resolution process. In order to reach a preferred outcome, the lenders may negotiate with Maharashtra Seamless, the second highest bidder (H2), to resolve this case of corporate insolvency.

Source: FinancialExpress

Please find the full news at:

<https://www.financialexpress.com/industry/adhunik-metaliks-case-lenders-may-negotiate-with-second-highest-bidder/1432887/>

➤ Decide expeditiously: NCLAT to Ahmedabad bench on Essar insolvency case

The NCLAT has asked the NCLT Ahmedabad bench to expeditiously decide on the Essar Steel insolvency case, in which ArcelorMittal has emerged as the highest bidder. Essar Steel lenders led by State Bank of India had filed an application with the NCLAT seeking early approval of the resolution plan. The case has been running for about 500 days as against a maximum of 270 days allowed for a resolution under IBC.

Source: FinancialExpress

Please find the full news at:

<https://www.financialexpress.com/industry/decide-expeditiously-nclat-to-ahmedabad-bench-on-essar-insolvency-case/1432985/>

➤ NCLT helped creditors recover Rs 80,000 crore, Rs 70,000 crore more likely by March-end: Arun Jaitley

Finance Minister Arun Jaitley said Rs 80,000 crore has been recovered by creditors in 66 cases resolved by NCLT and some of the big 12 cases such as Bhushan Power and Steel and Essar Steel India are in advanced stages of resolution and are likely to be resolved in this financial year in which realization is expected to be around Rs 70000 crore. The early harvest through the IBC process has been extremely satisfactory and has changed the debtor-creditor relationship as the creditor no longer chases the debtor.

Source: Timesnownews

Please find the full news at:

<https://www.timesnownews.com/business-economy/industry/article/nclt-helped-creditors-recover-rs-80000-crore-rs-70000-crore-more-likely-by-march-end-arun-jaitley/341202>

