

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



*"Teach self-denial and make its practice pleasure, and you can create for the world a destiny more sublime than ever issued from the brain of the wildest dreamer."*

## Updates on Insolvency and Bankruptcy Code

### ➤ Give details of insolvency law committee, Supreme Court tells Centre

The Supreme Court has asked the Centre to detail the composition of the Insolvency Law Committee set up by the government of 14-member panel to identify and suggest ways to address issues faced in the implementation of the Insolvency and Bankruptcy Code (IBC). Also, it has asked the government to tell which cases were under active consideration of the panel and explain whether the committee is permanent in nature, or formed according to the needs. The Committee had been tasked to issues which might "impact the efficiency of the corporate insolvency resolution and liquidation framework" and make recommendations.

Source: Business- Standard

Please find the full news at:

[https://www.business-standard.com/article/companies/give-details-of-insolvency-law-committee-supreme-court-tells-centre-119010801375\\_1.html](https://www.business-standard.com/article/companies/give-details-of-insolvency-law-committee-supreme-court-tells-centre-119010801375_1.html)

### ➤ NCLT asks Reid & Taylor union to present Hong Kong-based investor's financial details

The National Company Law Tribunal asked the union of the premium apparel brand Reid & Taylor India which is facing bankruptcy proceedings, owes over ₹4,100 crore to banks and other lenders to provide the Hong Kong-based investor's financial details for 2017-18 when it will resume hearing on the matter. The bench had accepted a bid by the association to take over the firm on January 4.

*Source: Livemint*

Please find the full news at:

<https://www.livemint.com/Companies/bzemF90Ypf8SujzEkhdapM/NCLT-asks-Reid--Taylor-union-to-present-Hong-Kongbased-inv.html>

### ➤ Bankruptcy No Tool of Operational Creditors

The government should amend the insolvency code to bar operational creditors from filing insolvency petitions as the data shows that operational creditors dominate the filings and these unsecured creditors find it expedient to arm-twist managements, on pain of losing control, into paying their dues. Also, the absurdity that a bankrupt company continuing to trade on the stock market must go and its capital must be written down to zero.

*Source: Economic Times*

Please find the full news at:

<https://economictimes.indiatimes.com/blogs/et-editorials/bankruptcy-no-tool-of-operational-creditors/>

### ➤ Supreme Court allows withdrawal of case after 'Expression of Interest'

The Supreme Court has recently passed an order while hearing a Special Leave Petition filed by Brilliant Alloys Private Limited against an NCLT order, allowing the withdrawal of a case which was under CIRP, even after invitation for expression of interest was published. As, the Supreme Court observed Regulation 30A of the IBBI CIRP Regulations and noted that this Regulation has to be read along with the main provision Section 12A which contains no such stipulation and also that such stipulation can only be construed as directory depending on the facts of each case. The Court has also indirectly found Regulation 30A to be of no significance, for disposing withdrawal applications.

*Source: Barandbench*

Please find the full news at:

<https://barandbench.com/sc-allows-withdrawal-of-case-after-eoi/>

