

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



Knowledge can be communicated, but not wisdom. One can find it, live it, be fortified by it, do wonders through it, but one cannot communicate and teach it.

Updates on Insolvency and Bankruptcy Code

➤ NCLT turns down prayer for revival of Adhunik Metaliks insolvency process

NCLT's Kolkata Bench has turned down a prayer from the COC of Adhunik Metaliks to pass an interim order to revive the CIRP. The CoC's prayer was based on the H2 bidder, Maharashtra Seamless, expressing its interest in the company, afresh. Maharashtra Seamless and Liberty House had evinced interest in Adhunik Metaliks. However, Liberty House had emerged as the preferred bidder.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/companies/nclt-turns-down-prayer-for-revival-of-adhunik-metaliks-insolvency-process-119012600237_1.html

➤ IBC process: SC boost will mean faster resolution; Apex court may not exempt power firms from Sec 12

With the SC upholding the IBC in its entirety, the resolution process will move faster now. SC emphasised that a person who is unable to service its own debt beyond the grace period referred to above, is unfit to be eligible to become a resolution applicant and this policy cannot be found fault with.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/opinion/sc-boost-to-ibc-process-will-mean-faster-resolution-apex-court-may-not-exempt-power-firms-from-sec-12/1456561/>

➤ Cantor, SC Lowy Eye India Soured Loans Amid Insolvency Delay

Many global funds have pushed for India to resolve its bankruptcy cases faster, but some investors are finding opportunities in the delays. As Indian lenders seek to offload soured debt worth billions of dollars, overseas firms such as Cantor Fitzgerald and SC Lowy see the chance for investors to reap returns from delays in the bankruptcy process.

Source: Bloombergquint

Please find the full news at:

<https://www.bloombergquint.com/business/cantor-sc-lowy-eye-india-s-soured-loans-amid-insolvency-delays>

➤ Number of cases withdrawn under Sec 12A of IBC sees a spike in Q3 FY19

An amendment in the IBC last year to insert Section 12A which allowed withdrawal of cases admitted to the NCLT has slowly begun to make an impact. At the end of December 2018, two years after the IBC came into effect, 586 cases have been settled one way or another. Of these cases, 11 per cent were actually withdrawn under Section 12A, while resolution plans were approved in only 13 per cent of cases.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/economy-policy/insolvency-and-bankruptcy-code-cases-withdrawn-under-sec-12a-on-the-rise-119012700695_1.html

➤ Corporate Debtor Can Withdraw Application Filed Under Sec.10 IBC On Making OTS Offer To Creditor : NCLT

The NCLT adopted a creative interpretation of IBC and allowed the corporate debtor to withdraw the petition for its insolvency, though with costs, besides allowing the ex-director of the corporate debtor to make a one-time settlement offer to the financial creditor which was better than the resolution plan already under consideration for approval before the NCLT.

Source: Livelaw

Please find the full news at:

<https://www.livelaw.in/news-updates/corporate-debtor-can-withdraw-application-filed-under-sec10-ibc-on-making-ots-offer-to-creditor-nclt-read-order-142425>

➤ Exercise of 'put option' a 'financial debt' under IBC?

The NCLAT recently dismissed appeal filed by erstwhile MCX Promoter Jignesh Shah challenging the NCLT order initiating insolvency proceedings against La-Fin Financial Services. The Appellate Tribunal ruled that a put-option, or buy-back arrangement, will constitute a 'financial debt'. The NCLT had initiated Corporate Insolvency Resolution Process against La-Fin last year based on a Section 7 application filed by IL&FS Financial Services.

Source: BarandBench

Please find the full news at:

<https://barandbench.com/exercise-of-put-option-a-financial-debt-under-ibc/>

➤ Government sets March deadline to resolve 9 top insolvency cases

The government has set a March deadline for lenders and resolution professionals to resolve nine of the dozen high-value insolvency cases, with Essar Steel and Jaypee Infratech identified for special focus. The overall message is to speed up resolution of cases to signal that the Insolvency & Bankruptcy Code is providing the desired results in unlocking bank money that was blocked. The dozen high-profile cases owed around Rs 2.5 lakh crore to lenders. These cases are yet to be sorted out even after 18 months, way above the 270-day deadline in the law.

Source: TimesofIndia

Please find the full news at:

<https://timesofindia.indiatimes.com/business/india-business/government-sets-march-deadline-to-resolve-top-insolvency-cases/articleshow/67732453.cms>

