

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



The quality of a person's life is in direct proportion to his commitment to excellence

Updates on Insolvency and Bankruptcy Code

➤ SC upholds IBC spirit: Now, make it resolution-centric instead of liquidation-centric

The judgment of the Supreme Court upholding the legal sanctity of Insolvency and Bankruptcy Code can bring a tectonic shift in the loan repayment culture. It asserts that the defaulters cannot bid for the assets of the insolvent company in terms of amended section 29 (A) to regain control while lenders are forced to take a haircut. It also tames the attitude of Committee of Creditors and provides a clear and firm guidance that its decisions cannot be arbitrary, as was seen in the recent stance in the Essar Steel case. It asserts that CoC is not the ultimate link in the value-chain of IBC and it also removes many of the apprehensions of key players engaged in implementing IBC. The spirit of judgment, thus makes it clear that the purpose and objectives of IBC is becoming sharper.

Source: FinancialExpress

Please find the full news at:

<https://www.financialexpress.com/opinion/sc-upholds-ibc-spirit-now-make-it-resolution-centric-instead-of-liquidation-centric/1458786/>

➤ Don't Send Us to Court, Firms Tell Biggest India Bank

With 1.8 trillion rupees (\$25 billion) in bad corporate debt to clean up, State Bank of India is having an easier time negotiating with founders keen to avoid the nation's two-year-old bankruptcy law because a crackdown by policy makers has convinced business owners that they risk losing their companies once the courts become involved.

Source: Bloombergquint

Please find the full news at:

<https://www.bloomberg.com/news/articles/2019-01-30/madam-don-t-send-us-to-insolvency-court-india-firms-tell-bank>

➤ Bankruptcy law a success but execution snags remain: Panellists at VCCircle summit

The Insolvency and Bankruptcy Code, 2016 has effectively tackled the menace of stressed assets in the country; however, unique operational challenges continue to block the resolution process of the non-performing loans. Also, the new legislation brought about rapid changes to the industry only in the last six months and not in the first 1.5 years since its implementation.

Source: Vccircle

Please find the full news at:

<https://www.vccircle.com/bankruptcy-law-a-success-but-execution-snags-remain-panellists-at-vccircle-summit/>

➤ Steel industry: The real steel frame of India

Steel production, once solely associated with India's public sector, has been witnessing strong private sector participation. Initiatives taken to spur this sector includes trade remedial measures, and resolving non-performing assets (NPAs) under the Insolvency and Bankruptcy Code (IBC) which have contributed towards enhancing its domestic production.

Source: Economictimes

Please find the full news at:

<https://economictimes.indiatimes.com/blogs/et-commentary/steel-industry-the-real-steel-frame-of-india/>



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