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Insolvency Professional Agency of Institute of Cost Accountants of India



HIGHLIGHTS

- **India's Struggling Power Producers Welcome Supreme Court's Debt Ruling**
- **RBI unlikely to challenge SC order, may revise circular**
- **Lenders still have the power to take corporate to NCLT**
- **Ruling may derail resolutions, open the way for more litigation**

Updates on Insolvency and Bankruptcy Code, 2016

➤ India's Struggling Power Producers Welcome Supreme Court's Debt Ruling

India's power industry welcomed a top court decision to strike down central bank rules that tightened loan default guidelines, saying the move offers a sustainable financial path forward for debt-laden power producers. "The court's order is recognition of our argument that systemic issues can't be fixed through mechanical means," said Harry Dhaul, director general of the Independent Power Producers Association of India. "This should now draw attention to the core issues facing the sector and we're hoping the resolution process should gather momentum."

Source: Bloomberg

Please find the full news at:

<https://www.bloomberquint.com/insolvency/india-s-struggling-power-producers-welcome-top-court-debt-ruling>

➤ **RBI unlikely to challenge SC order, may revise circular**

The Reserve Bank of India (RBI) could revise its bankruptcy circular to ensure that an amended version of the directive complies with norms, although the regulator cannot dictate a blanket order for taking all companies above a threshold to insolvency courts, lawyers said.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/markets/stocks/news/rbi-unlikely-to-challenge-sc-order-may-revise-circular/articleshow/68697341.cms>

➤ **Lenders still have the power to take corporate to NCLT**

Indian banks would still have the power to recover loans by using the bankruptcy code, but they would have to demonstrate their seriousness about protecting depositors' money.

“There is nothing preventing the banks from taking corporate to NCLT,” said a bank executive after the apex court struck down the February 12, 2018, circular. “This momentum is set and banks will do everything to protect the depositors' money.”

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/markets/stocks/news/lenders-still-have-the-power-to-take-corporates-to-nclt/articleshow/68697765.cms>

➤ **Ruling may derail resolutions, open the way for more litigation**

The Supreme Court ruling voiding the Reserve Bank of India's circular on treatment of defaults could affect the pace of corporate insolvency resolution and impact ongoing efforts to restructure loans of many companies including that of Jet Airways, bankers said.

Senior bankers said the ruling may also lead to more litigation as promoters of stressed companies challenge such restructuring citing the court order.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/markets/stocks/news/ruling-may-derail-resolutions-open-the-way-for-more-litigation/articleshow/68697300.cms>

