

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



HIGHLIGHTS

- 'IBC laws will prevail if banks refer case to insolvency'
- RBI reduced to a toothless regulator with no power over cronyism
- Govt in damage control mode after SC verdict, Sec 35 may be invoked
- Order Of Appointment Of Liquidator Will Not Create Any Bar On The Applicability Of The Insolvency And Bankruptcy Code, 2016 : NCLT

Updates on Insolvency and Bankruptcy Code, 2016

➤ 'IBC laws will prevail if banks refer case to insolvency'

The sanctity of insolvency laws will be upheld if the banks decide on taking a stressed asset to the NCLT where the prevailing rules bar promoters' participation, government sources said.

However, promoters would get a chance to work out a different loan repayment mechanism in line with the arrangement worked out with the banks, if the lenders decide on resolving an asset outside the Insolvency and Bankruptcy Code (IBC).

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/news-ians/ibc-laws-will-prevail-if-banks-refer-case-to-insolvency-119040301366_1.html

➤ **RBI reduced to a toothless regulator with no power over cronyism**

The country's Supreme Court on Tuesday struck down a controversial 2018 directive from the Reserve Bank of India, which gave lenders a 180-day deadline to resolve non-performing loans before having to refer the defaulting borrowers to a bankruptcy tribunal.

Source: Business Line

Please find the full news at:

<https://www.thehindubusinessline.com/money-and-banking/rbi-reduced-to-a-toothless-regulator-with-no-power-over-cronyism/article26724546.ece>

➤ **Govt in damage control mode after SC verdict, Sec 35 may be invoked**

Section 35AA empowers the central government to authorise the RBI "for issuing directions to banking companies to initiate insolvency resolution process" Bruised by the Supreme Court's verdict on the Reserve Bank of India's (RBI's) February 12, 2018, circular on resolving bad debt, the government is planning to authorise the central bank to refer companies to the Insolvency and Bankruptcy Code (IBC) on a case-by-case basis. "We will not let the IBC process weakens.

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/economy-policy/govt-in-damage-control-mode-after-sc-verdict-sec-35-may-be-invoked-119040400052_1.html

➤ **Order Of Appointment Of Liquidator Will Not Create Any Bar On The Applicability Of The Insolvency And Bankruptcy Code, 2016 : NCLT**

Recently, the NCLT, Delhi vide its order dated 28.03.2019 admitted an application filed under Section 7 of Insolvency and Bankruptcy Code ("Code") by Punjab National Bank ("PNB") being one of the financial creditors against M/s Hanung Toys and Textiles Limited. 1

Source: Mondaq

Please find the full news at:

<http://www.mondaq.com/india/x/795656/Insolvency+Bankruptcy/Order+Of+Appointment+Of+Liquidator+Will+Not+Create+Any+Bar+On+The+Applicability+Of+The+Insolvency+And+Bankruptcy+Code+2016+NCLT>

