



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

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## ➤ **RBI's Das envisages framework for Group Insolvency Mechanism under IBC**

Reserve Bank of India (RBI) governor Shaktikanta Das on Thursday envisaged a Group Insolvency Mechanism for better recovery of dues of creditors under the Insolvency & Bankruptcy Code (IBC) process.

"Globally, there are two diverse facets of Group Insolvency. Some jurisdictions have adopted either procedural coordination or substantive consolidation. Substantive consolidation pertains to the consolidation of assets, liabilities, and operations of multiple entities within a group, disregarding their separate legal entity status," Mr. Das said while speaking at the CAFRAL Conference.

"On the other hand, under procedural coordination, the approach is limited to aligning procedural aspects like filing requirements, timelines, coordination and not mingling the entities per se," he said.

He said in the Indian context, in the absence of a specified framework, the group insolvency mechanism had been so far evolving under the guidance of the Courts. "Perhaps the time has come for laying down appropriate principles in this regard through legislative changes. There has been quite a bit of brainstorming on this issue in the policy circles for some time now. The task now is to move forward through appropriate legal changes," he emphasised.

**Source: The Hindu Bureau**

**Read Full news at:** <https://www.thehindu.com/business/rbis-das-envisages-framework-for-group-insolvency-mechanism-under-ibc/article67731392.ece>

➤ **Ex-promoters, can submit bids if eligible under Section 29A of IBC: NCLAT**

The National Company Law Appellate Tribunal (NCLAT) on Thursday said former promoters and directors of a company going through insolvency process are not barred from submitting bids until they are ineligible under clauses of Section 29A of the insolvency law.

The mere fact that someone was a promoter and director of a company going through the Corporate Insolvency Resolution Process (CIRP), does not make that person ineligible to submit a resolution plan, said the appellate tribunal while setting aside an order of Mumbai bench of the National Company Law Tribunal (NCLT).

*Source: Business Standard*

*Read Full news:* [https://www.business-standard.com/companies/news/ex-promoters-can-submit-bids-if-eligible-under-section-29a-of-ibc-nclat-124011100890\\_1.html](https://www.business-standard.com/companies/news/ex-promoters-can-submit-bids-if-eligible-under-section-29a-of-ibc-nclat-124011100890_1.html)

➤ **Zoomed Out | Insolvency Code — this is the impact of the SC settlement on personal insolvency of corporate guarantors**

The Insolvency & Bankruptcy Board of India had notified the rules for action against personal guarantors to Corporates in 2019. However, since the who's who reached the Apex Court impugning their validity, the said provisions were shadowed by poor results. The SC decision has now paved path for financial creditors to relay back on the fast-paced bad debts resolution track laid by the Insolvency and Bankruptcy Code, writes Anjali Jain, Partner & Head (Insolvency & Restructuring Practice) at Areness.

*Source: CNBC TV 18*

*Read Full news:* <https://www.cnbctv18.com/business/companies/supreme-court-decision-on-insolvency-code-the-apex-court-settles-the-issue-of-personal-insolvency-of-corporate-guarantors-18686331.htm>



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