

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



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"Success is achieved and maintained by those who try and keep trying." – W. Clement Stone

Updates on Insolvency and Bankruptcy Code

➤ Liberty House may lose Adhunik Metaliks if it fails to pay up this week

Liberty House of UK may fail to finally acquire Adhunik Metaliks despite emerging as the preferred suitor. The Committee of Creditors has threatened to invoke the liquidation provision of the Insolvency and Bankruptcy Code (IBC) if Liberty owner fails to pay up within the next week Rs.410 crore, the money offered and approved in its resolution plan. This comes after the bankers led by State Bank of India refused the offer of Liberty House to pay up in instalments i.e Rs.100 crore now and Rs.310 crore later.

Source: Dnaindia

Please find the full news at:

<https://www.dnaindia.com/business/report-liberty-house-may-lose-adhunik-metaliks-if-it-fails-to-pay-up-this-week-2696864>

➤ Opinion | The code that recoded business relationship in 2018

In year 2018 the tally for deals in India crossed \$100 billion. One of the factors contributed to the surge in deal making was the Insolvency and the Bankruptcy Code which is considered as the game changer as under the Code Indian corporate either pay up the debts to the banks in a stipulated time frame or get ready to be liquidated or acquired. This has triggered a fear among promoters of losing control of their firms, and of being banned from bidding for other distressed assets. Therefore, this code was one which actually recoded the business relationships in India.

Source: Livemint

Please find the full news at:

<https://www.livemint.com/Opinion/aSnbN4gyAjSRJr1O2gX9ij/Opinion--The-code-that-recoded-biz-relationship-in-2018.html>

➤ IBC amendment gives voice to beleaguered homebuyers

The amendment catalyzed by the Jaypee Infratech case brought into effect significant changes in the IBC relating to homebuyers' rights by recognizing them as "financial creditors". The amendment specifically provides that the amount raised from a homebuyer in a real estate project has the commercial effect of a borrowing and hence, a financial debt. The result of conferring such a status to the homebuyers is that they are now entitled to invoke the corporate insolvency resolution process under section 7 of the IBC, and would be entitled to sustain their claim irrespective of a dispute between the homebuyer and developer. With the amendment, the homebuyers will also have due representation in the committee of creditors giving them a right to voice their interests in a corporate insolvency resolution process.

Source: Vantageasia

Please find the full news at:

<https://www.vantageasia.com/ibc-amendment-gives-voice-beleaguered-homebuyers/>

