

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Do not be embarrassed by your failures, learn from them and start again."

Updates on Insolvency and Bankruptcy Code

➤ Essar Steel insolvency case: Creditors knock NCLAT door to expedite

The committee of creditors to Essar Steel, led by the State Bank of India, has filed an application at the National Company Law Appellate Tribunal (NCLAT) seeking the disposal of the insolvency case within the next three weeks. The committee has appealed to the NCLAT so that it directs NCLT's Ahmedabad chapter to approve the resolution plan as the case has been running for about 500 days, while the maximum stipulated time for the resolution of any case under the Insolvency and Bankruptcy Code is 270 days.

Source: *Economic Times*

Please find the full news at:

https://m.economictimes.com/industry/indl-goods/svs/steel/essar-steel-insolvency-case-creditors-knock-nclat-door-to-expedite/amp_articleshow/67355397.cms

➤ Gujarat Ambuja Exports faces insolvency petition at NCLT

Gujarat Ambuja Exports, a manufacturer of starch derivatives, has been dragged to the bankruptcy courts by one of its suppliers for recovery of payments due to it. The case has been filed by Delta Global Resources, which supplied coal to Gujarat Ambuja. The sum of non-repayments including interest cost is estimated to be Rs. 1.25 crore and it is the Insolvency Bankruptcy Code that empowers even operational creditors to drag a defaulting company to NCLT.

Source: Economic Times

Please find the full news at:

https://m.economictimes.com/news/company/corporate-trends/gujarat-ambuja-exports-faces-insolvency-petition-at-nclt/amp_articleshow/67352944.cms

➤ Section 29 of IBC law: Planned changes to fix grey areas

The government is planning a change in Section 29A since the clause is also being misused to delay IBC proceedings. The new relaxation will allow bidders to show that, while they are related to defaulters, their businesses are quite distinct. Also, planned changes to Section 29A will fix grey areas in IBC law.

Source: FinancialExpress

Please find the full news at:

<https://www.financialexpress.com/opinion/sec-29-of-ibc-law-planned-changes-to-fix-grey-areas/1431807/lite/#referrer=https://www.google.com&tf=From%20%251%24s>

➤ Power sector NPAs a class of their own

The cases of as many as 34 financially stressed power projects, with bank exposure of over Rs 1.8 lakh crore, are reportedly headed to the National Company Law Tribunal (NCLT) for resolution under the Bankruptcy Code. Political failure leading to weak finances of state utilities underlies the power sector's problems and the three main reasons reported for stressed power assets are missing fuel linkage, absence of power purchase agreements (PPAs) and inability of private promoters to increase equity stakes.

Source: EconomicTimes

Please find the full news at:

<https://economictimes.indiatimes.com/blogs/et-editorials/power-sector-npas-a-class-of-their-own/>

