

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



*"Challenges are what make life interesting and overcoming them is what makes life meaningful." –
Joshua J. Marine*

Updates on Insolvency and Bankruptcy Code

➤ IBC delays, capital needs push SBI to auction Essar Steel loans

The possibilities of further delays in debt resolution under the Insolvency and Bankruptcy Code (IBC) and the need to free up capital is being cited as among the reasons for the State Bank of India's (SBI) unexpected move to auction its entire loan exposure worth Rs 15,431.44 crore in Essar Steel India Ltd. While SBI has initiated the process of sale of its loan exposure to asset reconstruction companies, banks and financial institutions; its decisions to seek resolution outside the purview of IBC is seen as having put a question mark on the efficacy of entire time-bound resolution process under the new bankruptcy law.

Source: Indian Express

Please find the full news at:

<https://indianexpress.com/article/business/companies/ibc-delays-capital-needs-push-sbi-to-auction-essar-steel-loans-5549246/>

➤ [SC seeks govt response on plea against financial creditor status to homebuyers](#)

The SC sought response from the Centre on a petition challenging the constitutional validity of the newly inserted explanation to the IBC that made real estate allottees financial creditors who can initiate CIRP against developers. As a result of the impugned provision, amounts raised by a corporate debtor from an allottee of a real estate project are brought within the definition of 'financial debt' under Section 5(8), the developer alleged.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/economy/sc-seeks-govt-response-on-plea-against-financial-creditor-status-to-homebuyers/1450951/>

➤ [PNB drags Binani to NCLT as subsidiary Edayar Zinc fails to repay loan](#)

In a major development, state-run lender Punjab National Bank has dragged Binani Industries to the NCLT as its subsidiary Edayar Zinc has committed default in repayment of the outstanding financial debt. The bank has now filed insolvency petition against Binani Industries under section 7 of IBC.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/pnb-drags-binani-to-nclt-as-subsiary-edayar-zinc-fails-to-repay-loan/1450811/>

➤ [NCLAT dismisses Jignesh Shah plea against insolvency of his investment firm La-Fin Financial Services](#)

The NCLAT dismissed the petitions filed by erstwhile MCX promoter Jignesh Shah and others challenging an NCLT order that allowed insolvency proceedings against investment firm La-Fin Financial Services by stating that IL&FS Financial Services "is the 'Financial Creditor' and there is a debt and default, the application under Section 7 is to be admitted."

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/markets/stocks/news/nclat-dismisses-jignesh-shah-plea-against-insolvency-of-his-investment-firm-la-fin-financial-services/articleshow/67628369.cms>

