

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Talent wins games, but teamwork and intelligence win championships." - Michael Jordan

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Updates on Insolvency and Bankruptcy Code

➤ Insolvency and Bankruptcy Code Introduced Competition For Entrepreneurship And Capital

IBC Code has introduced competition for entrepreneurship and capital. It encourages entrepreneurs to compete with one another to utilise the resources locked up in inefficient or defunct firms. About 4000 applications for initiation of corporate insolvency resolution process were withdrawn before their admission indicating early settlement of default by corporate debtors. The Code has brought discipline in the economic system and has proved to be the most successful law after independence.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/news-cm/insolvency-and-bankruptcy-code-introduced-competition-for-entrepreneurship-and-capital-119030500439_1.html

➤ SC hearing on challenge against RBI February 12 circular on today

The Supreme Court is scheduled to start hearing in the power, sugar, and shipping companies challenge to the Reserve Bank of India's February 12 circular. With a total exposure of nearly Rs 2 trillion in the power sector alone, companies hoping for a verdict in their favour may have to face some disappointment.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/current-affairs/sc-hearing-on-challenge-against-rbi-february-12-circular-on-wednesday-119030500893_1.html

➤ **Real estate firms move SC against 'financial creditor' tag for homebuyers**

Real estate companies are said to have approached Supreme Court challenging the government's decision to grant homebuyers the status of financial creditors. In their petition before the top court, these real estate companies have claimed that granting financial creditor status to all homebuyers and real estate allottees will complicate the situation as they will now have to accommodate all such people to the committee of creditors.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/current-affairs/real-estate-firms-to-challenge-financial-creditor-tag-for-homebuyers-in-sc-119030501208_1.html

➤ **NCLT notice to Essar Power on L&T arm's plea at Ahmedabad bench**

The L&T group company had lent the amount Rs.45.5 crore to Essar Power Gujarat, subsidiary of Essar Power. As the subsidiary defaulted on its debt repayment, L&T Infrastructure approached Essar Power for being the guarantor. However, the parent company too failed to repay the dues and L&T decided to file interlocutory application to Ahmedabad bench of National Company Law Tribunal under Section 7 of the Insolvency and Bankruptcy Code (IBC) to start corporate insolvency resolution process against the Essar Group company.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/nclt-notice-to-essar-power-on-lt-arms-plea-at-ahmedabad-bench/1506312/>



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