

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



HIGHLIGHTS

- **Essar Steel debt: SBI moves apex court against NCLAT order**
- **Supreme Court holds ultra vires RBI's Feb 12 circular mandating insolvency proceedings**
- **ET view: Huge blow to the bankruptcy code**
- **Supreme Court order on stressed assets may delay debt resolution process: ICRA**

Updates on Insolvency and Bankruptcy Code, 2016

➤ Essar Steel debt: SBI moves apex court against NCLAT order

Standard Chartered had informed NCLAT that it will get only 1.7 per cent of its dues or ₹60 crore if the approved ArcelorMittal plan is executed. The ongoing resolution to the stressed Essar Steel debt took an interesting turn with State Bank of India on Monday moving the Supreme Court against the National Company Law and Appellate Tribunal (NCLAT) recent order directing the committee of creditors to consider more payment to Standard Chartered Bank from the ₹42,000-crore winning bid of ArcelorMittal.

Source: Business Line

Please find the full news at:

<https://www.thehindubusinessline.com/companies/essar-steel-debt-sbi-moves-apex-court-against-nclat-order/article26704576.ece>

➤ **Supreme Court holds ultra vires RBI's Feb 12 circular mandating**

The judgment is a relief for stressed industries, including those in the power and sugar sectors. The Supreme Court on Tuesday declared the Reserve Bank of India circular of February 12, 2018, which mandates insolvency proceedings for a debt servicing default beyond 180 days, to be ultra vires.

Source: Business Line

Please find the full news at:

<https://www.thehindubusinessline.com/money-and-banking/sc-holds-ultra-vires-rbis-february-12-circular-mandating-insolvency-proceedings/article26709699.ece>

➤ **ET view: Huge blow to the bankruptcy code**

The Supreme Court has erred in quashing the controversial February 12 RBI circular that imposed stringent conditions on lenders on loan repayments. It was meant to make the credit system work well, by operationalising the bankruptcy code, a crucial legislation to resolve corporate distress and bring discipline among borrowers who game the system. That has got a set-back now.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/opinion/et-view/et-view-huge-blow-to-the-bankruptcy-code/articleshow/68683955.cms>

➤ **Supreme Court order on stressed assets may delay debt resolution process: ICRA**

The Supreme Court's decision to scrap the Reserve Bank of India's February 12 circular will delay the ongoing debt resolution process, according to ICRA.

The February 12 circular removed discretion with banks on resolution on stressed accounts by requiring them to compulsorily implement a resolution plan in a time-bound manner or refer the borrowers under Insolvency and Bankruptcy Code (IBC) 2016 for resolution.

Source: Economic Times

Please find the full news at:

<https://www.thehindubusinessline.com/money-and-banking/sc-holds-ultra-vires-rbis-february-12-circular-mandating-insolvency-proceedings/article26709699.ece>

