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Insolvency Professional Agency of Institute of Cost Accountants of India



“The struggle you’re in today is developing the strength you need tomorrow.”

Updates on Insolvency and Bankruptcy Code

➤ **Avoid the disastrous road to regulatory capture**

The TV series Dopesick, a dramatized retelling of how the notorious medicine OxyContin fuelled America’s opioid epidemic, hints that drug maker Purdue Pharma may have lobbied regulator Food and Drug Administration (FDA) into labelling its pill as ‘non-addictive’ even though it was designed to induce addiction, and resulted in many cases of over-dosing and deaths. Purdue’s baleful shadow of influence over the US regulator (which includes employing former FDA officials) fits what policy geeks define as “regulatory capture

Source: *The Mint*

Read Full news at:

<https://www.livemint.com/opinion/columns/the-road-to-regulatory-capture-isn-t-paved-with-good-intentions-11641226857958.html>

➤ **RBI-appointed administrator moves court to retain Srei control over Trinity**

At the heart of the bankruptcy proceedings of one of India's largest non-banking finance companies, Srei, and its subsidiary lies a lesser known asset management firm called Trinity, which runs multiple funds with diverse investments. Fearing that Trinity could slip out of control, the Reserve Bank of India (RBI)-appointed administrator has moved court to avert a change in the shareholding of Trinity Alternative Investment Managers Ltd,

Source: *The Economic Times*

Read Full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-appointed-administrator-moves-court-to-retain-srei-control-over-trinity/articleshow/88656259.cms?from=mdr>

➤ **DID RBI have a change of heart on Yes Bank's AT-1 bonds?**

When news emerged in March 2020 that the restructuring of fraud-hit Yes Bank would involve the write off of ₹8,415 crore worth of a special category of bonds called additional tier one, or AT-1 bonds, investors rubbed their eyes in disbelief. This ran counter to the conventional understanding of what happens in the worst-case scenario for a company—insolvency or bankruptcy. Bondholders are treated as creditors and their claims are deemed more urgent in the waterfall mechanism of India's insolvency proceedings. Equity shareholders come last and expect to get wiped out when a company goes bust. But Yes Bank did not get liquidated, it was restructured.

Source: The Mint

Read Full news at:

<https://www.livemint.com/industry/banking/did-rbi-change-its-mind-on-yes-bank-s-at-1-bonds-11641232192570.html>



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