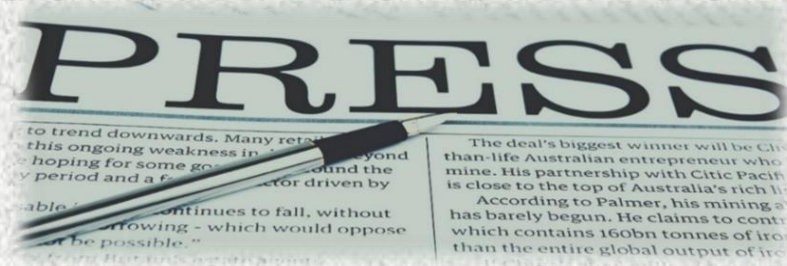


Date: August 05, 2021

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Ideas in secret die. They need light and air or they starve to death"

Updates on Insolvency and Bankruptcy Code

Making the IBC more effective

The Insolvency and Bankruptcy Code, in Section 43 to 51, provides for avoidable transactions, with the primary purpose of identifying and reversing transactions which are prejudicial to the interest of the creditors. These transactions are classified as transactions that are in the nature of preference payments, undervalued transfer of assets of the corporate debtor, fraudulent and extortionate transactions done with an intent to displace the rights of the creditors, thereby causing loss to them. Such transactions are to be identified by the insolvency professional (IP) during the corporate insolvency resolution process (CIRP) of the corporate debtor, with an intent to reverse/cancel them to ensure enhanced recovery for creditors and maximisation of the value of the assets.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/opinion/making-the-ibc-more-effective/2304475/>

Parliamentary committee calls for overhaul of bankruptcy code

A parliamentary standing committee appointed to examine the workings of the Insolvency and Bankruptcy Code (IBC) has recommended an overhaul of the present system including a threshold rate of haircut for creditors below. It has also recommended a new supervisory body to oversee resolution professionals and suggested that only high court judges be appointed to the National Company Law Tribunal (NCLT) to ensure quicker disposal of cases. "As the insolvency process has fairly matured now, there may be an imperative to have a benchmark for the quantum of "hair-cut", comparable to global standards," the committee said without specifying what this benchmark could be.

Source: The Economic Times

Please find the full news at:

<https://m.economictimes.com/news/economy/policy/parliamentary-committee-calls-for-overhaul-of-bankruptcy-code/articleshow/85040433.cms>

Piramal resolution for DHFL: 63 Moons moves Supreme Court against NCLT order

63 Moons, which holds non-convertible debentures (NCDs) worth over Rs 200 crore issued by DHFL, has challenged the NCLAT's judgment on the grounds that the current resolution plan is disappointing for NCD holders. 63 Moons, which holds non-convertible debentures (NCDs) worth over Rs 200 crore issued by DHFL, has challenged the NCLAT's judgment on the grounds that the current resolution plan is disappointing for NCD holders. Lenders on January 15 had voted in favour of Piramal Capital's Rs 34,250 crore bid for the troubled mortgage lender with a 93.65% vote. 63 Moons Technologies also voted in favour of the Piramal's plan.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/piramal-resolution-for-dhfl-63-moons-moves-supreme-court-against-nclt-order/2304490/>

Insolvency plea by financial creditors exempt from 3-year time limit: SC

The Supreme Court on Wednesday ruled that plea by financial creditor for initiation of insolvency resolution process against a corporate debtor before the adjudicating authority will not get time barred on the ground that it had been filed beyond a period of three years from the date of declaration of the loan account as NPA. A bench of Justices Indira Banerjee and V Ramasubramanian set aside an order of National Company Law Appellate Tribunal (NCLAT) by which it had said that application under section 7 of Insolvency and Bankruptcy Code (IBC) of Dena Bank (now Bank of Baroda) for initiation of insolvency process was time barred.

Source: Mint

Please find the full news at:

<https://www.livemint.com/news/india/insolvency-plea-by-financial-creditors-exempt-from-3-year-time-limit-sc-11628093099518.html>



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