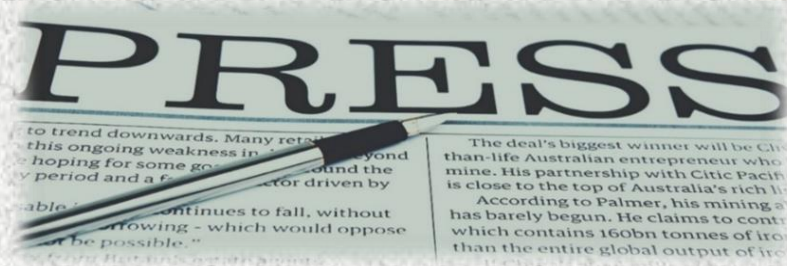


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IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Honesty is the first chapter in the book of wisdom"

Updates on Insolvency and Bankruptcy Code

Parliament panel suggests review of bankruptcy code

Delays in resolution, low recovery rates, and rising liquidation cases point to the need to review the Insolvency and Bankruptcy Code (IBC), a parliament panel suggested, arguing that the law has deviated from its aim of offering a quick resolution path to stressed companies. The parliamentary standing committee on finance, chaired by Bharatiya Janata Party (BJP) leader Jayant Sinha, also recommended that the pre-pack scheme—an informal alternative bankruptcy resolution scheme offered to small businesses—may be extended to bigger corporations. The panel's report was tabled in the Lok Sabha on Tuesday.

Source: Mint

Please find the full news at:

<https://www.livemint.com/industry/banking/bankruptcy-code-deviated-from-goals-needs-revision-parliamentary-panel-11627987510087.html>

Poor asset valuation, economic climate, NCLT delays see IBC losing favour:

Poor asset valuation and economic climate, along with suspension of insolvency initiation against Covid-related default, are some of the reasons why lenders are not opting for resolution under the Insolvency and Bankruptcy Code (IBC), observed industry experts. Less than 200 cases have been admitted to the National Company Law Tribunal till June after the suspension was lifted on March 24, revealed the Insolvency and Bankruptcy Board of India (IBBI).

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/finance/poor-asset-valuation-economic-climate-nclt-delays-see-ibc-losing-favour-121080301989_1.html

IBC sharply reduced haircuts for lenders, says IBBI chief Sahoo

The chairman of the Insolvency and Bankruptcy Board of India (IBBI) also contested the criticism that the IBC has resulted in more liquidation than resolution (1,277 cases ended up in liquidation while only 348 cases witnessed resolution until March 2021). “You are watching only the end game, where you see about 1,600 cases reaching the finishing line. However, 19,000 cases were closed, either before or after admission (by the NCLT), but before reaching the finishing line,” Dr sahuo Said. So, if the entire universe of companies touching the IBC is considered, the percentage of companies proceeding for liquidation is still negligible, he explained.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/economy/ibc-sharply-reduced-haircuts-for-lenders-says-ibbi-chief-sahoo/2303648/>

Hindustan Paper Corp under liquidation on directions of NCLT, NCLAT:

Govt: Hindustan Paper Corporation Limited (HPC) is under liquidation process on the directions of the National Company Law Tribunal and the National Company Law Appellate Tribunal, Parliament was informed on Tuesday. The liquidator appointed for the company is undertaking the liquidation process. In a written reply to the Lok Sabha, Minister of State for Heavy Industries Krishan Pal Gurjar said that Cachar Paper Mill, Panchgram and Nagaon Paper Mill, Jagiroad are mills of HPC in Assam and these mills are presently non-operational.

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/companies/hindustan-paper-corp-under-liquidation-on-directions-of-nclt-nclat-govt-121080301327_1.html



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