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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**"With the new day comes new strength and new thoughts."**

## **Updates on Insolvency and Bankruptcy Code**

### **SARFAESI Act may be amended for clarity to help UVARCL | Aircel bankruptcy case and assuage SBI Concerns**

Mumbai: The Government is open to amending the Sarfaesi Act to remove a stumbling block which is preventing asset reconstruction companies (ARCs) from becoming resolution applicants (RAs) in insolvencies, people familiar with the matter said.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/economy/policy/sarfaesi-act-may-be-amended-for-clarity-to-help-uvarcl-in-aircel-bankruptcy-case-and-assuage-sbi-concerns/articleshow/79027558.cms?from=mdr>

### **Bank can initiate proceedings against guarantor under SARFAESI during continuation of CIRP against borrower: HC**

IBC : Neither section 14 nor section 31 of IBC place any fetters on banks/Financial Institutions from initiation and continuation of proceedings against guarantor for recovering their dues liability of principal borrower and Guarantor remain co-extensive and respondent/Bank is well entitled to initiate proceedings against guarantor under SARFAESI Act during continuation of Insolvency Resolution Process against Principal Borrower.

Source: IBC Taxmann

Please find the full news at:

<https://ibc.taxmann.com/topstories/101010000000196737/bank-can-initiate-proceedings-against-guarantor-under-sarfaesi-during-continuation-of-cirp-against-borrower-hc.aspx>

## **Let a bad bank lighten our Sisyphean load of bad loans**

One of the features of Indian banking has been the perpetual struggle against the Sisyphean task of cleaning up public sector banks (PSBs). Just as their health was recovering, with capital infusions, slowing slippages and higher provision coverage ratios, covid has threatened to roll them back into the depths of Hades. If the deteriorating asset quality of SBI Cards is a sign of things to come, PSBs are unlikely to emerge from the crisis unscathed. Given that a healthy banking system will be vital to a post-covid economic recovery, a business-as-usual approach does not seem optimal.

**Source: Live Mint**

**Please find the full news at:**

<https://www.livemint.com/opinion/online-views/let-a-bad-bank-lighten-our-sisyphean-load-of-bad-loans-11604328140287.html>



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