



IBC AU-COURANT

Latest updates On Insolvency & Bankruptcy

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"The bad news is time flies"

Awareness Program on Insolvency Profession" at RTMNU auditorium

As part of the Azadi Ka Amrit Mahotsav, Insolvency and Bankruptcy Board of India, in association with the Insolvency Professional Agency of the Institute of Cost Accountants of India, has on June 4, 2022 conducted the "Awareness Program on Insolvency Profession with special reference to Graduate Insolvency Program" with proactive coordination from RTMNU in the Sri Ramanujan Auditorium of the Rashtrasant Tukdoji Maharaj Nagpur University.

Amit Pradhan, Executive Director, IBBI, Shri Subhash Chaudhary, Vice Chancellor, RTMNU, AVM Shri Rakesh Khatri (Retd), Managing Director, IPA ICAI graced the event with their presence. At the outset, Dr Payal Thaorey, HOD, PG Teaching Deptt of Law RTMNU, welcomed the guests and participants.

In his inaugural speech, Dr Chaudhary said that the program will be helpful to the students who intend to pursue Insolvency Professional as a career option. Rakesh Khatri elaborated on the role of IPs in the Corporate Insolvency Resolution Process and

informed the gathering of the role the IPA plays under the IBC, 2016.

Amit Pradhan in his curtain raising address emphasized on the relevance of IBC, 2016 and how it has evolved over the past 5 years. He also mentioned that the code is still evolving and is acting as a catalyst in maximising value of assets of the corporate debtors in default and protection of the interests of all the stakeholders. He said that the awareness program is being conducted to ensure public participation in the nation building process.

Kanchan Choudhary, IP gave a presentation on the Graduate Insolvency Program followed by a presentation on IBC, 2016 from Ms Winy Daigwane Practising Advocate and Ms Padma Chobe from RTMNU. The program received an overwhelming response from the students of RTMNU. About 150 participants attended the program. IBBI and IPA ICAI distributed certificates of participation to all the attendees.

Source: Nagpur Today

Read Full news at: <https://www.nagpurtoday.in/awareness-program-on-insolvency-profession-at-rtmnu-auditorium/06061227>

Bank loans of Tangedco moved out of Rating Watch Negative category

India Ratings and Research took off the Rating Watch Negative (RWN) status on the Tamil Nadu Generation and Distribution Corporation's (Tangedco) 'bank loans' citing prolonged resolution period of insolvency cases against the State utility.

In December 2021, the ratings firm had placed RWN ratings on the term loans after vendors had approached the National Company Law Tribunal (NCLT) against Tangedco. The loans include long-term loans, cash credit working capital limits and non-fund based working capital limits.

The resolution was monitored throughout the 'watch period.' As more operational creditors have been reaching out to the NCLT for the recovery of past dues from Tangedco, the agency said it continued to monitor the events.

However, it has resolved the RWN in view of the prolonged resolution period and the ongoing cases at the NCLT. It noted that two vendors who are either material suppliers, coal handlers or having power purchase agreements with Tangedco have approached NCLT to recover past dues.

Even though Tangedco had disputed the insolvency proceedings, stating that it was a government owned utility, the Ministry of Power has affirmed that insolvency proceedings can be initiated against State-owned electricity distribution as well as generation firms in case of default of payments as

distribution companies are government-owned companies formed under the Companies Act, India Ratings noted.

Recently, NCLT had allowed Tangedco to file additional documents in an insolvency case filed against it by South India Corporation Pvt. Ltd.

India Ratings said it expected Tangedco to continue to witness high leverage and a stressed liquidity position due to the absence of tariff revisions and its sustained inability to pass on the high operating cost to the consumers.

The State power utility's net losses widened from ₹11,964.9 crore in FY20 to ₹13,407.30 crore in FY2021. Total debt increased from ₹1,08,538.8 crore in FY2020 to ₹1,24,190.1 crore in FY2021, it noted. The ratings firm expects the net loss to remain high during FY22-FY26 due to the continued high operating cost.

Tangedco continues to rely on short-term working capital facilities to fund the long-term debt service obligations, it added.

India Ratings affirmed Tangedco's bank loans at BBB rating with a negative outlook. BBB notes a moderate degree of safety regarding timely servicing of financial obligations. It also removed the unsupported rating from RWN.

The unsupported rating is based on its standalone credit assessment of Tangedco without factoring in the explicit credit enhancement provided by its parent (the State government).

Source: The Hindu

Read Full news at: <https://www.thehindu.com/news/national/tamil-nadu/bank-loans-of-tangedco-off-rating-watch-negative-category/article65497245.ece>



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