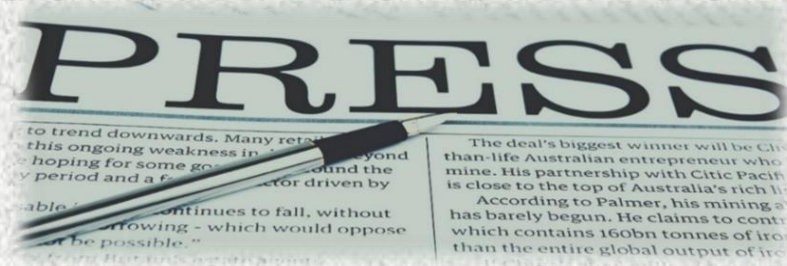


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IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



“You don't build a business, you build people, then people build the business”

Updates on Insolvency and Bankruptcy Code

Bankrupt companies 'prior conduct under lens

With nearly half of the companies in the insolvency process ending up in liquidation, the government is nudging insolvency professionals to investigate the past conduct of these businesses that may have made their rescue harder. Insolvency professionals have rarely used a provision in the Insolvency and Bankruptcy Code (IBC) that forces directors or partners of businesses to compensate the losses to creditors arising from their pre-bankruptcy decisions, the ministry of corporate affairs noted in its latest review of the corporate sector.

Source: Mint

Please find the full news at:

<https://www.livemint.com/companies/news/bankrupt-companies-prior-conduct-under-lens-11628537962902.html>

Panel points out NCLT vacancies to MCA: How appointment delays are affecting resolutions

The Parliamentary Standing Committee on Finance has called out the Ministry of Corporate Affairs on persistent vacancies in National Company Law Tribunals (NCLTs) leading to delays in corporate insolvency under the Insolvency and Bankruptcy Code (IBC). The committee has also recommended that the IBC be amended to prevent frivolous litigation and non-adherence to deadlines under the IBC that can lead to value destruction. The committee recommended that the IBC strictly prohibit the submission for resolution plans after the deadline for plans and that recoveries under the IBC be measured against an international benchmark.

Source: The Indian Express

Please find the full news at:

<https://indianexpress.com/article/explained/panel-points-out-nclt-vacancies-to-mca-how-appointment-delays-are-affecting-resolutions-7443644/>

Indian bankers in talks as court rulings threaten over \$6 billion in loans

Informal talks are taking place to deal with the fall-out from two rulings by the Supreme Court that threaten the repayment of loans totalling nearly ₹500 billion (\$6.73 billion) to some of India's largest banks, bankers close to the matter say. Any failure to recoup the money adds to stress in the banking sector, which is already dealing with an increased level of bad loans and reduced profits because of the impact of the Covid-19 pandemic. Should Future be taken to a bankruptcy court, bankers say they are concerned they will have to take haircuts on the loans of more than 75 per cent.

Source: The Hindu Business Line

Please find the full news at:

<https://www.thehindubusinessline.com/money-and-banking/indian-bankers-in-talks-as-court-rulings-threaten-over-6-billion-in-loans/article35807773.ece>



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