



March 21, 2022

IBC AU-COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"We become what we think of"

Updates on Insolvency and Bankruptcy Code

➤ Reform path: IBC doesn't need too many legislative fixes

Legislative provisions are fundamental principles around which case-laws get built to provide clarity as may be required in specific contexts. Frequent legislative changes limit the natural process of institutional maturity, unsettle jurisprudence, undermine the evolution of market solutions, and provide a convenient cover-up for sub-optimal outcomes. It is possible to greatly enhance IBC's performance with non-legislative fixes while limiting legislative ones to essentials. IBC has only one objective: time-bound insolvency resolution. Barring exceptions, the experience has been anything but that.

Source: Financial Express

Read Full news at:

<https://www.financialexpress.com/opinion/reform-path-ibc-doesnt-need-too-many-legislative-fixes/2465724/>

➤ Banks to take Future to debt recovery tribunal

Lenders to Future Retail Ltd have abandoned plans to sue the company for the unapproved transfer of hundreds of its stores to Reliance Retail, two bankers aware of the plans said, adding that they will enforce their rights through the debt recovery tribunal and bankruptcy tribunal instead. The change in stance comes after Future claimed it was unaware of the takeover, and banks believe suing the company now will only create further complications.

Source: Mint

Read Full news at:

<https://www.livemint.com/industry/banking/banks-to-take-future-to-debt-recovery-tribunal-11647803374187.html>

➤ Institution of Suit against Corporate Debtor during Moratorium is Prohibited u/s 14 of the IBC

The Mumbai Bench of Income Tax Appellate Tribunal (ITAT) has held that the institution of suit against the corporate debtor during the moratorium period is prohibited under section 14 of the Insolvency and Bankruptcy Code.

The petition was filed by Capman Conpro Pvt. Ltd. and Vighnahartha Corrugators Pvt. Ltd. in their capacity as the Financial Creditors of Global Softech Ltd. ("Corporate Debtor"), under section 7 of the Code read with Rule 4 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Honorable Adjudicating Authority i.e. National Company Law Tribunal, Ahmadabad Bench, Ahmadabad (NCLT) for initiation of Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor. The matter is pending before the Insolvency Professional in terms of the Insolvency and Bankruptcy Code, 2016 (Code), and the moratorium period has been declared as per section 14 of the Code. The period of moratorium shall have the effect from the date of such order till the completion of the corporate insolvency resolution process.

Source: Taxscan

Read Full news at:

<https://www.taxscan.in/institution-of-suit-against-corporate-debtor-during-moratorium-is-prohibited-u-s-14-of-the-ibc-itat/162304/>

➤ Reliance-ACRE combine wins race for ailing textile firm Sintex Industries

Lenders to ailing textile firm Sintex Industries Ltd (SIL) have approved a resolution plan submitted by Reliance Industries Ltd (RIL) jointly with Assets Care & Reconstruction Enterprise Ltd (ACRE). Gujarat based SIL said all four compliant Resolution Plans submitted by four Resolution Applicants were put for e-voting for approval by the CoC members in accordance with the Insolvency and Bankruptcy Code, 2016 (Code) and regulations. The e-voting concluded On March 19, 2022 at 10.00 p.m.

Source: Business Standard

Read Full news at:

https://www.business-standard.com/article/companies/reliance-acre-combine-wins-race-for-ailing-textile-firm-sintex-industries-122032000759_1.html

