

# IBC AU-COURANT

*Insolvency Professional Agency of Institute of Cost Accountants of India*



**“Success is walking from failure to failure with no loss of enthusiasm”**

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

### ➤ **Insolvency proceedings in slow motion**

A corporate insolvency resolution process is like an orchestra with broadly two sets of actors. The first set, comprising the Adjudicating Authority (AA), Insolvency and Bankruptcy Board of India, information utilities, and insolvency professionals, provides oversight and facilitation of the process. The second set, comprising the company and its management, creditors, committee of creditors, and resolution applicants, takes commercial decisions. The Insolvency and Bankruptcy Code, 2016, defines the roles of these actors and stipulates timelines for each of the tasks in the process.

**Source: Business Standard**

**Read Full news at:**

[https://www.business-standard.com/article/opinion/insolvency-proceedings-in-slow-motion-121122101379\\_1.html](https://www.business-standard.com/article/opinion/insolvency-proceedings-in-slow-motion-121122101379_1.html)

### ➤ **IBC: Time is right for stressed asset investors to play a more meaningful role**

The stressed asset market is likely to see an uptick in deal activity in the next financial year as financial creditors start recognising more nonperforming loans. The enactment of IBC Code, 2016 has changed the credit culture and the way capital and businesses are managed. IBC has brought a collective resolution framework for insolvent companies through a creditor-in-control approach based on the internationally accepted principle of insolvency resolution.

**Source: The Economic Times**

**Read Full news at:**

<https://economictimes.indiatimes.com/small-biz/sme-sector/ibc-time-is-right-for-stressed-asset-investors-to-play-a-more-meaningful-role/articleshow/88405503.cms>

➤ **Tax issue and pandemic delay liquidation process of UB Engineering**

Four years after a court ordered the winding up of Vijay Mallya's UB Engineering, its creditors have received about Rs 50 crore so far from the liquidation proceedings, according to sources close to the resolution process professional. That is less than half of the company's liquidation value of Rs 106 crore. UB Engineering, which counted Axis bank, YES bank, Corporation Bank, IDBI Bank and Laxmi Vilas Bank as some of its lenders, owed them over Rs 450 crore. The company, which was first sent to the insolvency court for resolution, was then forced to liquidate after it failed to find a buyer under the Insolvency and Bankruptcy Code.

**Source: Deccan Herald**

**Read Full news at:**

<https://www.deccanherald.com/business/business-news/tax-issue-and-pandemic-delay-liquidation-process-of-ub-engineering-1063359.html>

➤ **Spain streamlines bankruptcy process to get EU recovery funds**

MADRID, Dec 21 (Reuters) - Spain's government proposed on Tuesday to reform its insolvency law to simplify bankruptcy proceedings and meet a major condition agreed with Brussels to obtain European Union recovery funds. The current insolvency system has been criticised by organisations such as the International Monetary Fund for being slow and convoluted, often driving companies to wind up. Spanish companies have been among the most active in Europe in applying for state-backed credit and liquidity lines during the pandemic

**Source: Reuters**

**Read Full news at:**

<https://www.reuters.com/markets/europe/spain-streamlines-bankruptcy-process-get-eu-recovery-funds-2021-12-21/>



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