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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**“Stay true to yourself and your vision. Don’t let any one person’s opinion move you; listen, but be confident”**

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

### **Lenders defeating the IBC’s spirit**

The NCLT Mumbai bench had red -flagged how uncannily close the winning bid— put in by Anil-Agarwal’s Twin Star Technologies— was to the liquidation value. The bench, comprising H P Chaturvedi and Ravikumar Duraisamy, had observed in its order on June 9 that “surprisingly, the resolution applicant also valued all the assets and liabilities of all the 13 companies and arrived at almost the same value as the registered valuers”.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/opinion/lenders-defeating-the-ibcs-spirit/2335568/>

### **TVS firm, KPN sign settlement agreement**

TVS Automobile Solutions Pvt. Ltd on Wednesday signed a settlement pact with KPN Travels India Ltd. over the issue of payment of dues. TVS had said KPN failed to pay dues of ₹3.94 crore for supplies made from August 31, 2017 to December 31, 2019 and, along with interest of 18% a year, the total outstanding worked out to ₹5.27 crore. KPN has agreed to pay ₹4.5 crore against the outstanding amount in two instalments.

**Source: The Hindu**

**Please find the full news at:**

<https://www.thehindu.com/news/national/tamil-nadu/tvs-firm-kpn-sign-settlement-agreement/article36621546.ece>

## **For better IBC recoveries, incentivize resolution professionals**

While the Indian Bankruptcy Code (IBC) has been under fire for low recoveries, my previous column showed that despite value erosion at disbursement due to poor credit discipline, when compared to alternate resolution mechanisms and Chapter 11 bankruptcies in the US, the IBC has yielded impressive recoveries so far. However, the Code has also been criticized on several other grounds, many of which are questionable.

**Source: Mint**

**Please find the full news at:**

<https://www.livemint.com/opinion/online-views/lets-rework-incentive-structures-to-boost-ibc-recovery-11632328841872.html>

## **'Not part of IBC': NCLAT questions success fee for RPs**

Resolution Professionals (RPs) and agencies hired by them to assist in management of resolution proceedings in some cases charge success fees contingent on a successful resolution for the company as part of their payment structure instead of higher upfront monthly fees. The National Company Law Appellate Tribunal (NCLAT) has raised doubts over the legality of success fees paid to resolution professionals upon the completion of a successful corporate resolution under the Insolvency and Bankruptcy Code (IBC).

**Source: The Indian Express**

**Please find the full news at:**

<https://indianexpress.com/article/business/economy/not-part-of-ibc-nclat-questions-success-fee-for-rps-7525827/>



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