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IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"A positive start will work better than a negative one"

Updates on Insolvency and Bankruptcy Code

'IBC may be solution for M & A transactions':

The Insolvency and Bankruptcy Code, 2016, (IBC) has emerged as an attractive route for merger and acquisition (M&A) deals in India for companies eyeing inorganic growth opportunities, said Seshagiri Rao, joint managing director and group chief financial officer (CFO), JSW Steel Ltd.

"Under IBC, JSW Group is involved in five transactions and we have completed two transactions so far. Even though it is taking time, I think this may be the solution in the future for M&A transactions or acquisitions where a lot of comfort can come in to the acquirer in terms of future litigations," said Rao at the Mint India Investment Summit and Awards 2020 in Mumbai.

Source: Live Mint

Please find the full news at:

<https://www.livemint.com/industry/banking/-ibc-may-be-a-solution-for-m-a-transactions-11584644935314.html>

Provisions of sec. 69(2) of Partnership Act applies to suits, and therefore, can't apply to proceedings under IBC

Where applicant filed application under section 9 against respondent on account its failure to make payments for goods supplied, in view of fact that there was a trinity of entities which were dealing with respondent and due to fallout between partners of operational creditor, remaining partner decided to use said position to his advantage by issuing a demand notice to corporate debtor, it was appropriate to

leave parties to work out their remedies under other laws before Civil Court and thus, instant application was to be dismissed

Source: Taxmann

Please find the full news at:

<https://ibc.taxmann.com/topstories/10101000000192747/provisions-of-sec-692-of-partnership-act-applies-to-suits-and-therefore-cant-apply-to-proceedings-under-ibc.aspx>

IBA withdrawal of communique on loans of up to Rs 200 cr stumps banks

The Indian Banks' Association's (IBA's) withdrawal of its communique calling attention to a Ministry of Finance's letter on the treatment of stressed companies which have taken [loans](#) of up to Rs 200 crore has stumped the banking industry.

The ministry's letter had said [banks](#) are to work with the existing promoters of these companies to find long-term solutions, even offering a one-time settlement scheme. This was to ensure that "under no condition are companies forced into closure and job losses furthered". It had observed that "[banks](#) instead of arriving at a balanced solution, end up referring the matter freely to the National Company Law Tribunal (NCLT)".

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/finance/iba-withdrawal-of-communique-on-loans-of-up-to-rs-200-cr-stumps-banks-120032000528_1.html



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