

IBC AU-COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"To be successful, you have to have your heart in your business, and your business in your heart"

Updates on Insolvency and Bankruptcy Code

➤ **Bad loan recovery through IBC remains a drag on banks**

Loan recovery rates halved to 20% in 2020-21 as the impact of the pandemic - and the moratorium to take cases to courts - played out during the year. The recovery rate through the Insolvency and Bankruptcy Code (IBC) mechanism was 46.3% at the end of 2020. Bad loan recovery from the revamped insolvency-resolution mechanism has been on a steady decline, with the rate dropping to 24.7% at the end of September, data from the Reserve Bank of India showed.

Source: The Economic Times

Read Full news at:

<https://economictimes.indiatimes.com/markets/stocks/news/bad-loan-recovery-through-ibc-remains-a-drag-on-banks/articleshow/88603315.cms>

➤ **What lies ahead for IBC and GST**

The IBC had been designed with great emphasis on allowing a timebound manner of resolution, which has not been possible in most of the cases due to limited NCLT benches as well as disputes raised by either dissenting creditors or the existing promoters in the higher courts. The IBC has evolved admirably since its introduction, offering a strong platform to improve the manner in which insolvency proceedings are handled in India.

Source: Mint

Read Full news at:

<https://www.livemint.com/opinion/online-views/what-lies-ahead-for-ibc-and-gst-11640856115071.html>

➤ **Panel proposal to speed up resolution: 30 days for NCLTs to decide on plan**

Experts have often called out the delays by the NCLT in approving or rejecting a resolution plan after it has been approved by the creditors of a company as unnecessarily long. A high level committee constituted by the centre has proposed changes to the Insolvency and Bankruptcy Code (IBC) aimed at speeding up the corporate insolvency resolution process and preventing avoidable transactions or transactions likely aimed at siphoning off funds from distressed companies. Banks and other key stakeholders have regularly cited delays in the insolvency resolution process as their key concern about the insolvency regime.

Source: The Indian Express

Read Full news at:

<https://indianexpress.com/article/business/panel-proposal-to-speed-up-resolution-30-days-for-nclts-to-decide-on-plan-7698836/>



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CMA Bhawan, 3, Institutional Area, Lodhi Road

New Delhi - 110003