



IIPI Newsletter

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Knowledge SBU Initiative

IBC has passed many litmus tests, will continue to weather storms

Lack of closure in many insolvency cases in the mandatory 270 days is being interpreted by some as a sign of the looming dark storm over the Insolvency and Bankruptcy Code (IBC). The scepticism, to say the least, is unfair.

Supreme Court allows Registered Trade Unions to file application as Operational Creditors on behalf of members

In a recent ruling, the Supreme Court resolved a long-standing dispute between JK Jute Mill Mazdoor Morcha and Juggilal Kamlatpat Jute Mills Company Limited by allowing registered trade unions to initiate insolvency proceedings as operational creditors on behalf of their members under the Insolvency and Bankruptcy Code, 2016.

'Corpus fund for insolvency resolution cannot be attached by any authority'

The corpus fund arranged by the Committee of Creditors under the National Company Law Tribunal's directions towards the cost of corporate insolvency resolution process cannot be attached by any authority, including the Enforcement Directorate, as it is not an asset of the corporate debtor, according to a ruling by the Tribunal's Mumbai bench in ICICI Bank vs Gitanjali Gems.

ArcelorMittal to pay Rs 42,000 cr for Essar Steel takeover

Global steel major ArcelorMittal Monday told the National Company Law Appellate Tribunal (NCLAT) that it would pay Rs 42,000 crore, including a minimum of guarantee of Rs 2,500 crore as working capital, for acquiring debt-laden Essar Steel under the insolvency process.

All creditors must get fair treatment under IBC: Mukhopadhaya

Both financial and operational creditors must be treated with fairness in resolution plans to take over bankrupt companies, Justice S.J. Mukhopadhaya, Chairperson of the National Company Law Appellate Tribunal (NCLAT), has said

POINT TO PONDER

**"It's not the situation, but whether we react (negative) or respond (positive) to the situation that's important."
-Zig Ziglar**

NeSL offers IPs its platform to store data

National e-Governance Services Ltd (NeSL) plans to offer its platform to insolvency professionals (IPs) to store data during the bankruptcy resolution process, a top executive at the information utility (IU) said.

In an interview, NeSL managing director and chief executive S. Ramann said NeSL plans to become a platform where data from banks, IPs and liquidators can be integrated.

Government to back homebuyers caught in insolvency cases

The government has decided to back home buyers caught in insolvency cases and told the National Company Law Tribunal (NCLT) that the majority vote of home buyers cast in favour of a resolution should be treated as "the voting preference of whole sub-class in Committee of Creditors (CoC)".

Creditors expect increase in realisations through IBC despite hiccups

Innumerable litigations, defiant promoters, failing sectors and over-burdened National Company Law Tribunals (NCLTs) have negatively impacted corporate insolvency resolution process under the Insolvency and Bankruptcy Code (IBC) over the past two years, according to investment information and credit rating agency ICRA.

Government is open to giving more powers to RBI in insolvency cases

The government is open to providing more powers to the Reserve Bank of India (RBI) to direct lenders to take action on stressed assets, a senior Finance Ministry official told ET. There is a growing view in the government that there has to be some regulatory supervision over debt resolution by the RBI.

***Feedback requested at ipa@icai.in**