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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**If you hear a voice within you say 'you cannot paint,' then by all means paint and that voice will be silenced.**

**Updates on Insolvency and Bankruptcy Code**

## **The Cape Town Convention Bill, once passed, will override the moratorium provisions of IBC**

IBC has offered a timely resolution option for several companies. However, it is not the most befitting options for the aviation sector. This is due to multiple reasons. The aviation industry is characterized by capital-intensive assets, 81% of which are the leased commercially- operated aircrafts. Section 14 of the IBC prohibits repossession of the property once the moratorium is declared.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/opinion/the-cape-town-convention-bill-once-passed-will-override-the-moratorium-provisions-of-ibc/2080203/>

## **Asset reconstruction companies facing slowdown in loan recoveries due to pandemic: Icra**

Asset reconstruction companies (ARCs) are facing slowdown in recoveries from bad loans procured from banks due to failed auctions, absence of bidders and delay in payments amid COVID-19 pandemic, according to a report. The ratings of security receipts (SRs) issued by ARCs have seen downgrades due to delay in recoveries and decline in expected recovery value on the SRs.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/banking-finance/asset-reconstruction-companies-facing-slowdown-in-loan-recoveries-due-to-pandemic-icra/2080241/>

## **Lenders seek Eoi to sell Tuticorin Coal Terminal under IBC**

Lenders to Tuticorin Coal Terminal Pvt Ltd have sought expression of interest to sell the bankrupt facility run by ALBA Asia Pvt Ltd at central government-owned VO Chidambaranar Port Trust (VOCPT), making it the first instance of a public-private-partnership (PPP) concession in a major port trust to be auctioned under the Insolvency and Bankruptcy Code (IBC).

**Source: Business Standard**

**Please find the full news at:**

<https://www.thehindubusinessline.com/economy/logistics/lenders-seek-eoi-to-sell-tuticorin-coal-terminal-under-ibc/article32569754.ece>

## **NCLT invites resolution plan for Madhucon's Simhapuri Energy**

The National Company Law Tribunal Hyderabad has invited expression of interest for a resolution plan for Simhapuri Energy Limited. Simhapuri Energy, part of Madhucon Projects Limited, has commissioned a 600-MW thermal power plant at SPSR Nellore District of Andhra Pradesh. The company is facing insolvency proceedings.

**Source: Economic Times**

**Please find the full news at:**

<https://www.thehindubusinessline.com/companies/nclt-invites-resolution-plan-madhucons-simhapuri-energy/article32573264.ece>

## **Many companies are in default due to force majeure clauses: IBBI Chief**

Companies are facing bigger risks today than ever before and some are on the verge of default, not because of market pressures but because of force majeure circumstances, Insolvency and Bankruptcy Board of India chairman M S Sahoo said on Thursday. Finance Minister Nirmala Sitharaman had, in light of the Covid-19 pandemic, suspended initiation of corporate insolvency resolution processes for six months starting March 24 to stop several companies from being forced into insolvency.

**Source: Business Standard**

**Please find the full news at:**

[https://www.business-standard.com/article/companies/many-companies-are-in-default-due-to-force-majeure-clauses-ibbi-chief-120091001485\\_1.html](https://www.business-standard.com/article/companies/many-companies-are-in-default-due-to-force-majeure-clauses-ibbi-chief-120091001485_1.html)

## **NCLAT upholds NCLT order to initiate insolvency against Meenakshi Energy**

The National Company Law Appellate Tribunal (NCLAT) on Thursday upheld the orders of the NCLT directing to initiate insolvency proceedings against Meenakshi Energy Ltd. A three-member bench has dismissed the plea filed by its director and its shareholder India Power Corporation Ltd observing that the company had committed default.

Moreover, the NCLAT also rejected the contentions that its financial creditor SBI cannot move the NCLT after invoking the pledged shares of the company and virtually owning 95.2 per cent shares of Meenakshi Energy.

**Source: Business Standard**

**Please find the full news at:**

[https://www.business-standard.com/article/companies/nclat-upholds-nclt-order-to-initiate-insolvency-against-meenakshi-energy-120091001881\\_1.html](https://www.business-standard.com/article/companies/nclat-upholds-nclt-order-to-initiate-insolvency-against-meenakshi-energy-120091001881_1.html)



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