



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"You can, you should, and if you're brave enough to start, you will."

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➤ Delay in insolvency process eroding asset value: IBBI Chairman

The delay in the corporate insolvency resolution process (CIRP) under the insolvency and bankruptcy code (IBC) erodes the stressed-asset's value and minimises recovery for the creditors; hence, it's important for all the stakeholders to expedite decision making, said Ravi Mittal, chairperson, Insolvency and Bankruptcy Board of India (IBBI).

Mittal's comments were part of the IBBI's January-March 2024 newsletter. The IBBI Chairman said that, on an average, the CIRP is taking 679 days to conclude as against the standard timeline of 330 days.

Data of 947 resolved cases as of March 2024 indicates a direct correlation between the length of the CIRP and the recovery rate, he said. As per the data, the recovery rate for creditors stands at 49.2% if the CIRP is concluded within 330 days. It reduces to 36%, if the CIRP process concludes between 330-599 days; and beyond 600 days, the recovery rate stands at mere 26.1%.

Mittal highlighted that the insolvency regulator has taken various measures to reduce delays in the CIRP such as putting a cap on number of modifications in the resolution plan, sharing of information by creditors with the resolution professional (RP) etc. "Needless to say, continued efforts to streamline the resolution process, enhance transparency, and provide greater clarity on regulatory requirements are underway to further bolster the effectiveness of IBC."

Source: Financial Express

Read Full news: <https://www.financialexpress.com/business/banking-finance-delay-in-insolvency-process-eroding-asset-value-ibbi-chairman-3489892/>

➤ **NCLT sets aside Syska LED Light insolvency process as company, lender settles matter**

The Mumbai bench of the National Company Law Tribunal (NCLT) allows the withdrawal of the corporate insolvency resolution process (CIRP) against Syska LED Lights Pvt Ltd. Earlier, the tribunal had admitted the company under the insolvency resolution process and had appointed Ravi Prakash Ganti as the interim resolution professional for the company.

Syska LED Lights is part of the Pune-based SSK Group, an exclusive distributor of Samsung mobiles, accessories and tables for five states in Western India. In the past few years, the light-emitting diode (LED) lighting solutions provider and consumer electric company has expanded into personal care, home appliances, smart watches and audio categories.

Source: The Economics Times

Read Full news : <https://economictimes.indiatimes.com/industry/cons-products/electronics/nclt-admits-insolvency-plea-against-lighting-solution-provider-syska-led-lights/articleshow/110147069.cms?from=mdr>

➤ **NCLAT Delhi: Loan Recall Notice Date Shall Not Constitute Relevant Date Of Default Under IBC, Partial Payments Cannot Absolve CD From Default Status**

The National Company Law Appellate Tribunal ('NCLAT') Delhi, comprising Justice Ashok Bhushan (Chairperson), Mr. Barun Mitra (Technical Member), and Mr. Arun Baroka (Technical Member) held that part payments between the Non-Performing Asset ("NPA") classification and loan recall notice cannot mean that loan recall notice shall constitute the relevant date of default under the IBC. Further, partial payments on the part of the Corporate Debtor cannot absolve it from default status.

Source: Live Law

Read Full news : <https://www.livelaw.in/ibc-cases/nclat-delhi-loan-recall-notice-date-shall-not-constitute-relevant-date-default-ibc-258047>

