



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"Don't let yesterday take up too much of today."*

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## ➤ **Lenders bank on SC and RBI's direction to justify JAL's admission into insolvency**

Jaiprakash Associates Limited's (JAL) lenders Tuesday informed the National Company Law Appellate Tribunal (NCLAT) that the Supreme Court and Reserve Bank had directed the initiation of the insolvency resolution process against the company. Further, the lenders argued that JAL had a debt and committed default, which warrants its resolution under the Insolvency and Bankruptcy Code, 2016 (IBC).

ICICI bank, one of JAL's lenders, through its counsel contended that RBI directed the initiation of the insolvency resolution process against JAL as substantial public money was involved and being a regulator, it had a duty to protect the consumer interest.

"RBI in its June 2017 letter identified JAL as an account under which more than 60% of the outstanding amount was NPA," said the bank's counsel. The counsel also reiterated the Chitra Sharma Judgment wherein the Supreme Court pointed out JAL's financial distress and asked the RBI to resolve JAL's debt situation.

ICICI Bank's counsel also pleaded with the tribunal to avoid passing an interim order that would obstruct JAL's insolvency resolution process.

**Source: The Economic Times**

Read Full news: <https://economictimes.indiatimes.com/news/company/corporate-trends/lenders-bank-on-sc-and-rbis-direction-to-justify-jals-admission-into-insolvency/articleshow/112660912.cms?from=mdr>

## ➤ Operational creditors continue to get little of insolvency proceeds

Despite a gradual increase in the claims under the Insolvency and Bankruptcy Code (IBC), operational creditors (OCs) continue to receive a minimal share of the proceeds of resolution as well as liquidation. As per the latest IBBI newsletter, OCs received merely 0.88% of the total amount claimed during the liquidation of a stressed asset. The relative share of OCs is not very different in cases of corporate insolvency resolution process (cases that haven't slipped into liquidation), sources said, but that data is not publicly available.

**Source: Financial Express**

**Read Full news :** <https://www.financialexpress.com/business/banking-finance-operational-creditors-continue-to-get-little-of-insolvency-proceeds-3587975/>

## ➤ SKS Power insolvency: CoC receive 1,950 cr from Sarda Energy and Mining

The lenders of SKS Power Generation have received an upfront payment of Rs 1,950 crore from Sarda Energy and Mining, the successful bidder for the debt-ridden thermal power producer, the insolvency appellate tribunal NCLAT was informed on Tuesday.

Moreover, allegations of "malafide" intention or aligning towards any party while approving the resolution plan from Sarda Energy were also rejected during the proceedings of the NCLAT by senior advocate Mukul Rohatahi, representing the lenders.

A proper evaluation was made based on the earlier direction given by the NCLAT in this matter and a "clear decision was made" by the Committee of Creditors (CoC) of SKS Power Generation.

**Source: Business Standard**

**Read Full news :** [https://www.business-standard.com/companies/news/sks-power-insolvency-coc-receive-1-950-cr-from-sarda-energy-and-mining-124082001106\\_1.html](https://www.business-standard.com/companies/news/sks-power-insolvency-coc-receive-1-950-cr-from-sarda-energy-and-mining-124082001106_1.html)

