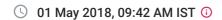




## IBC: Why Resolution Plans Are Unsuited To An Auction According To India's Insolvency Regulator IBBI's Sahoo

Are electronic auctions the best way to avoid delays in the IBC bid process?

Menaka Doshi















Last week international metals company Liberty House won what many thought was a losing battle. The National Company Law Tribunal **permitted** it to submit an insolvency resolution plan for Bhushan Steel & Power Ltd, well after the bid deadline, set by the resolution professional, had passed. Now it may **better** Tata Steel who so far had the winning bid.

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  But MS Sahoo, the chairman of regulatory body, the Insolvency and Bankruptcy Board of India, doesn't quite agree.
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To me, this (auction) is not optimum utilisation of the code. We want the resolution to be sustainable. If we just pay out the dues of just one set of stakeholders and satisfy them but do not look at a sustainable resolution, then the code does not serve the purpose.

MS Sahoo, Chairman, IBBI

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- And yet that leaves unresolved the problem of process delays due to late and revised bids. This will be standardized over a period of time, Sahoo insisted, adding that best practices will develop and get sanctified by the courts.
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