

Insolvency IBC: Why Resolution Plans Are Unsuitable To An Auction According To India's Insolvency Regulator IBBI's ...

IBC: Why Resolution Plans Are Unsuitable 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

01 May 2018, 09:42 AM IST





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.

-- To read the full article, please visit: <https://www.ndtvprofit.com>

But MS Sahoo, the chairman of regulatory body, the Insolvency and Bankruptcy Board of India, doesn't quite agree.

-- To read the full article, please visit: <https://www.ndtvprofit.com>



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

-- To read the full article, please visit: <https://www.ndtvprofit.com>

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.

-- To read the full article, please visit: <https://www.ndtvprofit.com>

Watch **LIVE TV**, Get **Stock Market** Updates, Top **Business**, **IPO** and **Latest News** on NDTV Profit.



The Daily Newsletter

Once Every Afternoon

@ Enter Email ID

Sign Up