

# IBC: Govt. working with RBI on CoC's conduct

## Official's remark spotlights haircut row

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The corporate affairs ministry is working with the finance ministry, RBI and the Indian Banks' Association on the conduct of the committee of creditors (CoC) under the insolvency resolution process, a senior official said on Friday.

"We are working with IBA, RBI and Department of Financial Services on the very important issue of the conduct of CoC," Corporate Affairs Secretary Rajesh Verma said.

The CoC is crucial in deciding a resolution plan under the Insolvency and Bankruptcy Code (IBC).

The CoC's conduct assumes significance amid recent instances of creditors



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taking steep haircuts on their exposure under resolution plans.

He did not elaborate further.

Mr. Verma also acknowledged that it has been upheld in judgements that commercial wisdom lies with CoC as the IBC provides for a competitive market driven process for value discovery of the debtor.

He said erosion of the value of a debtor was a matter of concern and emphasised that "timing and asset preservation is of real essence".