



## IIPI Newsletter

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Knowledge SBU Initiative

### **Insolvency & Bankruptcy code: Govt looking at ways to avoid frivolous bids**

The government is looking at ways to curb 'frivolous bids' from being placed under the insolvency and bankruptcy code. The government was also considering whether criminal proceedings should be initiated against those not implementing resolution plans or they should be barred from bidding for any other company undergoing resolution under the IBC.

### **Ireo, Supertech, Parsvnath, Ansal, two others challenge insolvency law in SC**

Ireo, among other builders, had challenged the section 5(8)(f) of the Insolvency and Bankruptcy Code 2016 in the Supreme Court which ensures inclusion of home buyers as financial creditors under the code. The petition is filed under Article 32 of the constitution of India, challenging the validity of the explanation of section 5(8)(f), section 21 (6A)(b) and section 25 A of the Insolvency and Bankruptcy Code 2016 as being violations of articles 14 and 19(1)(g) of the constitution.

### **IBC reigns supreme over other civil laws, says Delhi High Court**

The Delhi High Court upheld the supremacy of Insolvency and Bankruptcy Code over other civil laws. The same was observed in the matter of Liberty House Group against State Bank of India and others.

### **NCLT allows debit from 'suspense account' for a company under CIRP**

The NCLT has held that the bank has the right to adjust the amount towards the lead bank charges due to it for the period prior to commencement of the CIRP from the suspense account.

## POINT TO PONDER

**"FORECASTS MAY TELL YOU A GREAT DEAL ABOUT THE FORECASTER; THEY TELL YOU NOTHING ABOUT THE FUTURE"  
-WARREN BUFFETT**

### **More firms bid for bankrupt companies after SC removes tax deterrent**

More companies are enquiring about bidding for stressed assets since the Supreme Court made it clear in January this year that tax is not payable on haircuts taken by lenders which was considered as an income in the hands of the borrower company post takeover.

### **Home buyers seek banks' support in forensic audit of Jaypee**

Home buyers of Jaypee Infratech, which is currently undergoing its second round of corporate insolvency resolution process, are demanding support of banks for an independent forensic audit of the financials of the company.

### **SBI weighs NCLT route for recovery of loans from Jet Airways**

To recover loans from Jet Airways, state-run lender SBI is mulling moving National Company Law Tribunal as it feels the airline is running out of funds for operations, even as shareholders of the debt-laden carrier have approved a debt rejig plan.

### **JM Financial files insolvency case against Hotel Leelaventure**

JM Financial Asset Reconstruction Company Ltd has filed an insolvency petition with the Mumbai bench of National Company Law Tribunal against Hotel Leelaventure under section 7 of IBC. Hotel leelaventure is also continuing to engage with prospective investors for a resolution.

### **Bhushan Power : Lenders urge NCLT not to give operational creditors further hearing**

Lenders to Bhushan Power and Steel urged National Company law Tribunal not to give operational creditors any further hearing as the adjudicating authority proceeds to approve the resolution plan for the debt-ridden steelmaker.

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