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Knowledge SBU Initiative

Insolvency and Bankruptcy Code (Amendment) Bill passed in Rajya Sabha

Among other changes, the Insolvency and Bankruptcy Code (Amendment) Bill seeks to tweak provisions related to time limits, specifies minimum payouts to operational creditors under resolution plans, and specifies the manner in which the representative of a group of financial creditors should vote.

When can counter claim against a Corporate Debtor be stayed under Section 14 IBC: Delhi HC answers

The Delhi High Court has held that a counter claim against a corporate debtor, which is integral to a recovery suit initiated by it, would not be hit by Section 14 of the Insolvency and Bankruptcy Code (IBC) until it reaches the stage of execution.

Relying on the High Court's judgement in *Power Grid Corporation of India v. Jyoti Structures Ltd.*, (2018), the Court noted that until and unless the proceeding had the effect of endangering, diminishing, dissipating or adversely impacting the assets of corporate debtor, it was not prohibited under Section 14(1)(a) of the Code.

Cannot reject insolvency plea over claims disputed after demand notice: NCLAT

The National Company Law Appellate Tribunal (NCLAT) has asked the NCLT to decide over an insolvency plea filed against leading real estate firm Raheja Developers by one of its operational creditors.

Setting aside the earlier order passed by the National Company Law Tribunal (NCLT), the NCLAT said existence of any "disputed claim" cannot be a ground to reject an application under Section 9 of the Insolvency and Bankruptcy Code (IBC) to initiate insolvency proceedings, if it is not raised before issuance of a demand notice.

POINT TO PONDER

“People ask the difference between a leader and a boss. The leader leads, and the boss drives.”

– Theodore Roosevelt

IBC Bill won't encroach on SC domain, says FM Nirmala Sitharaman

The government's move to amend the Insolvency and Bankruptcy Code (IBC) was largely to clear its legislative intent and not to encroach on the Supreme Court's domain, Finance Minister Nirmala Sitharaman.

“In spite of the global headwinds, we have brought such reforms. It is not being done exclusive of the court and it is not certainly eroding into the court's domain,” the minister said.

Further, she said that the Supreme Court itself has said that economic laws require flexibility and experimenting. “If courts are saying this, why are we hesitating. We are using our legislative mandate... Amendments are being brought as we gain experience from time to time,” Sitharaman said.

NCLAT extends Jaypee Infratech insolvency period by 90 days

In a boost to homebuyers and lenders of Jaypee Infratech, an appellate tribunal directed the appointed resolution professional (RP) to call fresh bids for resolution of the real estate developer.

It also excluded a period of 90 days from insolvency proceedings thus far, granting additional time under the 270-day resolution timeline. Jaypee Infratech has failed to deliver around 23,000 flats and owes over Rs 9,800 crore to lenders.

The National Company Law Appellate Tribunal (NCLAT) barred Jaypee Infratech's parent company Jaiprakash Associates Ltd. (JAL) from participating in the process.

NCLAT stays insolvency process for Dighi Port till Aug 21

The National Company Law Appellate Tribunal (NCLAT) has stayed the corporate insolvency resolution process of Dighi Port Ltd till August 21 and directed Balaji Infra Projects Ltd, the port promoter, to discuss and mutually settle the lenders dues. NCLAT also observed that APSEZ and Jawaharlal Nehru Port Trust (JNPT), can talk directly to the port promoter if they were keen on investing in Dighi Port.

***Feedback requested at ipa@icai.in**