

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



PRESS

**“Good, better, best. Never let it rest. 'Till your good is better and your better is best.”**

## Updates on Insolvency and Bankruptcy Code

### ➤ Arbitration Act and IBC conflict: 2 companies move Supreme Court

Left with no effective remedy to initiate action against the government, PSUs and other statutory bodies for recovery of thousands of crores of rupees, Hindustan Construction Company (HCC) and Gammon Engineers & Contractors have approached the Supreme Court seeking to prevent their lenders from pushing them into insolvency. While HCC is seeking to recover Rs 6,070 crore from the Central government and other PSUs including NHA and NTPC, Gammon wants its dues of over Rs 837 crore that is stuck with the government and other PSUs like NHPC, Gail and DMRC in terms of various arbitration awards. They have challenged various provisions – Sections 3(10), 3(11), 3(12), 6, 7, 9, 31 and 238 of IBC as well as Section 87 of the Arbitration Act as being “arbitrary and discriminatory”.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/arbitration-act-and-ibc-conflict-2-companies-move-supreme-court/1751393/>

### ➤ Cross Border Insolvency Protocol fills a gap, but is not a comprehensive law

The Insolvency and Bankruptcy Code has faced grave implementation challenges in the last three years. This is neither unexpected nor surprising. What is definitely disappointing is that some of these implementation challenges could have been prevented based on international experience. It was widely expected that the cross-border insolvency provisions would be part of the IBC or enacted soon after.



While reviewing the Insolvency and Bankruptcy Bill in the year 2016, the Joint Parliamentary Committee (JPC) expressed concern that the Bill did not address this. Noting the international element of many corporate transactions and businesses, JPC in its report recorded that the implications of cross-border insolvency cannot be ignored if India is to have a comprehensive and long-lasting insolvency law. “Not incorporating this will lead to an incomplete Code”, the report further stated. Unfortunately, the cross border insolvency provisions did not find place in the IBC.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/opinion/cross-border-insolvency-protocol-fills-a-gap-but-is-not-a-comprehensive-law/1751255/>

### ➤ **Shares of grounded Jet Airways inexplicably soar by 50%**

Shares of grounded carrier Jet Airways India Ltd have surged inexplicably more than 50% in the last eight sessions even as the airline has not been operating for more than six months. While the lenders saw initial interest from potential bidders such as Etihad Airways PJSC, India’s National Investment and Infrastructure Fund and private equity firms TPG Capital and Indigo Partners, none placed binding bids.

Mint reported on 3 September that Synergy Group, which runs several airlines in South America, including Colombian carrier Avianca Holdings, the region’s second largest airline, was willing to acquire a majority stake in the Indian carrier if lenders agree to take a deep haircut and convert their debt into equity.

**Source: Livemint News**

**Please find the full news at:**

<https://www.livemint.com/market/stock-market-news/grounded-jet-airways-stock-inexplicably-soars-by-50-11572504202532.html>



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