

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"People who succeed have momentum. The more they succeed, the more they want to succeed, and the more they find a way to succeed."

Updates on Insolvency and Bankruptcy Code

➤ Redefining 'connected parties' in Insolvency Code may be needed: Jaitley

Finance Minister Arun Jaitley said changes in Section 29A of the Insolvency and Bankruptcy Code (IBC) may be required as the earlier amendment may have been "too wide" in relation to the definition of related parties as some contradictions have been pointed out to by some sections of the industry itself particularly with regard to related parties who may actually be business opponents or have business-wise nothing to do with each other.

Source: *Business- Standard*

Please find the full news at:

https://www.business-standard.com/article/news-ians/redefining-connected-parties-in-insolvency-code-may-be-needed-jaitley-118121800990_1.html

➤ [View: Need a separate legal framework for resolution of financial service providers](#)

The principal bench of National Company Law Tribunal (NCLT), Delhi, dismissed a corporate insolvency application under the Insolvency and Bankruptcy Code, 2016 filed by HDFC against RHC Holding, on the ground that RHC Holding is a 'financial service provider' which are excluded from the definition of the 'corporate person' in the Code and corporate insolvency resolution process cannot be initiated against a financial service provider (FSP). While the resolution of 'financial service providers' is required to be handled separately, failures of 'systemically important entities' are required to be handled with even greater care as they may pose systemic risks to the markets. The failures of these entities on account of their very size, inter-connectedness with other segments of financial markets, or complexity of operations could throw out of gear and disrupt the wider financial system. Therefore, a separate resolution regime is required for this segment.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/company/corporate-trends/view-need-a-separate-legal-framework-for-resolution-of-financial-service-providers/articleshow/67155265.cms>

➤ [Ahead of Dec 20 NCLT hearing, pact with lenders eludes Punj Lloyd](#)

Diversified infrastructure and engineering conglomerate Punj Lloyd has not been able to achieve any settlement with its lenders ahead of the hearing of its case by the National Company Law Tribunal (NCLT). The insolvency petition was filed by ICICI Bank in June under Section 7 of the Insolvency and Bankruptcy Code (IBC) to recover ₹830 crore outstanding from the company. Some lenders, including SBI, had opposed the move of ICICI Bank. The matter has been listed for arguments for December 20.

Source: Thehindubusinessline

Please find the full news at:

<https://www.thehindubusinessline.com/companies/ahead-of-dec-20-nclt-hearing-pact-with-lenders-eludes-punj-lloyd/article25775572.ece>

➤ [IBC eliminates right to redemption of Essar Steel shareholders, says lenders](#)

The Insolvency and Bankruptcy Code eliminates the right to redemption of Essar Steel shareholders, the counsel to lenders and ArcelorMittal said as part of their rejoinder arguments to Essar Steel Asia Holdings (ESAHL)'s plea for consideration of their settlement offer proposed 'for and on behalf of Essar Steel'. The right of redemption comes from the Transfer of Property Act that allows the mortgagor to get his property back from the mortgagee following payment of the amount borrowed from him. Under Indian jurisprudence, special law supersedes general law. Here, IBC prevails over general law of property.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/ibc-eliminates-right-to-redemption-of-essar-steel-shareholders-says-lenders/1418160/>

