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IBC AU-COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"I have stood on a mountain of nos for one yes"

Updates on Insolvency and Bankruptcy Code

➤ **Tax penalties aren't fraudulent transfers in bankruptcy: appeals court**

The Internal Revenue Service on Tuesday fended off a bankrupt North Carolina nonprofit's attempt to recoup tax penalties it had previously paid to the agency. The 4th U.S. Circuit Court of Appeals said Yahweh Center Inc, which provided support services to at-risk children, could not recover \$180,000 in tax penalties as part of its Chapter 11 case because they don't fall under the laws governing fraudulent transfers in bankruptcy.

Source: Reuters

Read Full news at:

<https://www.reuters.com/legal/transactional/tax-penalties-arent-fraudulent-transfers-bankruptcy-appeals-court-2022-03-09/>

➤ **NCLAT: Joint Development Agreement Between Lessee and Corporate Debtor Valid; NOIDA's Appeal Dismissed, Right To Submit Claim Closed To Protect CIRP Timelines**

The National Company Law Appellate Tribunal, New Delhi has dismissed the Appeal preferred by New Okhla Industrial Development Authority (NOIDA) against the NCLT, New Delhi's order directing NOIDA to "lodge its due claim with Resolution Professional as per law and participate in the CIRP process through duly Authorised person and attend all future CoC meetings participate in the discussions/negotiations on the Resolution Plans submitted by prospective Resolution Applicants, and give consent to the Resolution Plan sought to be approved by the CoC."

Source: Live Law

Read Full news at:

<https://www.livelaw.in/news-updates/nclat-joint-development-agreement-corporate-debtor-cirp-timelines-193677>

➤ **Sluggish bankruptcy resolution takes a heavy toll on creditors**

Essar Power MP Ltd was admitted for resolution under the Insolvency and Bankruptcy Code (IBC) during the COVID-19 pandemic in October 2020. Financial creditors of the company had admitted claims of over Rs 12,000 crore under the Code. While the resolution in this case was one of the quickest – taking just 13 months for completion – creditors will still lose four-fifth of the value of their claims.

Source: Money Control

Read Full news at:

<https://www.moneycontrol.com/news/business/sluggish-bankruptcy-resolution-takes-a-heavy-toll-on-creditors-8206431.html>

➤ **I&J Competing Cancer Victim Groups Complicate Unit's Bankruptcy**

A federal bankruptcy watchdog's unusual push to create two asbestos-related cancer victim groups in a Johnson & Johnson spinoff's Chapter 11 case reveals tensions on how they would get paid. The U.S. Trustee, a Justice Department unit overseeing bankruptcies, tried to set up one official committee representing mesothelioma victims' interests and another for ovarian cancer claimants.

Source: Bloomberg Law

Read Full news at:

<https://news.bloomberglaw.com/health-law-and-business/j-j-unit-bankruptcy-spotlights-tort-victims-competing-interests>

