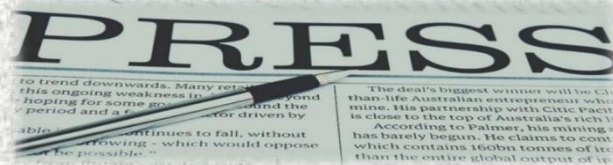


Date: May 18, 2020

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do."

Updates on Insolvency and Bankruptcy Code

Jaypee Infra resolution: Jaiprakash Associates moves NCLAT against NCLT order

Jaiprakash Associates (JAL), the parent firm of Jaypee Infratech (JIL), has moved the National Company Law Appellate Tribunal (NCLAT) challenging the March 3 order of the National Company Law Tribunal (NCLT), which made the Rs 750 crore it deposited with the registry of the Supreme Court a part of the approved bidder NBCC's resolution plan for JIL.

NBCC had, in its resolution plan, said that it might withdraw its resolution plan in case the amount, along with interest, was not made available with it. The NCLT approved state-run NBCC's resolution plan for JIL on March 3, 2020.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/jaypee-infra-resolution-jaiprakash-associates-moves-nclat-against-nclt-order/1960609/>

No fresh insolvency to be initiated for 1 year under IBC: FM Sitharaman

In a bid to give relief to companies defaulting on loans due to the Covid-19 stress, Finance Minister Nirmala Sitharaman on Sunday said no fresh insolvency will be initiated for one year under the Insolvency and Bankruptcy Code. Also, coronavirus-related debt will be excluded from definition of default, she said.

Minimum threshold to initiate insolvency proceeding has been raised to Rs 1 crore from Rs 1 lakh to benefit MSMEs, she said adding that an Ordinance will be promulgated to bring this change in IBC.

Source: Hindustan Times

Please find the full news at:

<https://www.hindustantimes.com/india-news/no-fresh-insolvency-to-be-initiated-for-1-year-under-ibc-fm-sitharaman/story-zCnDXpbvycMePkJfLQhK.html>

A wave of bankruptcies is coming in Europe

European businessmen who filed for bankruptcy used to be treated harshly. The word “bankrupt” derives from *banco rotto*, the practice in medieval Italy of smashing the benches that merchants sold their goods from if they did not pay their debts, to force them to stop trading. Until the mid-19th century defaulters were thrown into debtors’ prisons. Bankruptcy proceedings are now less violent, but in many European countries they mostly end in liquidation rather than restructuring.

Source: Economist.com

Please find the full news at:

<https://www.economist.com/business/2020/05/16/a-wave-of-bankruptcies-is-coming-in-europe>

NCLT orders winding up of tour service company for operating ponzi scheme

The National Company Law Tribunal (NCLT), Bengaluru, has ordered the winding up of Super Royal Holidays India Pvt. Ltd., Bengaluru, by declaring that the incorporation and conduct of business of the company was for “fraudulent objects” of ponzi scheme in the guise of offering holiday tour packages by collecting membership fees.

The Ministry of Corporate Affairs (MCA) sought the winding up of the company following the outcome of an investigation carried out after noticing that the company had deposited and withdrawn around ₹10 crore during the period of demonetisation in 2016.

Source: The Hindu

Please find the full news at:

<https://www.thehindu.com/news/national/karnataka/nclt-orders-winding-up-of-tour-service-company-for-operating-ponzi-scheme/article31603104.ece>



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