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Insolvency Professional Agency of Institute of Cost Accountants of India



"The only way you are going to have success is to have lots of failures first"

Updates on Insolvency and Bankruptcy Code

➤ **Don't let outcome of 'avoidance transactions' go to Piramals: NCLAT to DHFL lenders**

Noting that the outcome of 'avoidance transactions' cannot be given to the successful resolution applicant and must go to the company's creditors, the National Company Law Appellate Tribunal (NCLAT) on Thursday asked DHFL lenders to reconsider their decision to allow the successful resolution applicant, Piramals, to appropriate such recoveries. In its resolution plan, Piramals ascribed just `1 for future recoveries from such avoidance applications that amounted to Rs 45,050 crore.

Source: Financial Express

Read Full news at:

<https://www.financialexpress.com/industry/dont-let-outcome-of-avoidance-transactions-go-to-piramals-nclat-to-dhfl-lenders/2417845/>

➤ **'Remove MAT for troubled firms under resolution'**

A company admitted by the National Company Law Tribunal (NCLT) for resolution should be exempt from Minimum Alternate Tax until it sees a turnaround. This, and Goods and Services Tax (GST) concessions are among the expectations of asset reconstruction companies (ARCs) from the upcoming Union Budget, according to Raj Kumar Bansal, MD and CEO, Edelweiss ARC. In an interaction with BusinessLine, Bansal, who oversees assets under management aggregating about ₹43,000 crore, also wanted the Reserve Bank of India (RBI) to allow banks to provide credit lines to ARCs and expand the definition of qualified buyers.

Source: The Hindu Business line

Read Full news at:

<https://www.thehindubusinessline.com/money-and-banking/exempt-cos-admitted-by-nclt-for-resolution-from-mat-edelweiss-arc-chief/article64941378.ece>

➤ **Scrutiny by income tax department barred for the period covered by The Resolution Plan: Telangana High Court**

The High Court of Telangana in a Bench consisting of Justice Ujjal Bhuyan and Justice Chillakur Sumalatha in Sirpur Paper Mills Limited & Another. V. Union of India & Two Others held that for the period covered by the Resolution Plan, Income Tax Department cannot carry out any scrutiny or assessment in respect of the Corporate Debtor regarding carry forward of losses and set off against future profits under Income Tax Act, 1961.

Source: Live Law

Read Full news at:

<https://www.livelaw.in/ibc-cases/article-226-of-the-constitution-insolvency-and-bankruptcy-code-2016-income-tax-act-corporate-insolvency-resolution-process-190480>

➤ **Premier Ltd, the maker of popular Padmini cars, to be acquired by Fab Metals under insolvency process**

Lenders would recover about one-fifth of their dues following the sale of the company, said people aware of the matter. Nearly 92% of the lenders by value voted in favour of Fab Metal's plan early this week. The engineering company has proposed to make payments to lenders within 90-days of the plan being approved by National Company Law Tribunal, the people said.

Source: The Economic Times

Read Full news at:

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/premier-ltd-the-maker-of-popular-padmini-cars-to-be-acquired-by-fab-metals-under-insolvency-process/articleshow/89152271.cms>



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