

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



PRESS

“ We must embrace pain and burn it as fuel for our journey.”

Updates on Insolvency and Bankruptcy Code

➤ Now, a small group of home buyers can't seek bankruptcy proceedings against a defaulting real estate company

To avoid misuse of the insolvency proceedings by some home buyers who are seeking action against well-run real estate companies, government may bring in minimum threshold of home buyers which will be required to start such bankruptcy proceedings.

“A lot of representations have come that a single home buyer who could be a speculative home buyer also is trying to dislocate an otherwise well-operating real estate company. In Mumbai, a lot of such cases have been admitted and half the cause list comprises of real estate companies. These have to be looked at in a very innovative manner” corporate affairs secretary Injeti Srinivas said on Tuesday at the third annual day function of the IBBI.

Source: Livemint News

Please find the full news at:

<https://www.livemint.com/news/india/now-a-small-group-of-home-buyers-can-t-see-bankruptcy-proceedings-against-a-defaulting-real-estate-company-11569948206187>

➤ Danger ahead: \$63-bn stalled real estate projects a threat for Indian banks

Ashish Shah is caught in the middle of India's latest financial crisis. As chief operating officer of Radius Developers, he's struggling to fund construction of apartment complexes because of a liquidity crunch in the nation's bloated shadow-banking sector.

Radius and hundreds of other developers relied on loans from what India calls non-banking financial companies (NBFCs) to fuel a five-year property boom. That came to a halt a year ago with the default of one of the shadow banking sector's leading lenders, Infrastructure Leasing & Financial Services Ltd. The resulting credit squeeze has left builders such as Radius and Omkar Realtors & Developers Pvt. looking for support, or, like scandal-hit Housing Development & Infrastructure Ltd., filing for bankruptcy.

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/finance/danger-ahead-63-bn-stalled-real-estate-projects-a-threat-for-indian-banks-119100400221_1.html

➤ **Central Bank withdraws insolvency application against Aban Offshore**

Central Bank of India one of the lender of offshore drilling contractor Aban Offshore, has withdrawn their insolvency application against the company. The National Company Law Tribunal (NCLT) has dismissed the application, giving liberty for the lender to approach it later.

The application for Corporate Insolvency Resolution Process against the company was filed by Central Bank of India, alleging that the company has defaulted around Rs 155 crore. The principal amount is around Rs 127 crore, while the rest is interest and others, said sources.

The company informed the exchange, "An application filed against the Company by one of the financial creditors under Section 7 of Insolvency & Bankruptcy Code stands withdrawn."

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/finance/central-bank-withdraws-insolvency-application-against-aban-offshore-119100101297_1.html



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