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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India

## PRESS

**"Don't raise your voice, improve your argument."**

### **Updates on Insolvency and Bankruptcy Code**

#### **Distributors move NCLT seeking classification as financial, operational creditors**

Aircel distributors on Tuesday filed application in the National Company Law Tribunal (NCLT) seeking classification as financial or operational creditor in the firm's insolvency matter. More than 53 distributors, who have been classified as other creditors by the resolution professional of Aircel, sought to be classified either as financial or operational creditor. The distributors informed the tribunal that they had purchased vouchers and other products under the distributorship agreement, which was in force till February 2018. Aircel did not deliver the products or return their payments, they added. Meanwhile, Indus Towers sought directions from the NCLT against the resolution professional, saying it is opposed to the resolution plan.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/distributors-move-nclt-seeking-classification-as-financial-operational-creditors/1864807/>

#### **Adani, Vedanta in race to buy Lanco plant**

Adani Group and Vedanta are competing to acquire Lanco Amarkantak power plant located in the mine-rich Korba area of Chhattisgarh after it was admitted for insolvency proceedings by the National Company Law Tribunal (NCLT) last year. Both parties are conducting due diligence on the power plant, which has 600 MW of operational thermal power capacity, 1,320 MW of under-construction capacity, and another 1,320 MW at the planning stage, after expression for interest was invited in December; neither has made a financial offer yet.



The plant is housed in a special purpose vehicle (SPV), which took rs 12,000 crore of debt from banks but was unable to service it due to the financial troubles of the parent company, Lanco Group. The Lanco Group has been struggling with mounting losses and muted cash flows and tried to sell assets to repay debt but could not succeed. The SPV, Lanco Amarkantak Power, was dragged to the NCLT over a Rs 800-crore loan default by Axis Bank. Lanco initially resisted the insolvency proceedings on the grounds that they were filed under a now defunct RBI circular of February 12, 2018.

**Source: Economic Times**

**Please find the full news at:**

<https://economictimes.indiatimes.com/industry/energy/power/adani-vedanta-in-race-to-buy-lanco-plant/articleshow/74091402.cms>

### **Insolvency of real estate firms to be limited to project, not across group: NCLAT**

The National Company Law Appellate Tribunal (NCLAT) has held that any insolvency process initiated by a homebuyer or a financial institution would be limited to the project concerned and not impact other projects of developers. While this may help real estate builders complete stuck projects faster, this order, say some legal experts, is contrary to the fundamental tenets of insolvency and secured transactions law, may shortchange many creditors and lead to chaos, they believe.

“In CIRP against a real estate firm, if allottees or financial institutions, banks or operational creditors of one project initiated CIRP against the corporate debtor, it is confined to the particular project; it cannot affect any other projects of the same real estate company in other places where separate plans are approved by different authorities,” said a two-member NCLAT bench headed by chairman Justice SJ Mukhopadhaya.

**Source: Moneycontrol.com**

**Please find the full news at:**

<https://www.moneycontrol.com/news/business/insolvency-of-real-estate-firms-to-be-limited-to-project-not-across-group-nclat-4931701.html>



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