

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



PRESS

**“You don’t gain anything from stressing. Remember that.”**

## Updates on Insolvency and Bankruptcy Code

### ➤ Gujarat NRE Coke former promoter to be ineligible to negotiate with creditors: NCLAT

Allowing the appeal of Jindal Steel and Power, the National Company Law Appellate Tribunal (NCLAT) has held Arun Kumar Jagatramka, the former promoter of Gujarat NRE Coke, not eligible to negotiate with the creditors of the debt-ridden company. A two-member bench of NCLAT headed by Chairperson Justice S J Mukhopadjaya said that as Jagatramka, who was ineligible to be a Resolution Applicant of the company under the Insolvency & Bankruptcy Code (IBC), cannot be allowed at this stage to negotiate with the creditors of Gujarat NRE Coke.

The appellate tribunal set aside the order passed on May 15, 2018, by the Kolkata bench of National Company Law Tribunal (NCLT).

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/gujarat-nre-coke-former-promoter-to-be-ineligible-to-negotiate-with-creditors-nclat/1746705/>

### ➤ PMLA-IBC ‘conflict’: NCLAT asks ED, MCA to reach consensus

A day after finance minister said differences between the corporate affairs ministry and the ED over the latter’s attachment of a portion of the properties of BPSL that was under the insolvency resolution process would be resolved soon, the NCLAT on Friday seemed to pay heed as it asked “the two wings of the same government, same ministry” to sit together and settle the issue.

The tribunal has now said it held the prima facie view that if assets are seized by the ED and these turn out to be purchased out of proceeds of crime, then ED would have claim on them as 'operational debt', under the Insolvency and Bankruptcy Code (IBC), 2016. The three-member NCLAT bench, headed by chairperson justice SJ Mukhopadhyay posted the matter to November 18 for further hearing. Under IBC, operational creditors come after financial creditors when it comes to laying hands on the resolution proceeds.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/pmla-ibc-conflict-nclat-asks-ed-mca-to-reach-consensus/1746384/>

### ➤ **Number of cases admitted under insolvency saw a rise in Sep quarter**

The number of insolvency cases admitted by the bankruptcy court continued to stay elevated, with 369 companies alone admitted in the September quarter. The March quarter of FY19 had seen the highest number (374) taken by the Benches of the National Company Law Tribunal (NCLT), revealed data by the Insolvency and Bankruptcy Board of India (IBBI). The number of firms to go for liquidation in Q2FY20 stood at 96.

The Insolvency and bankruptcy code (IBC), under which cases are referred to the NCLT, is almost three years old now, during which the experience has been disappointing. Of the total number of cases admitted by the NCLT (2,542), only 6 per cent have yielded resolution. While 23 per cent have wound up in liquidation, close to 4 per cent have been withdrawn under Section 12A of the IBC. Almost 59 per cent are still under the resolution process.

**Source: Business Standard**

**Please find the full news at:**

[https://www.business-standard.com/article/companies/number-of-cases-admitted-under-insolvency-saw-a-rise-in-sep-quarter-119102700574\\_1.html](https://www.business-standard.com/article/companies/number-of-cases-admitted-under-insolvency-saw-a-rise-in-sep-quarter-119102700574_1.html)



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