

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"It is the hardest thing in the world to be a good thinker without being a good self-examiner."

Updates on Insolvency and Bankruptcy Code

➤ NCLT admits bankruptcy plea against Noida-based realtor Granite Gate

The National Company Law Tribunal (NCLT) gave nod to start insolvency proceedings against NCR-based real estate firm Granite Gate Properties, after homebuyers complained about the firm's inability to complete the project. As, after the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018, homebuyers have now been granted the status of financial creditors under the ordinance.

Source: *Economic Times*

Please find the full news at:

https://m.economictimes.com/markets/stocks/news/nclt-admits-bankruptcy-plea-against-noida-based-realtor-granite-gate/amp_articleshow/67476012.cms

➤ Not necessary to start insolvency against principal borrower first: NCLAT

A financial creditor can seek to first initiate insolvency proceedings against a corporate guarantor of a company, instead of the company itself, in case the guarantee fails, the NCLAT has held. The CIRP, thus, can go ahead against the guarantor under Section 7 of the IBC, even without having proceeded with and exhausted all legal remedies against the principal debtor. This appellate tribunal's judgment came on an insolvency plea of Rural Electrification Corporation (REC) against Ferro Alloys Corporation where the latter was corporate guarantor for its subsidiary, FACOR Power.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/companies/creditor-can-seek-insolvency-against-corporate-guarantor-at-first-nclat-119010900932_1.html

➤ FE best banks: 'Don't allow litigation to kill Insolvency and Bankruptcy Code's spirit'

A recent central bank report had suggested that the recovery through the IBC was more than three times of that via other routes, including Board of Industrial and Financial Reconstruction (BIFR). But too much of litigation is delaying the resolution process under the two-year-old IBC which is taking the spirit of the law away. Without dismissing the challenges to insolvency resolution process as teething troubles, efforts must be made to address them expeditiously.

Source: Indian Express

Please find the full news at:

<https://indianexpress.com/article/business/banking-and-finance/fe-best-banks-dont-allow-litigation-to-kill-insolvency-and-bankruptcy-codes-spirit-5532794/>

➤ Opinion | The opportunities for investors in stressed power assets

There is potential for private sector companies to contribute to recovery in the sector as the resolution process initiated through the Insolvency and Bankruptcy Code (IBC) provides an opportunity for the private sector to acquire and re-engineer operations and power sales from assets, besides earning an internal rate of return (IRR) of 15-20% on investments.

Source: Livemint

Please find the full news at:

<https://www.livemint.com/Opinion/1FUllH3cJiyDlSaqKTYyQP/Opinion--The-opportunities-for-investors-in-stressed-power.html>

