



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

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➤ MCA may share data to reduce number of insolvency cases

The ministry of corporate affairs is weighing sharing data with bodies such as the National Financial Reporting Authority (NFRA), Insolvency and Bankruptcy Board of India (IBBI) and National Company Law Tribunal (NCLT) to help prevent defaults and reduce the number of cases going into insolvency. According to officials aware of the developments, the ministry has held initial discussions with the regulatory bodies informing them of the availability of data sets, which may well include real-time data of company records, structure of companies and transactions done by them, besides the number of people employed, board of directors and allied group companies.

"We have a lot of data and there's data with other bodies such as NFRA, IBBI, which is sitting in silos. Our intent is that the data sets speak to each other, so any agency has a comprehensive view of a company at any given time. We want to start with the MCA data," a senior official said, asking not to be named as the discussions were just beginning. He added that entities such as the NCLT could also use the data on a case-by-case basis when they want to look into a company for any particular case. "We have that ability and we can provide the data with ease," he said.

The NFRA is a legal watchdog for the auditing profession. It is responsible for setting accounting standards and improving the quality and consistency of financial statements. It has the power to investigate professional misconduct and impose penalties on chartered accountants. The aim is to ensure that businesses and financial institutions disclose accurate and fair information.

Source: Mint

Read Full news at: <https://www.livemint.com/news/india/mca-may-share-data-to-reduce-number-of-insolvency-cases-11677786247358.html>

➤ **Insolvency and Bankruptcy Board of India Eligible For Income Tax Exemption On Grant-In-Aid, Fine, Fee, Interest Income: CBDT**

The Central Board of Direct Taxes (CBDT) has notified that the Insolvency and Bankruptcy Board of India shall be eligible for the income tax exemption under clause (46) of section 10 of the Income-tax Act, 1961. The grants-in-aid received from the Central Government, the fees and fines received under the Insolvency and Bankruptcy Code, 2016, and interest income accrued by the Insolvency and Bankruptcy Board of India shall be eligible for the exemption.

The income tax exemption shall be available to the Board only upon the fulfillment of various conditions. Firstly, the Insolvency and Bankruptcy Board of India shall not engage in any commercial activity. Secondly, activities and the nature of the specified income shall remain unchanged throughout the financial years. Thirdly, the Insolvency and Bankruptcy Board of India shall file a return of income in accordance with the provisions of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

Source: Live Law

Read Full news at: <https://www.livelaw.in/news-updates/insolvency-and-bankruptcy-board-of-india-income-tax-exemption-grant-in-aid-fine-fee-interest-income-cbd-222955?code=9TeMeoGPmhLkjlsbwDaqOnVvTPWJ07>

➤ **Insolvency plea admitted against N Kumar company for over Rs 60 crore loan default**

The Mumbai bench of the National Company Law Tribunal has admitted an insolvency petition against N Kumar Housing and Infrastructure Limited which was a corporate guarantor for Poonam Resorts Limited which has defaulted on a loan amounting to over Rs 60 crore.

Details of the insolvency petition show that the company which is the principal borrower and the one that stood as corporate guarantor had the same director — N Kumar.

The petition was filed by the erstwhile Allahabad Bank, now merged into Indian Bank, for non-payment of over Rs 60 crore. The company which stood as the corporate guarantor and the one which got the loan both have N Kumar Harchandhi, a prominent realtor of the city, as director. The NKumar Group is known for having constructed buildings like Poonam Mall, Inox and other major high-end properties in the city.

The loan was granted in March 2011 to Poonam Resorts for construction of a luxury club house and resort at a total project cost of Rs 93 crore. The loan became a nonperforming asset (NPA) on March 2017.

A notice under the Securitization Act of 2002 was issued to the borrower and guarantor but they failed to comply, says the plea.

Source: The Times of India

Read Full news at: <https://timesofindia.indiatimes.com/city/nagpur/insolvency-plea-admitted-against-n-kumar-company-for-over-rs-60-crore-loan-default/articleshow/98351846.cms?from=mdr>

➤ **Marico, RP differ over FRL insolvency**

Consumer products company Marico on Wednesday moved the National Company Law Tribunal (NCLT) seeking its intervention in admitting its claims as part of Future Retail's corporate insolvency resolution process. Rishabh Jaisani, the counsel representing the resolution professional (RP), said a reply was filed in response to Marico's plea. "We already admitted 80-90% of Marico's claims, and the remaining claims are under examination."

Jaisani said Marico claimed ₹22.08 crore, of which ₹18.11 crore have been admitted but for the remaining amount of ₹3.97 crore, which it claimed as interest, there are no supporting documents. The additional documents submitted by Marico are yet to be examined, he added. Jay Zaveri, appearing for Marico, said there are around 4,000 invoices which showed that interest will be applicable after the due date in case dues are not paid in time.

An NCLT bench led by Justice Shyam Babu Gautam posted the matter for further consideration on 15 March. The company informed the exchanges on Tuesday that the resolution professional has not received any resolution plan. The last date for submission of a plan was 20 February. "Further course of action will be decided by the committee of creditors," the filing said.

Source: Mint

Read Full news at: <https://www.livemint.com/companies/news/marico-rp-differ-over-frl-insolvency-11677695455814.html>

➤ **NCLAT dismisses plea challenging insolvency against Avantha Power**

The National Company Law Appellate Tribunal (NCLAT) has set aside the petition filed against the initiation of corporate insolvency resolution process against Avantha Power and Infrastructure, which was a corporate guarantor for loans availed by Korba West Power Company. The appellate tribunal dismissed the plea by Anil Bhargava, director of the suspended board of Avantha Power and Infrastructure Ltd (APIL), and said it was "fully in agreement with the reasons assigned" by the NCLT for admitting the insolvency plea.

The Ahmedabad Bench of the National Company Law Tribunal (NCLT) on August 16, 2021, had admitted an insolvency plea against APIL, over a petition filed by Axis Bank claiming a due of Rs 480.54 crore. The loan pertained to Korba West Power Company Ltd (KWPC), which was the principal borrower, and the funds were for setting up a 2x600 MW Thermal Power Plant in Chhattisgarh. To part finance the project, KWPC had availed loan facilities from a consortium of lenders led by Axis Bank.

Source: The Economic Times

Read Full news at: <https://energy.economictimes.indiatimes.com/news/power/nclat-dismisses-plea-challenging-insolvency-against-avantha-power/98350953>

