INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Strength does not come from physical capacity. It comes from an indomitable will."

➢ NCLT Mumbai Directs Barracks Retail India's Former Directors to Contribute ₹16.84 Crore for Fraudulent Trading

The National Company Law Tribunal (NCLT), Mumbai, has directed the former directors of Barracks Retail India Private Limited to contribute a combined ₹16.84 crore to the company's assets. The direction follows findings that the company was involved in fraudulent trading through write-offs of inventory and trade receivables, along with withdrawal of company funds. The bench comprised Judicial Member Sushil Mahadeorao Kochey and Technical Member Prabhat Kumar.

The tribunal observed that purchases during FY 2019-20 led to a three-fold increase in inventory. The vendors did not claim outstanding payments from the company, resulting in the amounts being written back. The company also wrote off receivables arising from sales.

"It is pertinent to note that the purchases during FY 2019-20 led to a three-fold increase in Inventory holding; the parties from whom purchases were made had not claimed outstanding from the Corporate Debtor, leading to its write-back; and the corporate debtor also had to write off receivables arising from sale transactions.", the tribunal noted.

The application was originally filed by the Resolution Professional and subsequently pursued by financial creditor ASREC (India) Limited after approval of the Resolution Plan.The applicant alleged that suspended directors Puneet P. Bhatia and another director had inflated stock values and created bogus sales to improve the company's financial position and secure additional working capital from the bank.

The directors maintained that the transactions were undertaken in the ordinary course of business and with due diligence. The tribunal noted that revenue had dropped by more than half in FY 2020-21 and raised concerns over suspicious purchase and sale transactions in the preceding years. It also rejected a director's explanation for transferring ₹23.15 lakh when the company had negligible business. Relying on earlier precedents, it found that the transactions were intended to present a favourable financial picture to secure additional credit.

Source: Live Law Biz
Read Full News: *https://www.livelawbiz.com/nclt/nclt-mumbai-directs-barracks-retail-indias-former-directors-to-contribute-1684-crore-for-fraudulent-trading-556953*

➢ IBBI Introduces Revised Form CA for Real Estate Allottees

The Insolvency and Bankruptcy Board of India (IBBI), vide Circular No. IBBI/CIRP/109/2026 dated 30 October 2026, has introduced a revised Form CA under Regulation 8A of the CIRP Regulations, 2016, for filing claims by financial creditors in a class.

The revised form contains a separate Part II specifically for real estate allottees, requiring details of the allottee, real estate project, unit, financial claims, preferred relief and possession status. The revision aims to simplify claim submission, facilitate verification and improve project-level information for resolution planning. The revised form is applicable to claims filed on or after 30 October 2026; claims already filed under the earlier form need not be resubmitted.

Source: IBBI
***Read Full News*:**
https://ibbi.gov.in/uploads/legalframwork/84356af172f0446ac94e944711b0326e.pdf

➢ IBBI Issues Guidelines on RERA Compliance and Disclosure of CIRP in Real Estate Projects

The Insolvency and Bankruptcy Board of India (IBBI), vide Circular No. IBBI/CIRP/110/2026 dated 30 October 2026, has issued guidelines regarding compliance with the Real Estate (Regulation and Development) Act, 2016 (RERA) during the Corporate Insolvency Resolution Process (CIRP) of corporate debtors having real estate projects. The circular requires the Interim Resolution Professional (IRP) or Resolution Professional (RP) to ensure applicable RERA compliance and obtain relevant project information from the concerned RERA portal, including project registration, sanctioned plans, allottee records, bank account details and statutory approvals.

Further, the IRP/RP is required to prominently display signboards at each project site and notice boards at the registered, corporate and other offices of the corporate debtor within seven days of appointment, informing stakeholders about the commencement of CIRP and providing the IRP/RP's contact details. The RP may also invite the concerned RERA authority to provide its views on the regulatory compliance, feasibility and implementation of resolution plans, thereby promoting transparency, facilitating claim verification and strengthening the resolution of real estate projects.

Source: IBBI
Read Full News: *https://ibbi.gov.in/uploads/legalframwork/40e3889b945ee592774ba2eb955e8eb5.pdf*

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