



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

The ones who say you can't are too afraid you will

➤ **NCLT Rejects Insolvency Plea Against T Bhimjyani Realty, Citing Pre-Existing Dispute**

Holding that the Insolvency and Bankruptcy Code (IBC) should not be used as a tool for debt recovery when a genuine dispute exists, the National Company Law Tribunal (NCLT) has rejected an application to initiate insolvency proceedings against T Bhimjyani Realty Private Limited. The tribunal maintained that it cannot enter into the adjudication of triable issues requiring further investigation, thus dismissing the proceedings filed by Xanadu Realty against T Bhimjyani Realty for an alleged default on an operational debt. Advocate Nausher Kohli, along with Prerak Choudhary and Advocate Trisha Ranka, appeared on behalf of T Bhimjyani Realty Private Limited.

According to the order, the two firms, Xanadu and T Bhimjyani, had a history of business dealings beginning with a service agreement in 2018. That agreement led to a dispute over unpaid dues, which was settled in September 2022. Following this settlement, a new service agreement (the 2022 Agreement) was signed in October 2022. Under the 2022 Agreement, Xanadu Realty Limited provided real estate services and raised 13 invoices between November 2022 and December 2023. The first five invoices were paid, but the remaining eight, totaling approximately ₹3.74 crore, remained outstanding.

In its petition, Xanadu, the operational creditor, argued that the corporate debtor had failed to pay the outstanding invoices despite numerous reminders. They pointed to clauses in the 2022 Agreement stipulating that payments were due within 30 days and that any disputes or queries about an invoice had to be raised within seven working days. Since no objections were raised within this timeframe, the invoices were deemed accepted. Xanadu alleged that the corporate debtor's later attempt to raise a dispute was a tactic to avoid payment and that the alleged dispute related to the old 2018 Agreement, which had already been settled.

Source: The Free Press Journal

Read Full news: [NCLT Rejects Insolvency Plea Against T Bhimjyani Realty, Citing Pre-Existing Dispute](#)

➤ **IBBI proposes mandatory recording of CoC bidder eligibility in CIRP**

The IBBI has proposed making it mandatory for the committee of creditors (CoC) to formally record its deliberations on the eligibility of resolution applicants under Section 29A of the IBC Code aimed to enhance transparency in the corporate insolvency resolution process (CIRP).

Section 29A of the Insolvency and Bankruptcy Code (IBC) lays down the ineligibility criteria for persons who can submit a resolution plan for a corporate debtor undergoing the insolvency process. Provisions under the section prevent certain individuals and entities from acquiring or taking control of a stressed company if they have a history of defaults, financial irregularities, or criminal activity.

Source: *Business Standard*

Read Full news: [IBBI proposes mandatory recording of CoC bidder eligibility in CIRP | Company News - Business Standard](#)

➤ **Company's Financial Default Clearly Established and Above Threshold u/s 4(1) of IBC: NCLT Admits Plea for Insolvency**

The Mumbai Bench of the National Company Law Tribunal (NCLT) admitted a Section 10 application filed by NAC Advertising India Private Limited and initiated the Corporate Insolvency Resolution Process (CIRP) against it, after finding that the company's financial default was clearly established and above the threshold under Section 4(1) of the Insolvency and Bankruptcy Code, 2016. NAC Advertising India Private Limited, the corporate applicant, filed the petition under Section 10 of the Code read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking to initiate CIRP due to its inability to repay dues owed to financial creditors, operational creditors, and government authorities.

Source: *Taxscan*

Read Full news: [Company's Financial Default Clearly Established and Above Threshold u/s 4\(1\) of IBC: NCLT Admits Plea for Insolvency \[Read Order\]](#)

