



IBC AU-COURANT

Latest updates On Insolvency & Bankruptcy

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"Life is really simple, but we insist on making it complicated"

➤ **Rajesh landmark projects goes into insolvency**

The bankruptcy court has admitted an insolvency plea against real estate developer Rajesh Landmark Projects, a subsidiary of Mumbai-based realtor Rajesh Lifespace, filed by Mumbai-based NBFC IREP Credit Capital.

The Mumbai bench of NCLT has appointed Bhruvish Amin as the insolvency professional. IREP Credit Capital has sought to invoke the provisions of IBC for a resolution of an unresolved financial debt of nearly Rs 27 crore.

The dues include secured and redeemable non-convertible debentures worth Rs 18 crore issued by the developer, redemption premium, interest, and penal interest.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/services/property/-construction/rajesh-landmark-projects-goes-into-insolvency/articleshow/94819890.cms>

➤ **IBBI suspends license of resolution professional handling 3C Company affairs**

In a landmark judgment, the Insolvency and Bankruptcy Board of India (IBBI) suspended the license of a resolution professional handling the affairs of Granite Gate Properties Private Limited, a subsidiary of The 3C Company. In its 10-page order, the board states the four contraventions by the professional, Chandra Prakash. In January 2019, the NCLT's Principal Bench admitted an application under the Insolvency and Bankruptcy Code for initiating the insolvency resolution process of Granite Gate Properties.

The bench appointed Prakash as a resolution professional (RP). Later, Prakash appointed Delhi-based Ibay Capital to provide professional support services. However, it was later discovered that the company was related to him. The board in its order states that it is evident from the facts and supporting documents that Prakash knowingly and deliberately concealed the fact that "Ibay Capital is a related party". Further, it says, he deliberately did not cooperate with the inspecting

authority in order to prevent it from finding the nexus between him and Ibay Capital. "Hence, engaging a related entity is not only unjustified but also mala fide," the order mentions. The board also says that Prakash had appointed iVAS Partners for ascertaining the fair value and liquidation value of the assets of the Granite Gate.

It is, however, observed that fees of the iVas partners was not ratified by the CoC (Committee of Creditors).

"His [Prakash] conduct of appointing valuers without ratification of fees by the CoC is in violation of regulation 34 of CIRP Regulation which provides that CoC shall fix the expenses to be incurred by the RP and the expenses shall constitute IRPC," it states.

The order says that Prakash had neither disclosed the appointment of his brother through Ibay Capital before the CoC nor made relationship disclosure of the engagement of Ibay Capital on the website of the IPA (Insolvency Professionals Agencies). Further, the valuation report was submitted by iVas Partners whose appointment or fee was not approved or ratified by the CoC.

"Prakash has also failed to take appropriate action against Gravity for its inaction in terms of payment of dues of water charges," it states.

The board has also taken into account a grievance from the residents of Lotus Panache, a residential society of The 3C Company. The order states that the erstwhile resolution professional entered into an agreement with Gravity Facility Management Solutions (Gravity) for the maintenance of the entire resident side of the project as well as for payment of electricity and water charges.

However, the residents have alleged that an amount of around Rs 2 crore out of money collected by Gravity for maintenance, electricity, and water charges had been invested in the under-construction project. Prakash also submitted to the board that the money had indeed been diverted by Gravity, but he denied that the diverted money had been utilised in an under-construction project.

Source: Business Today

Read Full news at: <https://www.businesstoday.in/latest/corporate/story/ibbi-suspends-license-of-resolution-professional-handling-3c-company-affairs-349661-2022-10-12>

