



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"It is never too late to be what you might have been."*

*"It is never too late to be what you might have been."*

## ➤ Personal guarantors face more insolvency heat

Insolvency & Bankruptcy Board of India (IBBI) on Monday said a recent Supreme Court ruling will help improve the recovery of creditors from personal guarantors (PGs) and cautioned them against prolonging cases, as it will only "amplify their liabilities".

The comment by IBBI chairman Ravi Mittal in the latest newsletter comes months after Supreme Court ruling. r insolvency proceedings against PGs were getting stuck in vrious legal forums due to challenge of various provisions. This facilitates a more holistic resolution of the corporate debtor (company) and its PGs aligning with the IBC's mandate for value maximization," he said.

List of PGs facing proceedings includes several well-known names - from Anil Ambani to Venugopal Dhoot, Ruias of Essar Group and Bhushans of Bhushan Steel. At the height of the loan boom, when valuations had soared, personal guarantees were the norm.

At the end of Dec, there were nearly 2,500 such insolvency applications, involving debt of over Rs 1.7 lakh crore of these, 87 applications have been withdrawn or rejected before the appointment of a resolution professional (RP), while RPs have been appointed in 1,096 cases. After the appointment of an RP, 296 cases have been admitted in NCLT. So far, only 21 cases have resulted in approval of a repayment plan, with the amount realised adding up to just Rs 91 crore - or 5.2% of the claims.

**Source: Times of India**

**Read Full news:** <https://timesofindia.indiatimes.com/business/india-business/personal-guarantors-face-more-insolvency-heat/articleshow/107832563.cms>

## ➤ **Out-of-court insolvency fix for larger firms soon**

Large corporates will soon have a facility for “out-of-court” insolvency resolution that will hinge on informal discussions among the stakeholders and may not even require open bidding for selection of resolution applicants, official sources said.

The scheme envisages minimal discretionary involvement by the National Company Law Board (NCLT) but will differ from the extant “prepackaged scheme” for MSMEs in retaining the creditors as the initiators of the process.

**Source: Financial Express**

**Read Full news :** <https://www.financialexpress.com/business/industry-out-of-court-insolvency-fix-for-larger-firms-soon-3398950/>

## ➤ **NCLT orders Mehul Choksi-promoted Gitanjali Gems' liquidation under IBC law**

The National Company Law Tribunal (NCLT) has ordered liquidation of jewellery retailer Gitanjali Gems, promoted by absconding diamantaire Mehul Choksi, under Section 33 of the Insolvency and Bankruptcy Code, 2016.

The bench also appointed Santanu T Ray as the liquidator, who will complete the liquidation process as per the provisions of the IBC, 2016, according to an NCLT order, filed on BSE.

**Source: Business Standard**

**Read Full news :** [https://www.business-standard.com/companies/news/nclt-orders-mehul-choksi-promoted-gitanjali-gems-liquidation-under-ibc-law-124021901082\\_1.html](https://www.business-standard.com/companies/news/nclt-orders-mehul-choksi-promoted-gitanjali-gems-liquidation-under-ibc-law-124021901082_1.html)

