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"Nothing will work unless you do."

➤ **Petition U/S 7 Of IBC Not Maintainable For Non-Return Of Expired, Uninvoked Bank Guarantee Under Settlement Agreement: NCLT Mumbai**

The National Company Law Tribunal (NCLT), Mumbai Bench of Shri Sushil Mahadeorao Kochey (Judicial Member) and Shri Charanjeet Singh Gulati (Technical Member) has held that failure to return one of the bank guarantees, as per the settlement terms agreed upon between the parties, cannot form the basis for filing a petition under Section 7 of the IBC when such guarantee was neither renewed nor invoked before its expiry. In the present, the Respondent had paid the full payment as per the Settlement Agreement but failed to return one of the Bank Guarantees which expired without being invoked or renewed.

The present petition has been filed under section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) against the Gannon Dunkerley & Co. Ltd. for the alleged default of Rs. 43.26 crores.

The Petitioner submitted that the Respondent failed to comply with the conditions of the Settlement Agreement under which it had to return the Bank Guarantees and create a 100% cash margin. Upon this non-compliance, the OTS proposal was automatically withdrawn and the Respondent was informed of the same via letter dated 06.06.2025.

Per contra, the Respondent submitted that the Respondent has made payment of the entire OTS amount of Rs. 22 Crores in accordance with the prescribed timelines. Respondent submits that, the continuance of the present petition is nothing but an abuse of the process by the Petitioner and it is barred by section 65 of the IBC.

Source: Live Law

Read Full news: [Petition U/S 7 Of IBC Not Maintainable For Non-Return Of Expired, Uninvoked Bank Guarantee Under Settlement Agreement: NCLT Mumbai](#)

➤ **[Reverse CIRP] NCLAT Closes CIRP Against Grand Reality Under Its Inherent Powers Upon Handover Of Flats To Homebuyers & Satisfaction Of Claims**

The **National Company Law Appellate Tribunal (NCLAT)**, New Delhi bench comprising **Justice Yogesh Khanna (Judicial Member)** and **Mr. Indevan Pandey (Technical Member)** exercising its inherent powers under Rule 11 of the NCLAT Rules, 2016, has closed the Corporate Insolvency Resolution Process ("CIRP") against Grand Reality Pvt. Ltd. through the 'Reverse CIRP' mechanism. The project was completed under court-monitored supervision, and possession was handed over to all homebuyers, and no outstanding claims were due.

The appellant filed the appeal challenging the order passed by NCLT New Delhi dated 14.02.2023 under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). On 26.09.2023, the NCLAT allowed an I.A. filed by Pax Homes LLP (Respondent No. 44), permitting it to proceed with construction under a Development Agreement, and initiated a "Reverse CIRP" process for delivering possession to flat buyers. Respondent No. 44 completed construction and secured Occupation Certificates. The Tribunal-appointed Local Commissioner affirmed this in her report.

Source: Live Law

Read Full news: [\[Reverse CIRP\] NCLAT Closes CIRP Against Grand Reality Under Its Inherent Powers Upon Handover Of Flats To Homebuyers & Satisfaction Of Claims](#)

➤ **Pledged Shares Held By Corporate Debtor In Subsidiary Are Its Assets, Can't Be Invoked During CIRP Due To Moratorium: NCLT Mumbai**

The **National Company Law Tribunal (NCLT)**, Mumbai Bench of **Lakshmi Gurung (Judicial Member)** and **Hariharan Neelakanta Iyer (Technical Member)** has held that pledged shares held by the Corporate Debtor in its subsidiary company are assets of the Corporate Debtor and, therefore, cannot be invoked by the pledgee during the Corporate Insolvency Resolution Process due to the bar under Section 14 of the IBC. The Interlocutory Application has been filed by Asset Reconstruction Company (India) Limited (Applicant) under section 60(5) of the Insolvency and Bankruptcy Code, 2016 (Code) read with Rule 11 of the National Company Law Tribunal Rules, 2016 (NCLT Rules) seeking to exclude the pledged shares from the assets of the Corporate Debtor.

Source: Live Law

Read Full news: [Pledged Shares Held By Corporate Debtor In Subsidiary Are Its Assets, Can't Be Invoked During CIRP Due To Moratorium: NCLT Mumbai](#)

