



INSOLVENCY PROFESSIONAL AGENCY  
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# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"Once you choose hope, anything's possible."*

## ➤ **NCLAT Finds No Fault In Jet Airways Aircraft Auction, Rejects Losing Bidder's Challenge**

The National Company Law Appellate Tribunal (NCLAT) has recently dismissed a challenge by a losing bidder to the auction of two Jet Airways aircraft during the airline's liquidation, holding that the process was transparent and that adequate opportunity had been given to inspect the assets before bidding. "The appellant's bid was lower to successful auction purchaser, the appellant was also given opportunity to inspect the Aircraft. No error can be found in the process adopted by liquidation in carrying the auction," the bench of Chairperson Justice Ashok Bhushan and Technical Member Barun Mitra observed.

The appeal was filed by Industrial Asset Transaction Services Pvt Ltd against a May 12 order of the Mumbai bench of the National Company Law Tribunal, which had rejected its plea to set aside the March 29 auction and accept its higher post-auction offer. The liquidator had put the two aircraft up for sale on an "as is where is", "as is what is" and "as is how is" basis. Industrial Asset Transaction Services, one of the bidders, had sought a more detailed inspection of the aircraft engines, including a borescope inspection, arguing that it could not properly assess their condition without it. While it was allowed to inspect the aircraft on March 26 and 27, it said the inspection was insufficient.

Despite this, the company participated in the auction, where its bid lost to a higher offer from the successful purchaser. It later offered ₹25 crore more for each aircraft and sought cancellation of the auction. The liquidator opposed the plea, saying the sale terms were clear, inspection had been allowed, and the Stakeholders' Consultation Committee declined to reopen the process after the auction concluded. Rejecting the challenge, the appellate tribunal agreed with the NCLT's finding that the auction process was transparent and that the liquidator was not required to reopen bidding merely because a losing bidder later improved its offer.

**Source:** *Live Law Biz*

**Read Full news:** [NCLAT Finds No Fault In Jet Airways Aircraft Auction, Rejects Losing Bidder's Challenge](#)

## ➤ **NCLT Hyderabad Finds GPT Pharmaceuticals–Punarnava Rasayan CIRP Collusive, Finds No Financial Trail**

The Hyderabad Bench of the National Company Law Tribunal (NCLT) has held that parties cannot invoke the insolvency framework under the Insolvency and Bankruptcy Code, 2016 (IBC) in a collusive or malicious manner and that such misuse attracts proceedings and penalty under Section 65 of the Code.

Judicial Member Rajeev Bhardwaj and Technical Member Sanjay Puri initiated proceedings under Section 65 of the IBC and imposed a penalty of Rs. 25 lakh each on GPT Pharmaceuticals Private Limited and Punarnava Rasayan Private Limited for fraudulent initiation of the Corporate Insolvency Resolution Process (CIRP), finding that the proceedings constituted an abuse of the insolvency mechanism.

**Source: *Live Law Biz***

**Read Full news: [NCLT Hyderabad Finds GPT Pharmaceuticals–Punarnava Rasayan CIRP Collusive, Finds No Financial Trail](#)**

## ➤ **SC Says Fake Citations Issue In Essel Insolvency Case Under Review**

The Supreme Court has said that concerns over the use of allegedly fake and hallucinated judicial precedents by the National Company Law Tribunal (NCLT), and the National Company Law Appellate Tribunal (NCLAT) affirming them, in the insolvency case involving Essel Infraprojects were already being examined on the administrative side and had been placed before a committee.

The court, meanwhile, reserved its verdict on an appeal moved by the company's suspended director, Pooja Ramesh Singh. A Bench of Justice PS Narasimha and Justice Alok Aradhe was hearing Singh's challenge to orders initiating the insolvency process against Essel Infraprojects.

**Source: *Business Standard***

**Read Full news: [SC says fake citations issue in Essel insolvency case under review | Company News - Business Standard](#)**



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**INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA  
(A Section 8 Company registered under Companies Act, 2013)  
Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road New Delhi 110003  
Noida Office: CMA Bhawan, C-42 Sector 62 Noida, 201309**