



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Creating a new product is not a big deal, it is necessary to come to sell a new product."

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➤ IDBI Bank moves NCLAT on ZEE

The insolvency application was filed before the dedicated bankruptcy tribunal to recover dues of ₹149.60 crore from Zee Entertainment. The case has been filed with the court registrar but is yet to be listed for hearing. The public sector lender had filed the petition under section 7 of the Insolvency and Bankruptcy Code (IBC), which allows a financial creditor to file an application for initiating CIRP against a corporate debtor before the adjudicating authority.

IDBI Bank's claim against ZEE arises out of a debt service reserve account (DSRA) guarantee that it alleged ZEE provided to secure loans provided by IDBI Bank to Siti Networks Ltd—both were part of Essel Group. IDBI Bank insisted before the NCLT that its claim is identical to that of IndusInd Bank and on that ground, the application must be permitted.

Similarly, IndusInd Bank had filed an application against ZEE, which was admitted by the NCLT on 22 February. However, the National Company Law Appellate Tribunal (NCLAT) granted relief against the NCLT order to the media company led by managing director and chief executive Puneet Goenka. Both IndusInd Bank's claim and IDBI Bank's claim were opposed by ZEE mainly on the grounds that the guarantee was invoked during the pandemic. Under Section 10A of the IBC, insolvency proceedings cannot be initiated if the alleged default occurred before the period of 25 March 2020 to 25 March 2021, which is termed as the covid period.

Source: Mint.

Read Full news at: <https://www.livemint.com/companies/news/idbi-bank-challenges-nclt-order-rejecting-insolvency-proceedings-against-zee-entertainment-enterprises/amp-11689873414070.html>

➤ Acres Buildwell withdraws insolvency plea against SpiceJet

Real Estate company Acres Buildwell Private Limited on July 20 withdrew its insolvency plea against low-cost airline SpiceJet. The plea was filed in National Company Law Tribunal (NCLT), Delhi. It is to be noted that in March, SpiceJet informed the tribunal that it was making efforts for amicably resolving the matter.

Advocates Mohit Jolly and Varun K Chopra, who appeared for Acres and SpiceJet respectively, informed the NCLT today that there has been a settlement between the parties. Jolly told the court that he has instructions from Acres to withdraw the plea. The tribunal accordingly passed an order permitting the withdrawal of the plea as the case was still in a preliminary stage.

Acres Buildwell filed the insolvency plea in September 2022, on the ground that SpiceJet owed outstanding dues to the tune of Rs 3.25 crore. The NCLT had sought SpiceJet's response to the plea and issued notice to the airline.

Source: Money Control.

Read Full news at: <https://www.moneycontrol.com/news/trends/legal/acres-buildwell-withdraws-insolvency-plea-against-spicejet-10995121.html/amp>

➤ India's SpiceJet challenges lessors' insolvency petitions

SpiceJet (SG, Delhi International) has challenged the multiple insolvency petitions filed by Aircastle and Wilmington Trust SP Services (Dublin), causing the National Company Law Tribunal (NCLT) to grant more adjournments

Krishnendu Dutta, appearing for the distressed budget carrier at the tribunal on July 17, argued against the validity of Aircastle running two simultaneous insolvency petitions and Wilmington having three insolvency petitions. However, as reported in India's Economic Times, Chinmoy Sharma, appearing for Aircastle, argued that the lessor was within its rights to file separate petitions, given SpiceJet defaulted on multiple contracts covering different aircraft and different invoices. Sharma also noted there was precedence from earlier judgements allowing a creditor to file more than one petition against a debtor. Aircastle is chasing USD5.9 million from SpiceJet.

Source: Ch-aviation.

Read Full news at: <https://www.ch-aviation.com/portal/news/129954-indias-spicejet-challenges-lessors-insolvency-petitions>

