



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"Opportunities don't happen. You create them."*

## ➤ Over 65 Per Cent Of Ongoing Corporate Insolvency Cases Have Extended Beyond 270 Days: IBBI

According to the latest quarterly newsletter by the IBBI, 10 per cent of the cases have been in progress for durations ranging from 180 to 270 days as of June 30. Data from the Insolvency and Bankruptcy Board of India (IBBI) shows that as of June 30, 2023, over 65 per cent of the ongoing corporate insolvency resolution cases have extended beyond 270 days. In the previous quarter, the IBBI reported that 64 per cent of the ongoing corporate insolvency resolution cases had extended beyond 270 days.

Additionally, 15 per cent of the resolutions have been ongoing for a period of 90 to 180 days and merely 10 per cent of the cases have seen a timeline of less than 90 days. Originally positioned as a swift alternative to the often sluggish older mechanisms, the Insolvency and Bankruptcy Code (IBC) 2016 aimed to establish a time-bound framework.

The primary concern lies in maintaining promptness to prevent further deterioration of a business's viability or the value of its assets. Initially, the IBC set a 180-day deadline for concluding the resolution process, allowing a potential extension of 90 days.

Subsequent amendments to the IBC extended the overall timeline for completion to 330 days, nearly a year. In 2018, when the timeline stood at 180 days plus a 90-day extension, the majority of cases—ranging from companies with liabilities under Rs 50 crore to those exceeding Rs 1000 crore—were resolved within 300 days.

**Source:** ABP Live.

**Read Full news at:** <https://news.abplive.com/business/ibbi-over-65-per-cent-of-ongoing-corporate-insolvency-cases-have-extended-beyond-270-days-1624634>

## ➤ **Jet Airways Insolvency Case: NCLAT Reserves Order On Jalan-Kalrock Consortium's Plea**

The National Company Law Appellate Tribunal on Monday reserved its order on Jalan-Kalrock Consortium's plea seeking more time to make payments to the lenders of the bankrupt Jet Airways. The consortium had emerged as the winning bidder for the airline, which stopped flying in April 2019 and later underwent an insolvency resolution process.

The consortium is to pay Rs 350 crore to the lenders by Aug. 31 but has sought an extension for making the payment. A three-member NCLAT bench said it will pass the order on next Monday and has granted three days' time to the parties to file their written submissions. "Heard learned counsel for the parties... orders on Aug. 28, 2023. Parties are at liberty to file their short notes of submission of not more than three pages within three days," the appellate tribunal said.

The bench would also decide the consortium's plea to consider a performance bank guarantee of Rs 150 crore as part of the payment of Rs 350 crore. The consortium had submitted that it will deposit Rs 100 crore by Aug. 31. After that, they would deposit another Rs 100 crore by Sept. 30.

*Source: BQ Prime.*

*Read Full news at: <https://www.bqprime.com/law-and-policy/biz-nclat-jet-airways-5>*

## ➤ **Resolution Professional Responsible For Conducting Section 29A Due Diligence; Can Seek Information, Documents Or Clarification From RA: NCLT Mumbai**

The National Company Law Tribunal ("NCLT"), Mumbai Bench, comprising of Shri Kishore Vemulapalli (Judicial Member) and Shri Anu Jagmohan Singh (Technical Member), while adjudicating a petition filed in M/s Blue Frog Media Pvt. Ltd., has held that a Resolution Professional is responsible to conduct due diligence relating to Section 29A of IBC, to identify ineligibility of resolution applicant, if any. Additional information, documents or clarifications can be sought from the Resolution Applicant by the Resolution Professional. The mere submission of an affidavit by the resolution applicant under Section 29A of IBC would not suffice.

"The Resolution Professional has the responsibility to conduct Section 29A due diligence. A prospective Resolution Applicant submitting an affidavit stating that he/she is eligible under Section 29A to submit resolution plan will not suffice. Adequate due diligence on the prospective Resolution Applicants and its connected persons needs to be conducted effectively and within the requisite timeline to identify ineligibility, if any. The Resolution Professional should seek clarifications or additional information or document from the prospective Resolution Applicants, if needed for conducting the due diligence."

*Source: Live Law.*

*Read Full news at: <https://www.livelaw.in/ibc-cases/resolution-professional-responsible-for-conducting-section-29a-due-diligence-can-seek-information-documents-or-clarification-from-ra-nclt-mumbai-235919>*

## ➤ **Central Excise Authority Not A Secured Creditor Under IBC: NCLAT Chennai**

The National Company Law Appellant Tribunal (“NCLT”), Chennai Bench, comprising of Justice M. Venugopal (Judicial Member) and Ms. Shreesha Meria (Technical Member), while adjudicating an appeal filed in The Assistant Commissioner of Central Tax v Mr. Sreenivasa Rao Ravinuthala & Anr., has held that Central Excise Authority is not a Secured Creditor under IBC.

**Source: Live Law.**

**Read Full news at:** <https://www.livelaw.in/ibc-cases/nclat-chennai-central-excise-authority-secured-creditor-ibc-235916?infinitescroll=1>



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