



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Play by the rules but be ferocious."

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➤ NCLAT closes Subhash Chandra's appeal against Indiabulls Housing Finance

The National Company Law Appellate Tribunal (NCLAT) on July 25 closed the appeal by media baron Subhash Chandra against Indiabulls Housing Finance Limited. The appeal was closed as Indiabulls and Vivek Infracon, the company for which Chandra had stood personal guarantee for a loan of Rs 170 crore from Indiabulls, settled their dispute.

Furthermore, the court took note of the fact that the apex court is considering the constitutional validity of provisions of Insolvency and Bankruptcy Code, 2016 pertaining to personal guarantee insolvencies.

Indiabulls had moved a petition to initiate personal insolvency against Subash Chandra in 2022 after the loans it had given to the company had become non-performing assets. Chandra argued in the National Company Law Tribunal (NCLT) that the tribunal cannot rule on an individual's insolvency. However, on May 30 2022, the tribunal ruled that it had the powers to rule on Chandra's solvency and appointed a resolution professional to consider Indiabulls' application.

Chandra challenged this order in the NCLAT. However, in the meanwhile, the Supreme Court started issuing stay on personal guarantee insolvency as a batch of writ petitions have challenged the validity of IBC's provisions as they do not give the guarantor any opportunity to put forth their case.

Source: Money Control.

Read Full news at: <https://www.moneycontrol.com/news/trends/legal/nclat-closes-subhash-chandras-appeal-against-indiabulls-housing-finance-11024981.html/amp>

➤ NCLT appoints EY-backed Shailendra Ajmera as RP of Coffee Day Global

National Company Law Tribunal has appointed EY-backed Shailendra Ajmera as resolution professional (RP) of Coffee Day Global, according to an order uploaded on its website. The bankruptcy court has admitted Coffee Day Global company for insolvency proceedings on the behest of IndusInd Bank, which filed a claim in court that the company had defaulted on term loans of Rs 115 crore that were disbursed to it in 2019.

Ajmera is also the resolution professional of insolvent Wadia group airline, Go First. Coffee Day Global houses the nationwide retail outlet network, Xpress cafés and the office vending business of the group founded by the late VG Siddhartha. Coffee Day Global is 82% owned by Coffee Day Enterprises, a listed entity.

Source: *The Economic Times*.

Read Full news at: https://m.economictimes.com/industry/cons-products/food/nclt-appoints-ey-backed-shailendra-ajmera-as-rp-of-coffee-day-global/amp_articleshow/102100993.cms

➤ Insolvency Law: Supreme Court Lays Down The Law On Preferential Transactions

A host of concerns surrounding preferential transactions under the Insolvency and Bankruptcy Code were recently addressed by the National Company Law Appellate Tribunal. The tribunal's findings have now been affirmed by the Supreme Court of India in the case of electronics manufacturing company NTL Electronics India Pvt.

Payments by a company that gave unfair preference to one creditor over others prior to insolvency initiation are referred to as preferential transactions and can be wound up under the IBC. At the NCLAT, it was alleged that NTL had engaged in preferential transactions while discharging its liabilities for loans and advances received from certain related parties.

Source: *BQ Prime*.

Read Full news at: <https://www.bqprime.com/law-and-policy/insolvency-law-supreme-court-lays-down-the-law-on-preferential-transactions>

