



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"I never look back, It distracts from the now"

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➤ **Shifting Entire Blame On IRP Not Justified; Creditors Must Also Play Catalytic Role In CIRP: NCLAT Delhi**

The National Company Law Appellate Tribunal ("NCLAT"), Principal Bench comprising of Justice Ashok Bhushan (Judicial Member) and Shri Barun Mitra (Technical Member), while adjudicating an appeal filed in Shri Guru Containers v Jitendra Palande, has held that creditors must not shift the entire blame on the IRP on grounds of non-performance of duty and make him the scapegoat. It is equally important for the creditors to play a catalytic role in the insolvency resolution process given the creditor-driven regime of IBC. The rigours of similar standards of discipline should also apply on the creditors.

The Bench observed that the IRP had sought requisite information from both Operational Creditor and the Suspended Management of the Corporate Debtor. All efforts were made to effectively conduct the CIRP and manage the affairs of the Corporate Debtor. However, the Operational Creditor and the Suspended Management failed to provide any assistance to the IRP. The scope of CIRP work was limited, owing to lack of information and claims but the IRP diligently dispensed its duties.

The Bench opined that the CIRP faced hinderance due to lack of cooperation and participation from the creditors. The conduct of the Operational Creditor has been deprecatory in the CIRP, since it did not seem interested in resolution of the Corporate Debtor as no claims were filed by it.

Source: Live Law

Read Full news at: <https://www.livelaw.in/news-updates/shifting-entire-blame-on-irp-not-justified-creditors-must-also-play-catalytic-role-in-cirp-nclat-delhi-222660>

➤ **NCLT admits colour roof India for insolvency proceedings**

The National Company Law Tribunal (NCLT) has admitted Mumbai-based KLT Group's subsidiary, Colour Roof India (CRIL), under the corporate insolvency resolution process and appointed Hemant Kumar Shah as the insolvency resolution professional. The company is involved in design, development and supply of roof and wall cladding sheets. The NCLT's Mumbai bench admitted the company in an application filed by Phoenix ARC, which had approached the tribunal after the company allegedly failed to repay its dues of over ₹166 crore.

"There is a default by the corporate debtor in the payment of the debt amount. Therefore, we are of the considered view that the present petition deserves to be admitted under Section 7 of the (Insolvency and Bankruptcy) Code for initiation of CIRP against the corporate debtor," said a division bench of judicial member Kishore Vemulapalli and technical member Prabhat Kumar.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/news/india/nclt-admits-colour-roof-india-for-insolvency-proceedings/articleshow/98283833.cms>

➤ **Lenders make biggest haul from suspect pre-IBC deals**

Lenders have made their biggest headway yet in reversing dubious pre-bankruptcy transactions of distressed companies -- often used to swindle assets -- in the December quarter, with tribunals disposing of cases involving over ₹23,000 crore and letting creditors recover over ₹5,000 crore, official data showed. The recovery was made using a provision of the Insolvency and Bankruptcy Code (IBC), which has not been harnessed to such an extent in the past, possibly because of a lack of awareness among bankruptcy professionals, experts said.

Tapping it could help in the recovery process of distressed companies, making available more resources for turning them around. This is a huge improvement in a quarter -- cumulatively, upto September, lenders could only recover ₹63 crore from dubious pre-bankruptcy transactions worth over ₹18,000 crore, showed data from the Insolvency and Bankruptcy Board of India (IBBI) for the third quarter of FY23.

Source: Mint

Read Full news at: <https://www.livemint.com/companies/news/lenders-make-biggest-haul-from-suspect-pre-ibc-deals-11677521555118.html>



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(A Section 8 Company registered under Companies Act, 2013)

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