



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

*Latest updates On Insolvency & Bankruptcy*

**29<sup>th</sup> September 2022**

***"All our dreams can come true, if we have the courage to pursue them"***

## ➤ **Canara Bank files insolvency plea against Gayatri Projects**

Canara Bank has filed a fresh insolvency petition against Hyderabad-based engineering, procurement and construction (EPC) company Gayatri Projects, increasing pressure on the debt-laden borrower that owes lenders more than ₹6,000 crore.

A failed restructuring plan first initiated in 2015 and subsequent default have marked the account as a non-performing asset in the books of banks. Canara is the second bank to file an insolvency plea against the company even as a petition by lead lender Bank of Baroda filed in February is awaiting approval from the Hyderabad bench of the National Company Law Tribunal (NCLT).

Canara Bank and Gayatri Projects did not respond to emails seeking comment.

"This is a classic case of why the bankruptcy code has failed to meet expectations. Despite rules saying that the application of financial creditor should be admitted within 14 days, it has been delayed without any reason," said a person in the know. "Meanwhile, the market cap of the company is regularly declining day by day and all banks can do is sell the pledged shares in the open market for a loss."

**Source: The Economic Times**

**Read Full news at:** <https://economictimes.indiatimes.com/markets/stocks/news/canara-bank-files-insolvency-plea-against-gayatri-projects/articleshow/94520260.cms>

## ➤ **IBBI Attempts At Making Acquisition Of Distressed Assets Attractive**

The Insolvency and Bankruptcy Board of India has introduced amendments to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. It aims to provide an impetus to better market-led solutions and imbibe informational symmetry and transparency to the insolvency resolution process.

India Are In Focus Today 4 Drugmakers With Exposure To Essential Medicines May Record Best The amendment makes it mandatory for the resolution professional to seek claims from all known creditors of the company. It further mandates that all details of avoidance of transaction application be made available to resolution applicants.

The amendment also changes the timeline for submission of information memorandum. Finally, the amendment allows the Committee of Creditors to explore other options during liquidation.

The amendment now requires that the resolution professional must actively seek claims from known creditors on the basis of the company's book of accounts. This will create a clearer picture of the total debt at any earlier stage and reduce chances of significant variations at a later stage in the process for the resolution applicants, Gupte said.

Secondly, the bankruptcy regulator mandates that the details of applications filed for avoidance of transactions should be made available to resolution applicants prior to submission of resolutions plans.

By allowing the resolution professional to share the details of the avoidance application with the potential resolution applicants, it will facilitate value discovery, said Divyanshu Pandey, partner, S&R Associates.

This also plugs a loophole which was introduced by the third amendment requiring the PRAS to provide for measures for dealing with avoidance transactions, he said.

The amendment also changes the timeline for submission of information memorandum. It mandates that the information memorandum should include details such as company operations, financial statements, contingent liabilities, geographical coordinates of fixed assets, and company overview, among other things.

**Source: BQ Prime**

**Read Full news at:** <https://www.bqprime.com/law-and-policy/ibbi-attempts-at-making-acquisition-of-distressed-assets-attractive>

