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IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Just when the caterpillar thought the world was ending, he turned into a butterfly."

Updates on Insolvency and Bankruptcy Code

NCLAT dismisses RNA plea against insolvency proceedings

The National Company Law Appellate Tribunal (NCLAT) has dismissed a plea challenging initiation of insolvency proceedings against realty developer RNA Corporation. The National Company Law Tribunal (NCLT) had in December passed an order to start insolvency proceedings against the Mumbai-based developer after admitting a plea by Bank of India (BoI) over term loan default.

Anubhav Agarwal, managing director of RNA Corp, moved NCLAT challenging the NCLT order on the ground of limitation, stating that BoI has already moved the second application under Section 7 of the IBC for the same set of claims against another guarantor, Chamber Constructions, and is, therefore, not maintainable. The court has found no merit in this appeal.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/services/property/-/construction/nclat-dismisses-rna-plea-against-insolvency-proceedings/articleshow/74074153.cms>

Insolvency limited to concerned realty project, won't impact others:

NCLAT

In a relief to realty players, the National Company Law Appellate Tribunal (NCLAT) has held that any insolvency process initiated by a flat buyer or financial institution would be limited to the project concerned only and not impact other projects of developers. A NCLAT bench headed by Chairman Justice S J Mukhopadhaya said that the entire insolvency process initiated over the plea of either a flat buyer or bank or any other financial institution would be limited to the project only.

Besides, the appellate tribunal has also suggested that there should also be a reverse corporate insolvency process in such cases. "In CIRP against a real estate, if allottees or financial institutions, banks or operational creditors of one project initiated CIRP against the corporate debtor, it is confined to the particular project, it cannot affect any other projects of the same real estate company in other places where separate plans are approved by different authorities," the NCLAT said in its order. The order came over a petition filed by group of allottees - Flat Buyers Association Winter Hills-77, Gurgaon.

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/pti-stories/insolvency-to-be-limited-to-realty-project-concerned-not-other-group-projects-nclat-120021001674_1.html

Rs 4 lakh crore recovered through insolvency, bankruptcy proceedings

Due to the Narendra Modi government's efforts to bring down non-performing assets (NPAs) in banks and financial institutions, Rs 4 lakh crore has been recovered through insolvency and bankruptcy proceedings since 2014 which is a "major achievement," Union minister Anurag Thakur said on Friday.

Addressing the 70th annual function of the Institute of Chartered Accountants of India (ICAI), the junior finance minister said when Modi assumed office in 2014 in his first term, NPA stood Rs 52 lakh crore. Due to the strong action taken by the financial institutions by initiating legal proceedings and following due process on the orders of the Central government, NPAs were brought down to Rs 18 lakh crore.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/economy/under-modis-rule-rs-4-lakh-crore-recovered-through-insolvency-bankruptcy-proceedings-mos-finance/1860225/>



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