

IBC AU-COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



“Positive anything is better than negative nothing.”

Updates on Insolvency and Bankruptcy Code

➤ **NCLT orders insolvency proceedings against MGF Developments**

A two-member Delhi based bench of NCLT passed the order by allowing a plea filed by the residents association of 'The Vilas Condominium', a project at sector 25 of Gurgaon, for breach clauses of the agreement between them, terming it as default. According to the home buyers association, MGF Developments had collected IBMS at Rs 50 per square ft of the super area, which was like a corpus security deposit in lieu of the maintenance services and was not refunded after maintenance work was handed over to them.

Source: Business Standard

Read Full news at:

https://www.business-standard.com/article/companies/nclt-orders-insolvency-proceedings-against-mgf-developments-121113001444_1.html

➤ **Dearth of Members, NCLT Benches At Chennai Not Fully Functional: Madras High Court Asks Centre To Clarify**

In a public interest litigation filed before Madras High Court for directions to make the NCLT Benches in Chennai fully functional, the respondents including Union of India, NCLT and the Insolvency and Bankruptcy Board of India has been asked to clarify if a single technical member of the Bench at Chennai has been discharging the duties of the NCLT Bench in Kochi as well.

Source: Live Law

Read Full news at:

<https://www.livelaw.in/news-updates/madras-high-court-nclt-benches-one-technical-member-discharging-duties-at-chennai-and-kochi-centre-to-clarify-186669>

➤ **Implications of using bankruptcy code against discoms**

The central government has recently clarified that IBC proceedings could be triggered against state government-owned electricity distribution companies (discoms). This could have major implications for the electricity sector. Successful resolution of discoms would, however, require further policy thinking.

Source: The Indian Express

Read Full news at:

<https://indianexpress.com/article/opinion/columns/discoms-privatisation-bankruptcy-code-insolvency-resolution-7648042/>

➤ **Insolvency cases have gone up substantially in COVID-hit corporate world, but India can heave sigh of relief**

Early days of the COVID-19 pandemic witnessed severe lockdowns in the country as around the world, disrupting businesses and raising alarm about likely increase in insolvencies. In the Indian context, based on the mitigating factors, identified above, as compared to advanced countries, corporate level stress is not expected to be too high. However, the threat of corporate stress turning into insolvencies still exists, especially for those sectors that were most affected by the pandemic. There is a need to prepare for early interventions to address any corporate financial stress. It would be extremely crucial to triage corporates into those that need aid and those who do not for efficient allocation of resources to those who need it the most.

Source: First Post

Read Full news at:

<https://www.firstpost.com/india/insolvency-cases-have-gone-up-substantially-in-covid-hit-corporate-world-but-india-can-heave-a-sigh-of-relief-10176331.html>

