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Latest updates On Insolvency & Bankruptcy

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"The expert in anything was once a beginner."

➤ **IDBI Bank to sell property owned by Great Indian Tamasha Company**

IDBI Bank has invited bids through e-auction for the sale of property of Great Indian Tamasha Company, which was running the Kingdom of Dreams in Gurugram. The Great Indian Tamasha Company was the corporate guarantor of the Great Indian Nautanki Company. IDBI Bank is calling for bids under the SARFAESI Act due to default of loans.

The guarantors and directors listed are Anumod Sharma, Anu Appaiah, Viraf Sarkari, Sanjay Chaudhary, Great Indian Tamasha Company, SG Investments and Wizcraft International Entertainment.

The dues of IDBI Bank that are outstanding stand at Rs 92.69 crore as on May 1, 2022. The land parcels being sold are in district Kodagu in Karnataka.

As per media reports, in May last year, the National Company Law Tribunal (NCLT) admitted a petition filed by IDBI Bank Ltd. seeking to invoke Insolvency and Bankruptcy proceedings against Wizcraft International Entertainment Private Limited for failing to pay around Rs 60 crore, an amount, which the original loan borrower -- Great Indian Nautanki Company Private Limited (GINCL) failed to pay.

The bank alleged that Wizcraft being the corporate guarantor to the loan it granted to GINCL had issued an "unconditional and unrecoverable" Corporate Guarantee by which it undertook to pay forthwith upon demand without any demur all amounts payable by the borrower -- GINCL. The bank even issued proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, in this matter, the reports said.

Source: The Hans India

Full news at: <https://www.thehansindia.com/business/idbi-bank-to-sell-property-owned-by-great-indian-tamasha-company-749552?infinitemscroll=1>

➤ **NCLAT stays formation of CoC in Bombay Rayon Fashion insolvency case**

In a temporary relief to erstwhile promoters of the Bombay Rayon Fashion Ltd (BRFL), the National Company Law Appellate Tribunal (NCLAT) has stayed the formation of the Committee of Creditors (CoC) until further order.

However, the appellate tribunal has clarified that the Corporate Insolvency Resolution Process (CIRP) proceedings shall be continued and the resolution professional will have to keep the company as going concern under the Insolvency & Bankruptcy Code (IBC).

Earlier, the NCLT had allowed a petition filed by an operational creditor of Bombay Rayon Fashions NSE -4.59 % and had appointed Santanu T Ray of AAA Insolvency Professionals as its resolution professional. However, Prashant Agrawal, a member of the company's suspended board, had decided to appeal the ruling at the appellate tribunal.

During the course of the hearing at the appellate tribunal, the counsel for Vikash Parasprampuria of Chiranjilal Yarn Traders, whose petition was originally admitted by the NCLT informed that they are willing to settle the matter if the company pays its dues along with the legal cost.

While, advocates Abhijeet Sinha and Nausher Kohli, appearing for Agrawal informed the tribunal that they will seek the instruction from the petitioner in this regard.

On Jun 15, the division bench of Justice M. Venugopal and Kanthi Narahari of NCLAT, after hearing the arguments adjourned the case further to July 7 and directed a stay on the formation of the CoC.

In its June 7 order, NCLT had restrained Bombay Rayon executives from transferring, encumbering, alienating or disposing of the company's assets.

“Corporate debtor (BRFL) had time and again by its letter, invoices and by making part payment acknowledged its liability. Therefore, the petition made by the creditor is complete in all respects as required by law,” said an NCLT division bench of members Kishore Vemulapalli and Rajesh Sharma in its order of June 7. “Therefore, we find that it is a fit case for initiation of CIRP.”

Since the inception of the Insolvency & Bankruptcy Code, several textile and clothing brands — including Digjam NSE -3.89 %, Alok Industries NSE -4.81 %, Reid & Taylor India, S Kumars Nationwide, Mandhana Industries and Provogue — have been referred for debt resolution.

Source: Economic Times

Full news at: <https://economictimes.indiatimes.com/news/india/nclat-stays-formation-of-coc-in-bombay-rayon-fashion-insolvency-case/articleshow/92288649.cms>

➤ **Insolvency ordered against YSRC MP's firm**

Hyderabad: The National Company Law Tribunal (NCLT) at Hyderabad has allowed insolvency proceedings against YSRC rebel MP K Raghurama Krishna Raju's Hyderabad-based Ind Barath Energies, which has its plant in Maharashtra, after concluding that it had defaulted in repaying Rs 60 lakh to a rice husk supplier.

The tribunal bench comprising judicial member VR Badarinath and technical member A Veera Brahma Rao admitted the insolvency plea against the MP's company and sent it for the corporate insolvency resolution process (CIRP).

Though Ind Barath argued it has no connection with rice husk supplier Rangaro Babu Gaekwad, the latter's counsel, Dishit Bhattacharji, provided evidence to the tribunal to prove that they had supplied the husk. He also placed before the tribunal evidence of such supply from the records of the company which had even claimed tax benefits showing the husk.

The bench also rejected the company's allegation that the supplier furnished fabricated invoices.

Source: The Times of India

Full news at: <https://timesofindia.indiatimes.com/city/hyderabad/insolvency-ordered-against-ysrc-mps-firm/articleshow/92292772.cms>



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