



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The journey of a thousand miles begins with one step."

"The journey of a thousand miles begins with one step."

➤ **Liquidation Is Last Resort, Broader Public Interest In Resolving Corporate Insolvency Should Be Taken Into Account: NCLT Kolkata**

The **National Company Law Tribunal Kolkata** bench of **Bidisha Banerjee** (Judicial Member) and **Balraj Joshi** (Technical Member) has held that the liquidation of a corporate debtor should be a measure of last resort. It held that the Insolvency and Bankruptcy Code (IBC) acknowledges a broader public interest in resolving corporate insolvencies with its primary objective extending beyond the mere recovery of outstanding debts.

The bench held that the corporate debtor lacks substantial tangible assets that could generate significant recovery for creditors. Consequently, it held that proceeding with liquidation could undermine the IBC's core objective of maximizing asset value.

The matter pertained to a Corporate Debtor, Nandini Impex, which was admitted into the Corporate Insolvency Resolution Process (CIRP). An appeal against this admission was made to the NCLAT Delhi but it was disposed of. Following this, a public announcement was made and an invitation for Expression of Interest (EOI) was issued which was widely published.

Five applicants expressed their interest in the Corporate Debtor: Trenchless Engineering Services Private Limited, Lumino Industries Ltd, Mount Intra Finance Private Limited, Navneet Garg, and Mideast Pipeline Products. However, only Mideast Pipeline Products submitted a Resolution Plan, which was opened at the 6th meeting of the Committee of Creditors (CoC). The CoC, using its commercial judgment, found that the Resolution Plan did not meet the requirements under the Insolvency and Bankruptcy Code (IBC). The financial offer in the plan was deemed unacceptable and the CoC requested a re-evaluation and resubmission of the plan from Mideast. Additionally, the CoC decided to reissue Form-G to attract more interested resolution applicants.

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/nclt-kolkata-liquidation-public-interest-corporate-insolvency-265614>

➤ **Go First likely set for liquidation as creditors unanimously decide to end insolvency process**

The Committee of Creditors (CoC) for the now-defunct airline Go First has unanimously decided to proceed with liquidating the company, as bids from prospective resolution applicants did not meet expectations, a source familiar with the matter told Business Standard.

A senior executive from a private bank, which holds a minor stake in the airline, confirmed to Business Standard that the voting for the liquidation proposal has concluded, and the recommendation for liquidation will be submitted shortly. He noted, however, that the timeline for further actions will hinge on the legal proceedings at the tribunal.

Source: Money Control

Read Full news : <https://www.moneycontrol.com/news/business/companies/go-first-likely-set-for-liquidation-as-creditors-unanimously-decide-to-end-insolvency-process-report-12786698.html>

➤ **Insufficiently Stamped Agreement Between Parties , Not A Ground To Dismiss CIRP Applications :NCLT Mumbai**

The **National Company Law Tribunal, Mumbai** bench of **Prabhat Kumar** (Technical Member) and Justice V.G Bisht (Judicial Member) has held that deficiencies in document stamping, as per the Stamp Act, cannot be used as a reason to dismiss an application under Section 7 of the Insolvency and Bankruptcy Code.

Q West Infrastructure Private Limited (Applicant/ Financial Creditor), a non-banking finance company, filed a Company Petition seeking to initiate the Corporate Insolvency Resolution Process (CIRP) against Starwort Engineers Private Limited (Corporate Debtor/ Respondent). The petition was filed under Section 7 of the Insolvency and Bankruptcy Code, 2016, read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 which alleged that the Corporate Debtor defaulted on repayment of an outstanding principal debt amounting to INR 17,90,73,973/-

Source: Live Law

Read Full news : https://www.livelaw.in/ibc-cases/nclt-mumbai-insufficiently-stamped-agreement-parties-ground-dismiss-cirp-applications-265616?utm_source=internal-artice&utm_medium=also-read

