



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

If you cannot do great things, do small things in a great way

ἢ ἄλλοις καίτοις τοῖς ἀγαθοῖς ἔργοις ἢ ἀγαθῶν ἔργων ἢ ἀγαθῶν ἔργων

➤ SC upholds insolvency proceedings against Tulip Hotels amid forgery claims

The Supreme Court has upheld the National Company Law Tribunal to initiate insolvency proceedings against Tulip Hotels Pvt Ltd. A Bench led by Justice Abhay S Oka dismissed an appeal by the suspended board of Tulip Hotels, which was admitted to insolvency on May 16, 2023 on a petition by YES Bank, claiming a default of Rs 900 crore for two corporate guarantees.

The National Company Law Appellate Tribunal (NCLAT) has upheld the insolvency proceedings against Tulip Hotels, which had defaulted on Rs 450 crore corporate guarantees given for Cox & Kings and EzeeGo One Travel & Tours each. Tulip's debt of Rs 900 crore, claimed in default, was subsequently assigned to JC Flowers Asset Reconstructions, acting in its capacity as trustee of JCF YES Trust.

Challenging the NCLAT's April order that refused to interfere with the NCLT's decision, the suspended board through suspended director A.S. Anantharaman told the SC that the appellate tribunal had overlooked the "prima facie evidence, suspicious circumstances and material irregularities" on forgery surrounding the financial transactions on the basis of which insolvency of the company was started.

The corporate guarantees "are forged and fabricated documents and are in contravention to the provisions of law and accordingly on the basis of the same no alleged debt arises against the corporate debtor," senior counsel Gopal Jain, appearing for the suspended board argued.

Source: The Economic Times

Read Full news: <https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/sc-upholds-insolvency-proceedings-against-tulip-hotels-amid-forgery-claims/articleshow/112323744.cms?from=mdr>

➤ **NCLT Mumbai Bench Rejects Claim Of Insufficiency Of Stamp Duty, Proceedings Under IBC Not To Enforce Guarantee**

The **National Company Law Tribunal Mumbai** bench of **Justice V. G. Bisht** (Judicial Member) and **Prabhat Kumar** (Technical Member) has rejected contention regarding the insufficiency of stamp duty on the guarantee agreement.

The bench held that the proceedings under the Insolvency and Bankruptcy Code (IBC) are intended to address insolvency issues rather than to enforce the guarantee itself.

Source: Live Law

Read Full news : <https://www.livelaw.in/ibc-cases/nclt-mumbai-rejects-claim-insufficiency-stamp-duty-ibc-proceedings-guarantee-265801>

➤ **IBC Provisions Prevail Over Kolkata Municipal Corporation Act: NCLT Mumbai**

The **National Company Law Tribunal Mumbai** bench of **Anu Jagmohan Singh** (Technical Member) and **Kishore Vemulapalli** (Judicial Member) has held that the provisions of the Kolkata Municipal Corporation Act do not take precedence over those of the IBC.

The bench held that claims by the KMC, being in the nature of crown debt, should be classified as government dues and accordingly placed within the waterfall mechanism under Section 53 of the Insolvency and Bankruptcy Code, 2016.

Source: Live Law

Read Full news : https://www.livelaw.in/ibc-cases/nclt-mumbai-ibc-provisions-prevail-over-kolkata-municipal-corporation-act-265800?utm_source=internal-artice&utm_medium=also-read

