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OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

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➤ YEIDA withdraws plea at NCLAT against Ace Infracity bid for Three C Homes

On July 4, 2024, YEIDA gave a proposal to pay for compensation for farmers which Ace Infracity accepted during the hearing before NCLAT.

"In view of the acceptance of the proposal by the SRA (Ace Infracity), the appellant (YEIDA) is not to proceed with its appeal subject to compliance of the conditions as indicated in the communication dated July 4, 2024, which has been given to counsel for the SRA," NCLAT said. It further noted: "Recording the aforesaid, we are of the view that no useful purpose shall be served in continuing with the appeals. The appeal is permitted to be withdrawn with liberty to revive."

The NCLT restored the land allotment in January 2023. Subsequently, the Resolution plan given by Ace Infracity was approved by the NCLT in June 2023. While approving the bids of Ace Infracity, NCLT did not entertain the objections put forward by YEIDA, the land allotting body, and held that the amount of Rs 67 crore being brought in by the corporate debtor was sufficient for them to settle their dues. This NCLT order was subsequently challenged by YEIDA before NCLAT.

The corporate Insolvency Resolution Process (CIRP) was initiated against Three C Homes in September 2019. On June 13, 2023, the NCLT approved Ace Infracity's Rs 140.39-crore resolution plan.

The fair value of the Corporate Debtor (3 C Homes) is Rs 600.87 crore and the liquidation value of Rs 480.70 crore as per Form-H filed with the application. While approving the bids of ACE Infracity, the NCLT had said bid of Ace Infracity Developers has been approved by the Committee of Creditors (CoC) with 100 per cent votes and it can not "interfere with the "commercial wisdom" of the lenders.

Source: The Economic Times

Read Full news at: <https://legal.economictimes.indiatimes.com/news/litigation/yeida-withdraws-plea-at-nclat-against-ace-infracity-bid-for-three-c-homes/111559441>

➤ **Long-overdue salaries: 62 ex-staffers plan to take Byju's to NCLT**

As many as 62 former employees of Byju's have come together to serve a notice of filing an insolvency and bankruptcy case against the beleaguered edtech giant at the National Company Law Tribunal (NCLT) in Bengaluru, demanding payment of their long-overdue salaries. "Canvas Legal, a Bengaluru-based law firm, has issued a demand notice of more than Rs 2.30 crore on behalf of 62 employees to Byju's," said Rajat Singh, a former Mathematics instructor at Byju's Tuition Centre in Delhi and representative of the ex-employees.

The letter, sent on July 4, 2024, and seen by Business Standard, warns: "The undersigned request you to unconditionally repay the unpaid operational debt (in default) in full within 10 days from the receipt of this letter failing which we shall initiate corporate insolvency resolution process in respect of M/S Think & Learn Pvt Ltd (Byju's parent)."

This is part of a broader action against Byju's and involves over 1500 disgruntled former employees. Many are on the brink of approaching the NCLT in Bengaluru to claim their dues.

Source: Business Standard

Read Full news at: https://www.business-standard.com/companies/news/former-employees-send-notice-to-byju-s-of-initiating-insolvency-at-nclt-124070500934_1.html

➤ **Fraudulent Takeover of Insolvent Company: ED arrests 3 including CA for Bank Loan Fraud**

Recently, the Enforcement Directorate (ED) arrested three individuals, including a chartered accountant and a resolution professional, as part of a money laundering investigation tied to an alleged bank loan fraud. The fraud involved regaining control of an insolvent company from the National Company Law Tribunal (NCLT).

The arrested individuals are Chartered Accountant (CA) Rakesh Kumar Gulati, Ajay Yadav of resolution applicant firm Umaiza Infracon LLP, and a person identified as Paramjeet. They were taken into custody on July 1 by the ED's Gurugram zonal office. A special Prevention of Money Laundering Act (PMLA) court has remanded them to ED custody until July 9.

The case centers on Sunstar Overseas Ltd (SOL) and its former directors Rakesh Aggarwal, Rohit Aggarwal, Manik Aggarwal, Sumit Aggarwal, among others. The money laundering charges originate from a Central Bureau of Investigation (CBI) FIR against the company and its former promoters, accused of fraud, criminal misappropriation, breach of trust, cheating, and causing a wrongful loss of over ₹950 crore to a consortium of nine banks.

According to the ED, the ex-promoters and directors of SOL, in collusion with various entities, illegally diverted loan funds through sham trade transactions and fictitious debtors. The total claims against SOL amounted to ₹1,274.14 crore. The company was taken over through corporate insolvency resolution process (CIRP) proceedings for only ₹196 crore by Umaiza Infracon LLP, which the ED describes as a "shell" entity without its own funds.

The funds for Umaiza Infracon LLP were allegedly sourced from diverted funds from SOL, facilitated by the former directors and promoters of SOL and CA Rakesh Gulati. Following the

NCLT order, SOL was taken over by Shivakriti Agro Pvt. Ltd. (SAPL), controlled by the ex-directors and promoters of SOL through a sham facility agreement.

Source: Taxscan

Read Full news at: <https://www.taxscan.in/fraudulent-takeover-of-insolvent-company-ed-arrests-3-including-ca-for-bank-loan-fraud/415769/>



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