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➤ **Insolvency Proceedings Initiated Against A Personal Guarantor Under IBC Abate Upon The Death Of The Guarantor: NCLT**

The National Company Law Tribunal (NCLT), New Delhi, Bench VI, comprising **Shri Mahendra Khandelwal** (Member, Judicial) and **Shri Rahul Bhatnagar** (Member, Technical), has held that insolvency proceedings initiated against a personal guarantor under the IBC abate upon the death of the guarantor and that legal representatives cannot be substituted in such cases.

M/s Apogee Enterprises Pvt. Ltd. (the Applicant) filed C.P. (I.B.) No. 514 of 2020 under Section 95 of the Insolvency and Bankruptcy Code (IBC), seeking to initiate insolvency proceedings against the personal guarantor, Shri Anil Nanda (the Respondent), who passed away during the pendency of the case. Through I.A. 1362/2024, the Applicant sought the substitution of the legal heirs of the deceased personal guarantor in the insolvency proceedings.

Source: *Live Law*

Read Full news: <https://www.livelaw.in/ibc-cases/insolvency-proceedings-initiated-against-a-personal-guarantor-ibc-abate-upon-death-of-guarantor-nclt-269087>

➤ **Invoices Deemed Bogus By Income Tax Department Cannot Justify Insolvency Proceedings Against Corporate Debtor: NCLAT Principal Bench**

The **National Company Law Appellate Tribunal Principal Bench, New Delhi** of **Justice Ashok Bhushan** (Chairperson), **Barun Mitra** (Technical Member) and **Arun Baroka** (Technical Member) has held that invoices deemed bogus by the Income Tax Department in assessment orders cannot be relied upon to initiate insolvency proceedings against a Corporate Debtor.

N.V. Aluminium Cast Pvt. Ltd. (Appellant), an Operational Creditor, filed an appeal against the order in the NCLAT passed by the NCLT Kolkata, which rejected the Section 9 Application filed by the Appellant.

The NCLT in its order found that the invoices relied upon by the Appellant were considered bogus by the Income Tax (IT) Authority. The NCLT, based on the findings from an IT assessment order, held that the Appellant's claims were disputed and found fraudulent. The IT assessment report for the Assessment Year (AY) 2021-22 indicated that the Appellant engaged in bogus billing and that more than 67% of the sales made by the Operational Creditor to the Corporate Debtor were also fraudulent. The NCLT imposed a penalty of Rs. One Lakh on the Appellant under Section 65 of the IBC and held that the application was frivolous and filed with malicious intent.

Source: Live Law

Read Full news : <https://www.livelaw.in/ibc-cases/invoices-deemed-bogus-by-income-tax-department-cannot-justify-insolvency-proceedings-against-corporate-debtor-nclat-principal-bench-269085?code=vfueGcKQh9Y2d6Sm952miWdb23fsUf>

➤ **NCLAT halts insolvency process against Essar Oil and Gas Exploration**

The National Company Law Appellate Tribunal (NCLAT) on Tuesday stayed the insolvency process against Essar Oil and Gas Exploration and Production Ltd.

The appellate tribunal stayed the National Company Law Tribunal (NCLT) Ahmedabad's order admitting an insolvency plea filed by Greka Green Solutions (India) Ltd for more than Rs 24 crore against Essar Oil. This was on the appeal filed by Pankaj Kalra, the suspended director of Essar Oil. The appellate tribunal also issued a notice to Greka Green Solutions informing them of the stay and scheduled the next date of hearing for November 6.

Source: Business Standard

Read Full news: https://www.business-standard.com/companies/news/nclat-halts-insolvency-process-against-essar-oil-and-gas-exploration-124091001153_1.html

