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➤ **NCLT directs liquidation of Tulip Hotels as it fails to get bidder within prescribed timeline**

NCLT has directed for the liquidation of debt-ridden Tulip Hotels, as the tribunal failed to receive any bidder during its insolvency resolution process within the prescribed timeline. On May 16, 2023, the NCLT had directed the initiation of a Corporate Insolvency Resolution Process (CIRP) against Tulip Hotels over a plea filed by Yes Bank, claiming a default of Rs 900 crore for two corporate guarantees issued by it.

Tulip Hotels was a corporate guarantor for two loans disbursed by Yes Bank to Cox & Kings and EzeeGo One Travel and Tours Ltd. After they defaulted, the financial creditor Yes Bank invoked the guarantee of Rs 450 crore each given for both loans.

However, the RP of Tulip Hotels submitted that during the prescribed timeline of 180 days, no bids (resolution plan) were submitted for Tulip Hotels during the Corporate Insolvency Resolution Process (CIRP) and the Committee of Creditor (CoC) has also passed no for extension of the period.

Hence, he was left with no other option except to go for liquidation as per the provisions of the Insolvency & Bankruptcy Code (IBC).

CIRP for Tulip Hotel expired on November 12, 2023, as the IBC mandates it shall be completed within 180 days from the date of admission of the application to initiate the said process.

Source: The Economic Times

Read Full news: <https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/nclt-directs-liquidation-of-tulip-hotels-as-it-fails-to-get-bidder-within-prescribed-timeline/articleshow/117370663.cms?from=mdr>

➤ Admission Order Of Application U/S 7 Of IBC Can Be Recalled If Fraud Or Malicious Intent Is Proved U/S 65 Of Code: NCLAT

The NCLAT New Delhi bench of Justice Ashok Bhushan (Judicial Member), Mr. Barun Mita (Technical Member) and Mr. Arun Baroka (Technical Member) has held that when CIRP proceedings are initiated fraudulently or maliciously, the Adjudicating Authority has jurisdiction under the IBC to consider the allegations of fraudulent and malicious initiation of CIRP proceedings in terms of Section 65 and recall the CIRP admission order.

The appellants filed an application under section 7 of the code which came to be admitted by the NCLT. In the CIRP of the corporate debtor, a resolution plan was also approved by the CoC and an application seeking approval of the plan was also filed by the RP before the Adjudicating Authority. The respondent stated that the insolvency process was initiated fraudulently or maliciously as the appellants colluded with the promoters of the corporate debtor.

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/nclat-cirp-proceedings-malicious-intent-and-recall-of-order-section-7-ibc-281325>

➤ Authorised Representative Can Be Replaced By Following Procedure Provided Under Regulation 16(3A) Of CIRP Regulations: NCLAT

The NCLAT New Delhi bench of Justice Ashok Bhushan (Judicial Member), Mr. Barun Mita (Technical Member) and Mr. Arun Baroka (Technical Member) has held that the Authorised Representative can be replaced by following the procedure engrafted under Regulation 16(3A) of the CIRP Regulations therefore the application of an individual homebuyer seeking replacement of the Authorised Representative before the Adjudicating Authority cannot be entertained.

The present appeal has been filed by a Homebuyer against an order passed by the NCLT by which the application to replace the authorised representative of Homebuyers was rejected. The appeal was filed one day after expiry of the limitation period of 30 days and voluminous nature of the documents was cited as a ground for the delay.

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/nclat-ruling-authorized-representative-replacement-cirp-regulations-281360?code=GKG2vEgLOlnn2IRo5rDvFu5sQZLAe>

