



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"The future depends on what you do today."*

*„Τὸ μέλλον ἐξαρτᾶται ἀπὸ τὴν ἐπιλογὴν τοῦ σήμερον.“*

## ➤ **NCLT rejects JC Flowers' claim against HDIL, says collateral alone doesn't meet IBC standards**

The National Company Law Tribunal (NCLT) dismissed a liability claim by **JC Flowers ARC Pvt Ltd** against Housing Development & Infrastructure Ltd. (HDIL), ruling that the debt did not qualify as a “financial debt” under the Insolvency and Bankruptcy Code (IBC) as it was not due or payable at the time of HDIL’s corporate insolvency resolution process (CIRP) commencement.

The decision, by NCLT members Charanjeet Singh Gulati and Lakshmi Gurung, sets a precedent for lenders with similar claims that may not meet the IBC’s threshold for financial debt recognition.

In this case, originally **Yes Bank** had extended a loan of Rs 70 crore to Carnival Films, with HDIL providing three multiplex properties in Mumbai and Vasai as collateral. In its claim, Yes Bank argued that HDIL, as the mortgagee of the secured properties, should be considered a financial debtor due to its liability to cover any deficiency in debt repayment. On March 16, 2022, Yes Bank assigned the loan to **JC Flowers ARC** along with all rights, titles and interests.

**Source: The Economic Times**

**Read Full news:** [https://m.economictimes.com/news/company/corporate-trends/nclt-rejects-jc-flowers-claim-against-hdil-says-collateral-alone-doesnt-meet-ibc-standards/amp\\_articleshow/114661909.cms](https://m.economictimes.com/news/company/corporate-trends/nclt-rejects-jc-flowers-claim-against-hdil-says-collateral-alone-doesnt-meet-ibc-standards/amp_articleshow/114661909.cms)

## ➤ **A legal crossroads: The AGI Greenpac-HNG acquisition and interplay between competition and insolvency law**

At the heart of India’s glassmaking industry lies Firozabad, a town in Uttar Pradesh known as the “Glass City” of India. Firozabad’s micro, small, and medium enterprises (MSMEs) have long been central to the country’s glassware production. However, this tight-knit ecosystem faces an existential threat due to the insolvency resolution of Hindustan National Glass & Industries Ltd (HNG), India’s

largest container glass manufacturer. The proposed acquisition of HNG by AGI Greenpac, the second-largest player in the industry, has triggered concerns among smaller manufacturers.

While this acquisition promises to resolve HNG's financial woes, it has sparked fears of creating a monopolistic market structure, potentially driving smaller businesses out of competition. If the deal proceeds, AGI Greenpac could dominate both supply and distribution channels, leaving Firozabad's MSMEs vulnerable. The broader issue at stake is the interplay between the Insolvency and Bankruptcy Code (IBC), 2016, and the Competition Act, 2002. Central to the debate is whether the Committee of Creditors (CoC) can approve a resolution plan before securing clearance from the Competition Commission of India (CCI).

**Source: Bar and Bench**

**Read Full news :** <https://www.barandbench.com/columns/a-legal-crossroads-the-agi-greenpac-hng-acquisition-and-interplay-between-competition-and-insolvency-law>

### ➤ **Dissenting Financial Creditor Only Entitled To Liquidation Value Of Secured Interest U/S 30(2)(b) Of IBC, Commercial Wisdom Of CoC Sacrosanct: NCLAT**

The NCLAT, New Delhi bench of **Justice Rakesh Kumar Jain (Judicial Member)** and **Mr. Indevar Pandey (Technical Member)** has affirmed that as per Section 30(2)(b) of the Insolvency and Bankruptcy Code, 2016, a dissenting financial creditor is only entitled to the liquidation value of its secured interest, not the total liquidation value of the Corporate Debtor. The Tribunal reiterated that the 'commercial wisdom' of the Committee of Creditors (CoC) is paramount and cannot be interfered with unless similarly situated creditors are denied fair and equitable treatment.

**Source: Live Law**

**Read Full news :** <https://www.livelaw.in/ibc-cases/nclat-dissenting-financial-creditor-only-entitled-to-liquidation-value-of-secured-interest-us-302b-ibc-commercial-wisdom-of-coc-sacrosanct-273671>

