



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Instead of worrying about what you cannot control, shift your energy to what you can create."

➤ Court ruling takes the wind off GoFirst insolvency resolution

The Delhi High Court's recent order allowing the Directorate General of Civil Aviation to process the applications filed by several lessors for deregistration of 54 planes is a body blow to the resolution process of Go First. The airline had 59 aircraft when it stopped operations in early May last year. With virtually all but five aircraft gone, there would be very little assets left with the airline. The court verdict, therefore, makes it difficult for any prospective resolution applicant to see any value in bidding for the ailing airline. After the verdict, a successful resolution may elude Go First, leading to the most likely result—the liquidation of the company.

Go First has been going through the insolvency resolution process since May 10 last year. The airline's process is being overseen by resolution professional Shailendra Ajmera, who had so far successfully managed to avoid deregistration of the leased aircraft. The National Company Law Tribunal had, in the past, rejected the lessors' plea of deregistering the planes citing Section 14 of the Insolvency and Bankruptcy Code (IBC), which gives a company undergoing the insolvency process protection against legal proceedings.

However, this protection was taken away after a change in rule effected by the Ministry of Corporate Affairs last October. It said the provisions under Section 14 of the IBC would not apply to agreements governed by the Cape Town Convention and Cape Town Protocol, which guide international interests in 'mobile equipment' including aircraft. The Delhi High Court was also mindful of the fact that because of such measures, the global aviation leasing watchdog has taken down India's compliance index from 3.5 to 2 points out of 5.

Source: The News Indian Express

Read Full news : <https://www.newindianexpress.com/editorials/2024/Apr/29/court-ruling-takes-the-wind-off-gofirst-insolvency-resolution>

➤ **Getting future-ready: Govt may tweak IBC to factor in climate change**

The government is contemplating changes to the Insolvency and Bankruptcy Code (IBC) to deal with environmental claims and liabilities of defaulting companies to make the law future-ready and meet climate action goals, sources told Business Standard.

Currently, the IBC has various categories of claims and creditors, including those related to environmental liabilities. Experts, however, pointed out that it did not provide for any special treatment for such liabilities which were treated as ordinary trade liabilities.

Source: Business Standard

Read Full news : https://www.business-standard.com/industry/news/getting-future-ready-govt-may-tweak-ibc-to-factor-in-climate-change-124042900975_1.html

➤ **REC files application against Rattan India Power under section 7 of IBC Code**

Rattan India Power announced that REC, holding 0.001% Redeemable Preference Shares (RPS) of Rs 28.72 crore in the Company, has filed an application against the Company, under Section 7 of IBC Code. The RPS were issued, in favour of REC, on 27 December 2019.

The Company strongly disputes the eligibility and entitlement of REC to seek the initiation of proceedings against it, under the IBC Code and will accordingly, be pursuing legal remedies in the matter, available under the law.

Source: Business Standard

Read Full news : https://www.business-standard.com/markets/capital-market-news/rec-files-application-against-rattanindia-power-under-section-7-of-ibc-code-124043000178_1.html

