

Tribunal clarifies IBC process



H yderabad-based GLC & Partners represented a resolution professional in **Insolvency and Bankruptcy Code** proceedings before the National Company Law Tribunal's Hyderabad Bench when it recently ruled that the attachment of a corporate debtor's assets by the Enforcement Directorate (ED) "does not prohibit in any way" the continuation of a corporate insolvency resolution process.

The order was made in the course of the insolvency resolution of Leo Meridian Infrastructure Projects and Hotels. Central government standing counsel Anjali Agarwal represented the directorate.

Krishna Grandhi, founder and managing partner of GLC & Partners, who acted on the matter, described this as "a case of first impression in India". Grandhi told *India Business Law Journal* that "with the ED attaching the assets of many corporate debtors ... the most recent high-profile case being that of Bhushan Power & Steel Ltd, there was a lingering question all across

India” on whether a corporate insolvency resolution process must be stopped when the directorate attaches the company’s assets.

The 12 June order clarifies that an insolvency resolution process may continue as long as prospective resolution applicants are notified of an Enforcement Directorate attachment.