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"The only way to do great work is to love what you do."

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➤ **Compulsory Convertible Debentures Having No Obligation Of Repayment To Be Treated As Financial Debt: NCLAT Chennai**

The National Company Law Appellate Tribunal, Chennai Bench, comprising Justice Rakesh Kumar Jain (Judicial Member) and Shri Ajai Das Mehrotra (Technical Member), while adjudicating an application under Section 9 of Insolvency and Bankruptcy Code, 2016 ("IBC, 2016") in Shubham Corporation Private Limited vs Kotoju Vasudeva Rao has held that the Compulsory Convertible Debentures having no obligation of repayment should be treated as Financial Debt under IBC.

Vajra IOT Private Limited ("Operational Creditor"/ "Respondent") initiated CIRP against M/s Navayuga Infotech Private Limited ("Corporate Debtor"). A public announcement was made by Mr. Kotoju Vasudeva Rao ("Interim Resolution Professional") inviting claims from the Creditors. One of the claims received was by Shubham Corporation Private Limited ("Appellant").

The claim was approved as Financial Debt and the Appellant was included in the List of Financial Creditors and reconstituted the Committee of Creditors (CoC) to bring on record the updated summary of claims. The counter claim was filed by Respondent to re-examine the claim of the Appellant.

It was argued by the Appellant that as per Debenture Subscription Agreement (DSA), debentures were issued to them and they were to automatically get converted at the end of 10 years. Further, it was contended that only a debenture certificate was issued to them and no rights of shareholder were granted. It was argued that the Appellant's unmatured CCDs must be treated as "Financial Debt".

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/nclat-chennai-compulsory-convertible-debentures-repayment-sec-9-ibc-financial-debt-259493>

➤ **NCLAT Delhi: Refund Of Security Deposit Contingent Upon Executing A Leave And License Agreement Doesn't Constitute An Operational Debt Under IBC**

The National Company Law Appellate Tribunal ('NCLAT') Delhi, comprising Mr. Justice Yogesh Khanna (Judicial Member) and Mr. Arun Baroka (Technical Member) held that the claim for refund of a Security Deposit linked to a contractual obligation contingent upon executing a leave and license agreement does not constitute an Operational Debt under the Insolvency and Bankruptcy Code, 2016 ('IBC'). Carestream Health India Private Limited (the Appellant) and Seaview Mercantile LLP (Corporate Debtor) signed a "Without Prejudice" Letter of Intent (WP-LOI) for leasing a unit in the Silver Metropolis building.

Source: Live Law

Read Full news : <https://www.livelaw.in/ibc-cases/nclat-delhi-refund-security-deposit-leave-licence-agreement-operational-debt-ibc-259490>

➤ **NCLT Replaces Resolution Professional In Subhash Chandra's Personal Insolvency Case**

The National Company Law Tribunal (NCLT), New Delhi bench of Justice Ashok Kumar Bhardwaj and Subrata Kumar Dash has replaced Raj Kamal Saraogi as the Resolution Professional (RP) in the insolvency proceedings involving Subhash Chandra, the Chairman Emeritus of Zee Entertainment Enterprises Limited (ZEEL)

Chandra, serving as the personal guarantor for certain unresolved debts, raised substantial concerns about Saraogi's approach to the proceedings. Allegations surfaced regarding an unauthorized meeting between Chandra and Saraogi at Lodhi Hotel in Delhi, during which Saraogi was accompanied by a legal representative. Within this encounter, Chandra argued that Saraogi insinuated potential bankruptcy consequences which casted doubt on Saraogi's grasp of his responsibilities within the insolvency framework.

Source: Live Law

Read Full news : <https://www.livelaw.in/ibc-cases/nclt-delhi-replaces-resolution-professional-subhash-chandra-personal-insolvency-case-259451>

