



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"Don't stop when you're tired, stop when you're done."*

*"Don't stop when you're tired, stop when you're done."*

## ➤ Settlement Agreement During Pendency Of Section 7 Petition Does Not Bar From Filing Second Section 7 Petition: NCLAT Delhi

The National Company Law Appellate Tribunal, Delhi Bench, comprising Justice Rakesh Kumar Jain (Judicial Member), Shri Naresh Salecha and Shri Indevan Pandey (Technical Members), while adjudicating an application under Section 7 of Insolvency and Bankruptcy Code, 2016 ("IBC, 2016") in *Desh Bhushan Jain, Erstwhile Director of Angel Promoters Pvt. Ltd. vs Abhay Kumar, IRP of Angel Promoters Pvt. Ltd. & Ors.* has held that a second petition under Section 7 is maintainable if the Corporate Debtor defaulted in the settlement agreement arrived during the pendency of Section 7 petition

Desh Bhushan Jain, Erstwhile Director of Angel Promoters Pvt. Ltd. ("Corporate Debtor") availed loan of Rs. 3,25,00,000/- on interest in 2015 from Angel Promoters Pvt. Ltd. & Ors ("Financial Creditors"). A petition under Section 7 of IBC was filed by the Financial Creditors since the Corporate Debtor defaulted in the repayment of loan. When the petition was pending, the settlement agreement was made between the parties dated 26.07.2018.

As per the agreement, Corporate Debtor had agreed to pay to the Financial Creditor an amount of Rs. 4,34,00,000/ by way of Post-Dated Cheque including interest. Resultantly, the first petition was withdrawn by the Financial Creditors on 27.07.2018 by filing a joint application.

The Corporate Debtor failed to make timely payments, either by dishonoring post-dated cheques or requesting extensions. Despite some payments, many cheques were unpaid or not replaced as per the settlement agreement. Consequently, a second petition was filed by the Financial Creditors under Section 7 of IBC.

**Source: Live Law**

**Read Full news:** <https://www.livelaw.in/ibc-cases/nclat-delhi-settlement-agreement-pendency-sec-7-ibc-petition-259501>

## ➤ **Bankruptcy court admits ICICI Bank's insolvency resolution plea against Jaiprakash Associates**

The bankruptcy court in Allahabad admitted Jaiprakash Associates Ltd (JAL) for corporate insolvency almost six years after ICICI Bank filed an application. The tribunal, while admitting the company under the Corporate Insolvency Resolution Process (CIRP) has also appointed Bhuvan Madan as interim resolution professional (IRP) of the company, said two people aware of the development.

The private sector lender approached the tribunal after the company failed to pay its dues of about Rs 3,000 crore. On Monday, the division bench of judicial member Praveen Gupta and a technical member Ashish Verma admitted the company in an oral order. The detailed order was not available till the time

**Source: The Economic Times**

**Read Full news :** <https://economictimes.indiatimes.com/industry/indl-goods/svs/cement/nclt-initiates-insolvency-against-jaiprakash-associates-admits-icici-bank-plea/articleshow/110671300.cms?from=mdr>

## ➤ **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.

**Source: Live Law**

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

