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The future belongs to those who believe in the beauty of their dreams.

➤ Recall Notice Issued During Cut-Off Period U/S 10A Of IBC Doesn't Alter Date Of Default If Default Occurred Before Cut-Off Period: NCLAT

The National Company Law Appellate Tribunal (NCLAT), New Delhi bench of Justice Rakesh Kumar Jain (Judicial Member), Mr. Naresh Salecha (Technical Member) and Mr. Indevar Pandey (Technical Member) has held that the issuance of a recall notice during the cut off period specified under Section 10A (i.e. from 25.03.2020 to 25.03.2021) does not defery the date of default if the default occurred before 25.03.2020. The Tribunal noted that the recall notice issued during the cut off period was a procedural step that had no bearing on the initial default date because the default occurred well before the cut-off period. The Tribunal held that the application under section 7 of the Insolvency & Bankruptcy Code (IBC) was not hit by section 10A.

Svakarma Finance Pvt. Ltd. (Financial Creditor) sanctioned a working capital loan to Yours Ethnic Foods Pvt. Ltd. (Corporate Debtor). A loan agreement was executed on 25.07.2019. The loan was repayable monthly from 20.08.2019. The Corporate Debtor defaulted on repayments from Jan 2020. Despite several opportunities and a recall notice dated 6.11.2020, the Corporate Debtor failed to pay the dues. The Financial Creditor filed an application under section 7 of IBC to initiate the Corporate Insolvency Resolution Process for the default. The NCLT admitted the section 7 application on 09.10.2023.

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/nclat-recall-notice-issued-during-cut-off-period-us-10a-doesnt-alter-date-of-default-default-occurred-before-cut-off-period-274374>

➤ Settlement Plan U/S 12A Of IBC Cannot Be Considered By CoC After Approval Of Resolution Plan: NCLAT

The NCLAT New Delhi Bench of Justices Ashok Bhushan and Barun Mitra affirmed that a settlement proposal under Section 12A of the IBC cannot be put before the CoC after the CoC has approved the resolution plan. The tribunal further observed that with the approval of the resolution

plan by the CoC, the plan becomes inter se binding between the CoC and the SRA and hence no settlement proposal of the suspended management can be considered thereafter.

The present appeal filed under Section 61 of Insolvency and Bankruptcy Code 2016 ('IBC' in short) by the Appellant arises out of the Order dated 28.02.2024 (hereinafter referred to as 'Impugned Order') passed by the Adjudicating Authority (National Company Law Tribunal, New Delhi Bench-II) I.A. No. 188 of 2024 in CP (IB) No. 995 of 2018.

By the impugned order, the Adjudicating Authority has dismissed IA No. 188 of 2024 filed by the Appellant seeking to place a settlement proposal under Section 12A of IBC before the Committee of Creditors ("CoC" in short) and to permit withdrawal and suspension of the Corporate Insolvency Resolution Process ("CIRP" in short) of the Corporate Debtor. Aggrieved by the impugned order, the present appeal has been preferred by the Appellant who is the suspended director of the Corporate Debtor.

Source: Live Law

Read Full news : <https://www.livelaw.in/ibc-cases/settlement-plan-us-12a-of-ibc-cannot-be-considered-by-coc-after-approval-of-resolution-plan-nclat-274373>

➤ **Approved Resolution Plan Can Be Amended To Ensure Statutory Compliance U/S 31 Of IBC: NCLT Kolkata**

The **NCLT Kolkata Bench** of Justices **D. Arvind** and **Bidisha Banerjee** held that the approved resolution plan can be amended to ensure that it complies with the statutory provisions under section 31(e) of the IBC. In this case, an application seeking amendment to the approved resolution plan was filed by the SRA to increase the public shareholdings to 5% as mandated by Rule 19(5) of the SCRA Rules. The public shareholdings stood at 2.28% after the approval of the plan.

Source: Live Law

Read Full news : <https://www.livelaw.in/ibc-cases/approved-resolution-plan-can-be-amended-ensuring-statutory-compliance-section-31-of-ibc-nclt-274455>

