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

➤ **Interest On Operational Debt Cannot Be Claimed If There Is No Clause In Agreement For Payment Of Interest: NCLAT**

The NLCAT New Delhi bench of **Justice Ashok Bhushan (Chairperson)** and **Barun Mitra (Technical Member)** held that no interest on principal amount can be claimed if there is no clause to this effect in the agreement executed between the parties. In this case, operational creditor while claiming its operational due also demanded payment of interest since it was an MSME and as per section 16 of the MSME Act, it was entitled to claim interest on the delayed payment. However, the RP rejected this demand and admitted only the principal amount.

The Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor – M/s Simplex Projects Ltd. commenced by order dated 27.04.2022, on an application filed by the State Bank of India. The Interim Resolution Professional ("IRP") made a public announcement on 29.04.2022. The Appellant filed its claim before the RP to the tune of Rs.23,42,42,554/-.

The case of the Appellant was that the Appellant and Corporate Debtor had entered into a Sub-contract Agreement dated 16.06.2010 whereby the Corporate Debtor assigned the Applicant for the construction work of Kabrai Feeder Channel starting from Arjun Reservoir, which the Corporate Debtor availed from the Irrigation Department, Govt. of U.P.

The Appellant claimed to have raised bill from 30.06.2010 to 27.09.2014 for an amount of Rs.41,53,95,348/-, against which an amount of Rs.10,36,47,148/- was yet to be paid by the Corporate Debtor to the Appellant. The RP initially admitted claim of only Rs.2,76,67,940/-

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/nclat-ruling-interest-payment-operational-debt-and-agreement-clause-275468?code=IKFkRNqAQ0Ioo3JF6sup4QAfv12i68>

➤ **Section 19(2) Application Can Be Preferred For Effective Conduct Of CIRP Despite Challenge To Admission Of CIRP: NCLAT**

The NCLAT, Chennai bench comprising Justice Sharad Kumar Sharma (Judicial Member) and Jatindranath Swain (Technical Member) has held that an application under section 19(2) of the Insolvency & Bankruptcy Code is maintainable when the Corporate Insolvency Resolution Process (CIRP) is admitted. The Tribunal observed that section 60(5) will not have a superseding effect to the provisions contained under section 19(2) read with section 14 for the purpose of effective conduct of CIRP proceedings.

M/s. Villmar Agro Polymers Pvt. Ltd. (Corporate Debtor) was admitted to CIRP on 12.04.2023. The case of the Appellant was that the suspended director of Corporate Debtor got to know of CIRP proceedings on 21.04.2023. The Appellant subsequently filed an application with the NCLT to set aside the *ex-parte* order dated 12.04.2023 since the Appellant was not given an opportunity to be heard, and to recall the said order.

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/nclat-section-192-application-preferred-for-effective-conduct-cirp-despite-challenge-admission-of-cirp-275392?code=MNcVrBN7cKsvlYqB9z6eTsrlZi8lli>

➤ **CoC Can Direct Liquidation Of Corporate Debtor Any Time Before Confirmation Of Resolution Plan U/S 33(2) Of IBC: NCLAT**

The NCLAT New Delhi bench of Justice Ashok Bhushan (Chairperson), Barun Mitra (Technical Member) and Arun Baroka (Technical Member) has held that the CoC in its commercial wisdom can decide to liquidate the corporate debtor anytime after its constitution but before the confirmation of the Resolution Plan under section 33(2) of IBC. It is not mandatory that all steps related to revival of the corporate debtor through resolution plan must be exhausted before the liquidation can be directed.

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 30.10.2023 (hereinafter referred to as 'Impugned Order') passed by the Adjudicating Authority. By the impugned order, the Adjudicating Authority has ordered liquidation of the Corporate Debtor as approved by the Committee of Creditors ('CoC' in short). Aggrieved by the impugned order, the present appeal has been preferred by the shareholder and Ex-Director of the Corporate Debtor.

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/coc-direct-liquidation-corporate-debtor-any-time-confirmation-of-resolution-plan-us-332-of-ibc-nclat-275373?code=8s6qilxsq6ot4sXLYcl3VdoyV6944D>

