



IBC AU-COURANT

Latest updates On Insolvency & Bankruptcy

1st September 2022

"There is nothing impossible to them who will try"

➤ **OTS Being Under Consideration Does Not Invalidate An Order For Liquidation: NCLAT Delhi**

The National Company Law Appellate Tribunal ("NCLAT"), Principal Bench, comprising of Justice Ashok Bhushan (Chairperson), Justice M. Satyanarayana Murthy (Judicial Member) and Mr. Barun Mitra (Technical Member), while adjudicating an appeal filed in Ram Bhaj Jain v Tarun Batra & Anr., has held that mere fact that the Corporate Debtor's One Time Settlement was under consideration, does not invalidate an order passed by the Adjudicating Authority for liquidation of the Corporate Debtor.

Vardhman Rice Mills Pvt. Ltd. ("Corporate Debtor") was admitted into Corporate Insolvency Resolution Process ("CIRP") by the Adjudicating Authority over a petition filed under Section 7 of Insolvency and Bankruptcy Act, 2016 ("IBC") by Lender Bank. Since no resolution plan was approved, Mr. Tarun Batra being the Resolution Professional of the Corporate Debtor, had filed an application under Section 33 of the IBC before the Adjudicating Authority, seeking directions for liquidation of the Corporate Debtor. The Adjudicating Authority vide an order dated 20.06.2022 had ordered liquidation of the Corporate Debtor. Mr. Ram Bhaj Jain ("Appellant"), the Suspended Director of the Corporate Debtor, filed an appeal before NCLAT challenging the order of liquidation.

Appellant submitted that the Corporate Debtor is a Micro, Small and Medium Enterprise (MSME) and hence the Appellant had submitted a Resolution Plan for the Corporate Debtor. Committee of Creditors comprised of a single lender Bank and the Resolution Plan was rejected by the sole member without giving any reasons. Further, a One Time Settlement (OTS) proposal of the Corporate Debtor was under consideration before the Lender Bank.

Source: Live Law

Read Full news at: <https://www.livelaw.in/news-updates/nclat-delhi-one-time-settlement-liquidation-corporate-debtor-section-7-of-insolvency-and-bankruptcy-act-208054?infinitemscroll=1>

➤ **FM Nirmala Sitharaman to review state of economy at FSDC meeting on September 15**

Finance Minister Nirmala Sitharaman will review the state of the economy amid global and domestic challenges at a meeting of the Financial Stability and Development Council (FSDC), scheduled on September 15. The 26th meeting of the high-level panel to be held in Mumbai will be attended by all financial sectoral regulators, including RBI Governor Shaktikanta Das, sources said.

The FSDC is the apex body of sectoral regulators, headed by the Union finance minister.

The meeting will review the current global and domestic economic situation and financial stability issues, including those concerning banking and NBFCs, according to the sources.

The council would also discuss measures required for further development of the financial sector and to achieve inclusive economic growth with macroeconomic stability, they said.

As per the RBI estimate, the country's GDP is expected to witness a growth of 7.2 per cent in the current financial year amid elevated retail inflation at 6.7 per cent.

The focus of both the government and RBI is to tame inflation, which has remained above the RBI's tolerance level of 6 per cent since January this year. Besides, the falling rupee hovering around 80 per dollar is adding pressure to inflation. The recent pronouncement of Fed chairman Jerome Powell to brace for more large interest rate hikes in coming months to rein in inflation will have implications for other currencies of the world, including the rupee. The FSDC meeting will also review activities undertaken by the FSDC SubCommittee chaired by the RBI Governor and the action taken by members on the past decisions of FSDC.

The last meeting of FSDC was held in February after the presentation of the Budget 2022-23. Besides RBI Governor, Securities and Exchange Board of India Chairman Madhabi Puri Buch, Insurance Regulatory and Development Authority of India (IRDAI) Chairman Debasish Panda, Insolvency and Bankruptcy Board of India (IBBI) Chairman Ravi Mital and Pension Fund Regulatory and Development Authority Chairman Supratim Bandyopadhyay will attend the meeting. The sources said the FSDC meeting will also be attended by Minister of State for Finance Bhagwat Kishanrao Karad, Finance Secretary T V Somanathan, Economic Affairs Secretary Ajay Seth, Revenue Secretary Tarun Bajaj, Financial Services Secretary Sanjay Malhotra, and other top officials of the finance ministry

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/news/economy/policy/fm-nirmala-sitharaman-to-review-state-of-economy-at-fsdc-meeting-on-september-15/articleshow/93907307.cms>

