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IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The most certain way to succeed is always to try just one more time."

➤ **NCLT Kolkata Pulls Up Insolvency Professional For Appearing In Vest During Virtual Hearing, Issues Contempt Notice**

The National Company Law Tribunal at Kolkata has recently issued a criminal contempt show-cause notice to insolvency professional Subrato Ghosh for appearing in a virtual hearing wearing only a vest/baniyan. The incident took place during the insolvency proceedings initiated by SREI Equipment Finance Ltd against Samsara Energy Ltd. A coram of Judicial Member Labh Singh and Technical Member Rekha Kantilal Shah noted that young lawyers, most of whom are women, regularly appear before the Tribunal and Ghosh's conduct amounted to an intentional insult on the bench.

"We are of the view that Mr. Subarto Ghosh has appeared before this Tribunal intentionally to insult the Bench when the matter was being taken up for hearing in presence of women Members of the Bench, Staff and Bar., it said. Citing the legal provisions governing contempt, the tribunal said the conduct clearly fell within the definition of criminal contempt,

"Thus, appearing in a baniyan (vest/undershirt) before a court in amounts to contempt as defined in Section 2 (c)(i) of the Contempt of Court Act 1971. The said act of Mr. Subrato Ghosh, Insolvency Professional violates basic courtroom decorum and professional standards and insult to this Tribunal which is a court for the purpose of judicial proceedings."

Invoking Section 425 of the Companies Act, the tribunal said that its contempt powers mirror those of a High Court. Referring to the Supreme Court decision in *R K Garg versus State of Himachal Pradesh*, the tribunal said that using the virtual mode to appear in an undergarment amounts to an abuse of the process and warned that such violations undermine the foundations necessary for a functioning democracy.

Source: Live Law

Read Full news: [NCLT Kolkata Pulls Up Insolvency Professional For Appearing In Vest During Virtual Hearing, Issues Contempt Notice](#)

➤ Pending Cheque-Bounce Case Not A Bar To Admitting Insolvency Plea: NCLT Mumbai

The National Company Law Tribunal (NCLT) at Mumbai has recently ruled that the pendency of cheque-bounce proceedings under the Negotiable Instruments Act does not prevent initiation of insolvency proceedings, while admitting an application filed by Rexel India Private Limited seeking to commence the corporate insolvency resolution process against Proto D Industries Private Limited.

The coram of Judicial Member **Nilesh Sharma** and Technical Member **Sameer Kakar** held that proceedings under the NI Act cannot override or obstruct the IBC framework.

Source: Live Law

Read Full news: [Pending Cheque-Bounce Case Not A Bar To Admitting Insolvency Plea: NCLT Mumbai](#)

➤ NCLT Ahmedabad Orders Liquidation of Girdhari International After Finding Collusion With Resolution Applicants

The National Company Law Tribunal at Ahmedabad has held that the resolution plan for Girdhari International Private Limited was a "collusive arrangement" between the resolution applicant and the sole financial creditor, Drip Capital Inc., and refused to approve it, ordering liquidation instead.

The tribunal said that "*the entire exercise suggests an accommodation or collusive arrangement*" designed to secure the corporate debtor the benefits of clean slate under the Code rather than revive the company. A bench of Judicial Member Shammi Khan and Technical Member Sanjeev Sharma said the plan was approved despite missing export proceeds of over Rs 50 crores, serious financial irregularities, and the absence of any workable revival mechanism.

Source: Live Law

Read Full news: [NCLT Ahmedabad Orders Liquidation of Girdhari International After Finding Collusion With Resolution Applicants](#)



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