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"The only power that exists is inside ourselves."

➤ **No Valid Set-Off Based on Unauthorised Correspondence or Fit-Out Delays: NCLAT holds appellant liable to pay licence fee**

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) held that the appellant is liable to pay the licence fee by observing that no valid set-off can be claimed based on unauthorised correspondence or delays in fit-out work. In this case, the appeal was filed by Wakai Hospitality Pvt. Ltd., under Section 61 of the Insolvency and Bankruptcy Code, 2016 (Code), challenging the order dated 29.02.2024 passed by the National Company Law Tribunal, Mumbai. The respondent in this case is Ms Palak Desai, who is the Liquidator of Rajmal Jewelers Private Limited.

Coming to the facts, the appellant was operating a restaurant named Wakai, entered into a Leave and License Agreement (LLA) on 14.07.2022 with Rajmal Lakhichand Jewellers Pvt. Ltd. (Corporate Debtor) for commercial premises in Mumbai, with a monthly license fee of Rs. 7.5 lakhs and a three-year lock-in period. Renovation works were halted due to a notice from MCGM, which the appellant claims was the corporate debtor's responsibility to resolve. After mutual agreement, it was decided that fit-out costs (capped at Rs. 1 crore) would be adjusted against the license fee, and the LLA term would begin post-receipt of occupation and excise licenses.

The Appellant incurred Rs. 2.5 crores in renovation costs and informed the Corporate Debtor on 23.06.2023 that the license period would start from 01.07.2023. On 18.07.2023, the appellant was informed about the initiation of CIRP against the corporate debtor. The respondent demanded payment of licence fees from 13.09.2022 to 31.07.2023, which the appellant disputed, citing prior correspondence and mutual understanding.

Source: Taxscan

Read Full news: [No Valid Set-Off Based on Unauthorised Correspondence or Fit-Out Delays: NCLAT holds appellant liable to pay licence fee \[Read Order\]](#)

➤ **Insolvency experts caution against regime change at Bhushan Power & Steel**

Ahead of the August 7 hearing in the Supreme Court on the Bhushan Power & Steel (BPSL) matter, many insolvency experts feel that the best- case scenario for the company and all stakeholders would be one where the current management is allowed to run the company.

JSW Steel, which acquired BPSL for Rs 19,700 crore, has been running the company as its subsidiary since 2021. "The transaction happened over 4 years ago, and the company is doing well and making profits. BPSL's creditors are also satisfied with the current management. In the present situation, it is likely that the JSW Steel's transaction will not be disturbed, and the company will continue to run as it has been," said a senior insolvency expert.

Source: The Financial Express

Read Full news: [Insolvency experts caution against regime change at Bhushan Power & Steel - Industry News | The Financial Express](#)

➤ **Corporate Debtor May Be Permitted To Complete Project Under IRP's Supervision If A Structured Plan Is Proposed: NCLT Indore**

The National Company Law Tribunal (NCLT), Indore Bench of Sh. Shammi Khan (Judicial Member) and Sh. Sanjeev Sharma (Technical Member) has held that while admitting a petition under Section 7 of the IBC filed by homebuyers based on the default committed by the corporate debtor, the corporate debtor can be directed to complete the project under the reverse Corporate Insolvency Resolution Process (CIRP) model, under the supervision of the Interim Resolution Professional, if a structured and viable plan to complete the project is proposed by the corporate debtor.

The present petition has been filed under section 7 of the Insolvency and Bankruptcy Code, 2016 by SK Dutta along with 19 others financial creditors against the Corporate Debtor seeking initiation of the CIRP. The Applicants submitted that the corporate debtor defaulted by failing to deliver possession as per agreements despite payments, supporting initiation of corporate insolvency resolution process.

Source: Live Law

Read Full news: [Corporate Debtor May Be Permitted To Complete Project Under IRP's Supervision If A Structured Plan Is Proposed: NCLT Indore](#)

