



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"Start where you are. Use what you have. Do what you can."*

## ➤ **No Automatic Right To Interest Under IBC, Regulation 16A(7) Of CIRP Regulations Does Not Mandate Interest On Principal Amount: NCLT Mumbai**

The National Company Law Tribunal (NCLT) Mumbai bench of Justice Sushil Mahadeorao Kochey (Judicial Member) and Mr. Charanjeet Singh Gulati (Technical Member) has held that there is no provision in the Insolvency and Bankruptcy Code, 2016 (the Code) for automatic interest on the principal amount. Specifically, Regulation 16A(7) of the CIRP Regulations, 2016 does not provide for interest to be charged on the principal. Therefore, such interest cannot be claimed as a matter of right, especially at a belated stage when the Corporate Insolvency Resolution Process is nearing completion.

This application I.A. No. 5159 of 2024 has been filed by Klassic Wheels Limited ("Applicant") under Section 60(5) of the Code, seeking directions against Amit Vijay Karia, Resolution Professional of Siddhi Raj Housing Projects Private Limited ("Respondent"), praying for to consider the entire admitted claim of the Applicant amounting to Rs. 5,06,65,920/- for treatment under the approved Resolution Plan.

**Source: Money Control**

**Read Full news:** <https://www.livelaw.in/ibc-cases/no-automatic-right-to-interest-under-ibcregulation-16a7-of-cirp-regulations-does-not-mandate-interest-on-principal-amount-nclt-mumbai-288787>

## ➤ **Ten-Day Time Period U/S 99 Of IBC For Submission Of Report By Resolution Professional Is Directory, Not Mandatory: NCLAT**

The National Company Law Appellate Tribunal (NCLAT) New Delhi bench of Justice Ashok Bhushan (Judicial Member), Mr. Arun Baroka (Technical Member) and Mr. Barun Mitra (Technical Member) has held that the 10-day period provided under Section 99 of the Insolvency and Bankruptcy Code, 2016

(Code) within which the Resolution Professional has to submit the report after appointment, cannot be considered mandatory, as no consequences are prescribed in the provision itself for failure to submit the report within the stipulated period, even though the word "shall" has been used.

Geekay Colonizers and Builders Limited (corporate debtor) was sanctioned a project loan of Rs. 94 Crore by Dewan Housing Finance Ltd. (DHFL), of which Rs. 69 Crore was disbursed. The appellant provided a guarantee for the loan. In DHFL's Corporate Insolvency Resolution Process (CIRP), Piramal Capital and Housing Finance Limited acquired DHFL with effect from 30.09.2021. A demand notice dated 13.07.2022 under Rule 7(1) of the IBBI (Resolution Process for Personal Guarantor) Rules, 2019 was issued for the defaulted amount.

**Source: Live Law**

**Read Full news:** <https://www.livelaw.in/ibc-cases/10-days-time-period-us-99-of-ibc-for-report-submission-by-resolution-professional-is-directory-not-mandatory-nclat-288742>

### ➤ **Service Of Notice On Email Provided In Section 7 Petition Constitutes Sufficient Compliance With Rule 38(1) Of NCLT Rules: NCLAT**

The National Company Law Appellate Tribunal (NCLAT) New Delhi bench of Justice Ashok Bhushan (Judicial Member) and Mr. Barun Mitra (Technical Member) has held that service of notice on the email address provided in the petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (the Code) constitutes sufficient compliance with Rule 38(1) of the NCLT Rules.

Bank of Baroda (BoB) sanctioned a credit facility on 03.09.2024 to Our Company Infrastructure Developers Private Limited (corporate debtor). The corporate debtor defaulted on 31.05.2019, and its account was classified as NPA on 31.08.2019. A notice under Section 13(2) of the SARFAESI Act was issued.

**Source: Live Law**

**Read Full news:** <https://www.livelaw.in/ibc-cases/service-of-notice-on-email-provided-in-section-7-petition-constitutes-sufficient-compliance-with-rule-381-of-nclt-rulesnclat-288741>

