



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"It does not do to dwell on dreams and forget to live."*

## ➤ **KMC Is Secured Creditor U/S 232 Of Kolkata Municipal Corporation Act: NCLAT New Delhi**

The **NCLAT**, Principal Bench, New Delhi, comprising Justice Ashok Bhushan (Chairperson) and Barun Mitra (Member-Technical), has held that the Kolkata Municipal Corporation is a secured creditor by virtue of section 232 of the Kolkata Municipal Corporation Act, 1980.

### **Background of the Case**

An asset of the corporate debtor was assessed for property tax by the Kolkata Municipal Corporation. However, part of the payment was due, which led to the issuance of the warrant of distress. Further, the CIRP of the corporate debtor was initiated, and the appellant issued the demand notice for the property tax dues.

Failure of CIRP led to the passing of the liquidation order of the corporate debtor. The appellant sealed the property, which was later de-sealed following the direction of the adjudicating authority. The appellant then filed its claim before the liquidator, which was rejected and categorized as the unsecured operational creditor.

The adjudicating authority partly allowed the appeal by directing the liquidator to admit the dues of Rs. 34,23,403 and ruled that the Kolkata Municipal Corporation is not a secured creditor. It relied on the ruling of *Kolkata Municipal Corporation & Anr. vs. Union of India & Ors., (2021) SCC OnLine CAL 145*.

**Source: Live Law**

**Read Full news:** [KMC Is Secured Creditor U/S 232 Of Kolkata Municipal Corporation Act: NCLAT New Delhi](#)

## ➤ **Salman Khan Withdraws ₹7.24 Crore Insolvency Plea Against Jerai Fitness After Settlement**

Actor Salman Khan has withdrawn his ₹7.24 crore insolvency petition against Jerai Fitness Limited after both parties reached a settlement. On Wednesday, the National Company Law Appellate Tribunal (NCLAT) recorded the consent terms and allowed the withdrawal. The bench comprised Chairperson Justice Ashok Bhushan and Technical Member Arun Baroka.

The dispute related to unpaid dues under a 2018 trade licence agreement, under which Jerai Fitness was granted rights to use the “BEING STRONG” trademark owned by Salman Khan for manufacturing and selling fitness equipment. Khan claimed Jerai defaulted on royalty payments, even after the amounts were revised due to COVID-19-related disruptions. A demand notice was sent on September 14, 2024, seeking ₹7.24 crore with 24% interest.

Khan approached the Mumbai bench of the National Company Law Tribunal (NCLT) alleging default. However, in May 2025, NCLT dismissed the plea, stating that only ₹1.63 crore of the amount was undisputed and the rest involved pre-existing contractual disputes.

**Source: Live Law**

**Read Full news:** [Salman Khan Withdraws ₹7.24 Crore Insolvency Plea Against Jerai Fitness After Settlement](#)

## ➤ **Part Payment by Corporate Debtor Extends Limitation Period for Filing Insolvency Application: NCLAT**

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) at New Delhi recently ruled that a part payment made by the corporate debtor to the operational creditor against the total debt constitutes an acknowledgment of debt under the Limitation Act, 1963, thereby extending the limitation period for filing an insolvency application under the Insolvency and Bankruptcy Code, 2016 (IBC).

The finding came while the NCLAT dismissed an appeal by Ramniwas B. Somany, suspended director of Indian Denim Limited, challenging an order passed by the Ahmedabad Bench of the NCLT order on 22 September 2023, admitting a Section 9 application filed by the operational creditor Anushri Paper Pack Pvt. Ltd against Indian Denim Limited.

**Source: Taxscan**

**Read Full news:** [Part Payment by Corporate Debtor Extends Limitation Period for Filing Insolvency Application: NCLAT \[Read Order\]](#)

