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"Do the best you can until you know better. Then when you know better, do better."

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➤ NCLT Has Inherent Power To Recall Order Approving Resolution Plan Which Is Not Submitted As Per IBC : Supreme Court

The Supreme Court on Monday (February 12) observed that the Adjudicating Authority ("AA") i.e., NCLT under Insolvency and Bankruptcy Code, 2016 ("IBC") has the power to recall its order approving the resolution plan if the resolution plan is not submitted as per the mandate of the Code. The Resolution Applicant ("RA") had preferred a recall application before the AA seeking recall of its order approving the resolution plan. The RA preferred the recall application on the note that the Resolution Plan approved by AA did not fulfill the conditions laid down in sub-section (2) of Section 30 of the IBC.

The AA rejected the recall application on a note that it is impermissible for it to decide on the recall application of the Resolution Applicant consequent to the approval of the resolution plan. The NCLAT i.e., National Company Law Appellate Tribunal also affirmed the view taken by the AA while dismissing the appeal against the NCLT's order. It is against the impugned order of the NCLAT that the instant appeal was preferred by the Resolution Applicant before the Supreme Court.

Thus, the question that appears before the Supreme Court was whether, in the exercise of powers under sub-section (5) of Section 60, the Adjudicating Authority (i.e., NCLT) can recall an order of approval passed under sub-section (1) of Section 31 of the IBC? Answering in affirmative, the Supreme Court while relying on its recent judgment passed in Union Bank of India vs. Financial Creditors of M/s Amtek Auto Ltd. & Ors. observed that there was a gross mistake on the part of the Adjudicating Authority in approving the plan which did not fulfill the conditions laid down in sub-section (2) of Section 30 of the IBC.

Source: Live Law

Read Full news: <https://www.livelaw.in/supreme-court/nclt-has-inherent-power-to-recall-order-approving-resolution-plan-which-is-not-submitted-as-per-ibc-supreme-court-249409>

➤ **IBBI asks resolution professionals to share reports with creditors, debtors**

To ensure fairness in bankruptcy cases, the Insolvency and Bankruptcy Board of India (IBBI) has issued a circular instructing resolution professional (RPs) to share copies of their reports with both creditors and debtors involved in insolvency cases. The circular highlights instances where RPs failed to provide equal access to information to both parties, leading to a disparity in understanding.

The circular read, "It has been observed that in certain cases, the RPs have not shared a copy of the report with both debtor and creditor, leading to a lack of equal information access among them." Adding, "Therefore, it is hereby advised that the RP shall provide a copy of the report to both debtor and creditor in all cases."

Source: Business Standard

Read Full news : https://www.business-standard.com/india-news/ibbi-asks-resolution-professionals-to-share-reports-with-creditors-debtors-124021300433_1.html

➤ **Stakeholders to be directly involved in liquidation process, says IBBI**

The Insolvency and Bankruptcy Board of India (IBBI) has amended its regulations to facilitate liquidation cases in a more transparent manner. A consultative committee of stakeholders will now be directly involved in the liquidation process. The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations were amended on Monday to bring the changes into effect.

As per the new rules, the liquidator must conduct meetings with stakeholders' consultation committees (SCCs) within 30 days to enable greater participation in the process, unless the committee has extended the period of such meetings. The rules, however, mandate at least one meeting in each quarter.

Source: Financial Express

Read Full news : <https://www.financialexpress.com/business/industry-stakeholders-to-be-directly-involved-in-liquidation-process-says-ibbi-3393268/>

