



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The only power that exists is inside ourselves."

➤ SC upholds NCLT order to initiate insolvency against DHFL's Wadhawan promoters

The Supreme Court on Tuesday upheld the National Company Law Tribunal's decision to initiate insolvency proceedings against Dewan Housing Finance Corp's former promoters Dheeraj Wadhawan and Kapil Wadhawan, who stood as personal guarantors for loan facilities provided to the debt-laden firm.

A Bench led by Chief Justice Sanjiv Khanna dismissed Wadhwan's appeal against the National Company Law Appellate Tribunal's last year's order that refused to entertain their pleas. The Mumbai bench of the National Company Law Tribunal had admitted insolvency petitions filed by Union Bank of India to initiate insolvency proceedings against the duo for a default of Rs 3958 crore with interest and penalties in relation to the credit facilities. The tribunal had admitted DHFL into the Corporate Insolvency Resolution process in December 2019.

Wadhwan told the SC that the NCLAT has wrongly applied Section 95 of the IBC to the present matter to hold that the company petition could either be filed by one creditor or jointly with other creditors.

As article 1 of the Security Trustee Agreement expressly provides that the 'said Banks " mean all the banks collectively, and "Bank" means any of the bank individually, the term said "Banks" in clauses 10 and 43 of the Joint Deed of Guarantee have to be read to mean all the banks collectively, as any other reading would render the Security Trustee Agreement redundant, Wadhawan's lawyers argued.

Source: The Economic Times

Read Full news: <https://economictimes.indiatimes.com/news/india/sc-upholds-nclt-order-to-initiate-insolvency-against-dhfls-wadhawan-promoters/articleshow/120316160.cms?from=mdr>

➤ **Delhi HC reduces Suspension Period Imposed by IBBI Disciplinary Committee on Insolvency Professional**

The Delhi High Court reduced the Appellant/Resolution Professional's suspension period, pointing out that the IBBI Disciplinary Committee used inaccurate data and failed to consider important factors when determining the penalty. The suspension was lowered to the previously completed time. On August 3, 2017, the NCLT accepted an application against GTHS Retails Pvt. Ltd. under Section 9 of the IBC and designated Sandeep Kumar Bhatt, the appellant, as the Interim Resolution Professional (IRP). On December 20, 2017, the appellant was subsequently verified as the Resolution Professional (RP).

Source: Taxscan

Read Full news: <https://www.taxscan.in/delhi-hc-reduces-suspension-period-imposed-by-ibbi-disciplinary-committee-on-insolvency-professional/507869/>

➤ **DC Relied On Figures From SCN Rather Than Investigating Authority's Report: Delhi High Court Reduces Suspension Of Insolvency Professional**

The Delhi High Court reduced the suspension period of an Insolvency Professional while remarking that the Disciplinary Committee relied on figures from the SCN rather than those in the Investigating Authority's Report. The Court reduced the suspension period of an Insolvency Professional (IP) from two years to the period already served after holding that the penalty imposed by the Disciplinary Committee (DC) of the Insolvency and Bankruptcy Board of India (IBBI) was disproportionate.

A Division Bench of Chief Justice Devendra Kumar Upadhyaya and Justice Tushar Rao Gedela held that "In our opinion, the conclusion based on erroneous figures which are contrary to the Report of the Investigating Authority, which is a fact finding authority, had the potential of persuading the DC to impose a higher and stricter penalty."

Source: Verdictum

Read Full news: <https://www.verdictum.in/court-updates/high-courts/delhi-high-court/reduces-suspension-of-insolvency-professional-2025-dhc-2252-db-sandeep-kumar-bhatt-v-insolvency-bankruptcy-board-of-india-1574284>

