



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"If you change the way you look at things, the things you look at change."

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➤ **Insolvency & Bankruptcy Code : Section 14 Does Not Bar Finalisation Of Assessment, Adjudication Proceedings: Kerala High Court**

The Kerala High Court recently laid down that assessment orders could not be set aside on the ground of the Official Liquidator not having been heard while finalizing the assessment, since Section 14 of IBC does not bar finalisation of the assessment and adjudication proceedings in respect of the taxes.

"On the resolution once the reference has been admitted, there is moratorium for recovery of the tax dues but, there is no bar for finalisation of the assessment and adjudication," Justice Dinesh Kumar Singh observed.

The petitioner is a dealer of BMW cars in the State. Federal Bank had filed an application under Section 7(4) of the Insolvency and Bankruptcy Code, 2016 ('IBC') for initiation of corporate insolvency resolution process against the petitioner before the National Company Law Tribunal, Cochin, which was admitted by the adjudicating authority. An Interim Resolution Professional (IRP) was also appointed to maintain the affairs of the petitioner.

Pursuant to the Committee of Creditors rejecting the resolution plans, an order of liquidation was passed by the NCLT. Once the Official Liquidator was passed by the NCLT. Once the Official Liquidator was appointed, the moratorium under Section 33 (5) of the IBC commenced.

Source: Live Law

Read Full news at: <https://www.livelaw.in/high-court/kerala-high-court/kerala-high-court-section-14-ibc-no-bar-finalization-assessment-adjudication-242257>

➤ SC ruling on role of RP in personal guarantor cases paves path for adjudication of nearly 2,000 IBC cases

Experts have welcomed the Supreme Court's judgment on November 9 upholding the constitutional validity of provisions in the Insolvency and Bankruptcy Code (IBC), 2016, relating to personal guarantors. Legal experts have opined that the judgment will enable the NCLT to clear over 2,000 personal guarantee cases that are currently pending.

"This judgment will lead to activation of all personal insolvency matters pending in the NCLTs due to this matter," said Ashish Pahariya, Partner, DSK Legal.

According to the Insolvency and Bankruptcy Board of India (IBBI), 2,289 cases on personal guarantee were initiated from 2019, and the value of these cases was Rs 1.63 lakh crore. Of these cases, 150 were withdrawn or rejected while 282 were admitted. It is to be noted that the government introduced Sections 95 to 100 to the IBC pertaining to personal guarantors only in 2019, three years after the introduction of the code in 2016.

Source: Money Control

Read Full news at: <https://www.moneycontrol.com/news/trends/legal/sc-ruling-on-role-of-rp-in-personal-guarantor-cases-paves-path-for-adjudication-of-nearly-2000-ibc-cases-11739311.html>

➤ Personal assets at risk, promoters to rush to settle dues

Fearing the loss of their personal assets after a recent Supreme Court ruling, promoters of companies under insolvency proceedings are expected to rush to settle their pending dues with banks. Following the ruling, lenders can now liquidate personal assets such as residential properties, shares and bonds, gold and jewellery, of these promoters. Legal experts say this will force such promoters and directors to come forward voluntarily to settle dues, which in turn will boost the recovery from bad loans.

Source: Financial Express

Read Full news at: <https://www.financialexpress.com/business/banking-finance-personal-assets-at-risk-promoters-to-rush-to-settle-dues-3307130/>

