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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

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➤ **Differential Payments Can Be Made To Assenting And Dissenting Unsecured Financial Creditors: NCLAT Delhi**

The National Company Law Appellate Tribunal ("NCLAT"), New Delhi Bench, comprising of Justice Ashok Bhushan (Chairperson) and Shri Barun Mitra (Technical Member), while adjudicating an appeal filed in Peter Beck and Partner Vermoegensverwaltung GMBH v Sharon Bio-medicine Limited & Ors., has held that differential payments can be made between the unsecured Financial Creditors who voted in favour of the plan and the ones who voted against it. The Bench ruled that, "we are of the view that assenting financial creditors entitled for payment as proposed in the plan and dissenting financial creditors entitled for payment as proposed in the plan and dissenting financial creditor is entitled as per the minimum entitlement as per Section 30(2)(b)."

Sharon Bio-Medicine Limited ("Corporate Debtor") was admitted into Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ("IBC") by the NCLT.

The Committee of Creditors approved a Resolution Plan for the Corporate Debtor with 79.28% voting share. Peter Beck and Partner Vermoegensverwaltung GMBH ("Dissenting Financial Creditor/Appellant") is an unsecured financial creditor of the Corporate Debtor who abstained from voting for the approval of the Resolution Plan. The Adjudicating Authority approved the Resolution Plan on 17.05.2023.

Source: Live Law.

Read Full news at: <https://www.livelaw.in/ibc-cases/nclat-delhi-differential-payments-can-be-made-to-assenting-and-dissenting-unsecured-financial-creditors-235585>

➤ **NCLT Mumbai Refuses To Admit Belated Claim Of EPFO Submitted Post Approval Of Resolution Plan By The CoC**

The National Company Law Tribunal ("NCLT"), Mumbai Bench, comprising of Shri Kuldip Kumar Kareer (Judicial Member) and Smt. Anuradha Sanjay Bhatia (Technical Member), while adjudicating an application filed in Small Industrial Development Bank of India v E & G Global Estates Limited, has refused to admit the claim of Employee Provident Fund Organization (EPFO), which was submitted belatedly after the approval of resolution plan by the Committee of Creditors.

"In view of the above discussion this bench is of the considered view that at this belated stage when the Resolution plan has already been approved by the members of the COC in its 8th meeting dated 20.04.2021, the belated claim filed by the Applicant cannot be entertained, as such claims would defeat the very purpose of the CIRP process which is supposed to conclude in a time bound manner."

Source: Live Law.

Read Full news at: <https://www.livelaw.in/ibc-cases/nclt-mumbai-refuses-to-admit-belated-claim-of-epfo-submitted-post-approval-of-resolution-plan-by-the-coc-235584>

➤ **'Uniform norms needed to value bankrupt cos' assets'**

Uniform standards are needed to value assets of companies facing bankruptcy proceedings to ensure credibility and usefulness of the valuation reports given by professionals for debt resolution under the Insolvency and Bankruptcy Code (IBC), Insolvency and Bankruptcy Board of India (IBBI) chairperson Ravi Mital said in the bankruptcy regulator's latest quarterly review.

The IBC currently doesn't prescribe an uniform valuation standard but valuation can be done only by registered valuers who follow internationally accepted valuation standards after physically verifying the assets. There are two globally followed valuation standards from two independent agencies—International Valuation Standards Council (IVSC), a not-for-profit entity, and the Royal Institution of Chartered Surveyors (RICS), a professional body. The rules notified under the Companies Act state that valuation standards are to be notified by the government and pending its notification, internationally accepted valuation standards adopted by any registered valuers organisations (RVO) need to be followed, Mital explained in the quarterly update. RVOs are entities recognized by IBBI.

"To achieve successful insolvency resolutions, it is imperative to enhance the effectiveness, reliability and usefulness of the valuation procedure under the IBC. This can be accomplished by implementing a well-structured and comprehensive standards framework for valuations," Mittal said, highlighting that standardized valuations will enable well informed decisions and instil confidence in the debt resolution process while maximizing value for all.

Source: Mint.

Read Full news at: <https://www.livemint.com/companies/news/uniform-valuation-standards-needed-for-company-assets-in-bankruptcy-proceedings-ibbi-chairperson-11692377954401.html>

➤ **Jet Airways Insolvency: Jalan Kalrock Consortium Seek Time To Pay Rs 350 Crore To Lenders**

During the proceedings, the Committee of Creditors (CoC) asked the Jalan-Kalrock consortium to pay Rs 350 crore by August 31, as per the schedule. However, the consortium sought an extension in the schedule.

The National Company Law Appellate Tribunal on Friday asked the Jalan-Kalrock consortium, the winning bidder for bankrupt Jet Airways, to file an application within 24 hours, explaining the modalities for payment of Rs 350 crore to the lenders. The appellate tribunal has also directed the Committee of Creditors of Jet Airways to file a response over the consortium's application stating the condition for an extension for the payment.

Source: The Economic Times.

Read Full news at: <https://zeenews.india.com/aviation/jet-airways-insolvency-jalan-kalrock-consortium-seek-time-to-pay-rs-350-crore-to-lenders-2650738.html>

➤ **SpiceJet questions maintainability of Wilmington's insolvency plea**

SpiceJet on Friday questioned the maintainability of the insolvency plea filed by Wilmington Trust SP Services (Dublin) Limited claiming that company was just a trustee and not the operational creditor of Spicejet. The senior counsel representing the airline stated that Wilmington had no locus in the matter, as the debt was owed to Aircastle (Ireland) Ltd and the account to which payments were made.

Source: The Economic Times.

Read Full news at: <https://economictimes.indiatimes.com/industry/transportation/airlines/-/aviation/spicejet-questions-maintainability-of-wilmingtons-insolvency-plea/articleshow/102838458.cms?from=mdr>

