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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

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➤ High Court ruling plugs personal insolvency loophole

The Kerala High Court has said that simply submitting an application under the Insolvency and Bankruptcy Code (IBC) for personal insolvency does not trigger a moratorium immediately, plugging a loophole that defaulters use to ringfence personal assets when their businesses founder.

The ruling clarifies that the interim moratorium begins when the application is duly numbered by the tribunal, the Kerala High Court said.

Source: The Economic Times

Read Full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/high-court-ruling-plugs-personal-insolvency-loophole/articleshow/105395668.cms>

➤ NCLAT dismisses PNB's plea against sale of Sterling Biotech to US-based Perfect Day

The National Company Law Appellate Tribunal has set aside the plea of a UKbased subsidiary of Punjab National Bank against the NCLT order, approving the sale of Sterling Biotech to US-based food technology startup Perfect Day. The Mumbai bench of the National Company Law Tribunal (NCLT) on November 11, 2022, approved a Rs 638 crore bid of Perfect Day in an auction conducted by the liquidator of Sterling Biotech under the Insolvency & Bankruptcy Code.

However, this was challenged by Punjab National Bank (International) Ltd, a stakeholder in Sterling Biotech, before the appellate tribunal National Company Law Appellate Tribunal (NCLAT), contending that the value of the Corporate Debtor was much higher than the one mentioned in the e-Auction notice.

It had prayed to stay the auction process, direct the liquidator to maintain the status quo and invite fresh bids.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/healthcare/biotech/nclat-dismisses-pnbs-plea-against-sale-of-sterling-biotech-to-us-based-perfect-day/articleshow/105393966.cms>

➤ **ACIL insolvency: SC relief to lenders**

Clearing the roadblock for the lenders, the Supreme Court on Tuesday set aside the National Company Law Tribunal order that directed revaluation of assets of auto components maker Acil Ltd, despite an overwhelming number of creditors with a majority vote of 88.56% approving it in August 2019.

The apex court said, “it is well within the Committee of Creditor’s domain as to how to deal with the entire debt of the corporate debtor.” If after repeated negotiations, a resolution plan had been approved by the CoC with a majority vote of 88.56%, such commercial wisdom was not required to be called into question or casually interfered with, it added.

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/auto/auto-components/acil-insolvency-sc-relief-to-lenders/articleshow/105393294.cms>

