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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The only thing that overcomes hard luck is hard work."

➤ NCLT Recalls Insolvency Over Forged Documents, Imposes ₹50 Lakh Penalty On Financial Creditor

The National Company Law Tribunal (NCLT), New Delhi, has set aside insolvency proceedings against SLR Techinfra Pvt. Ltd., a real estate and infrastructure development company, and imposed a Rs 50 lakh penalty on Endless Services Pvt. Ltd., a private services firm, for malicious and fraudulent initiation of insolvency proceedings.

Recalling its earlier order admitting the Corporate Insolvency Resolution Process (CIRP), a coram of Judicial Member **Manni Sankariah Shanmuga Sundaram** and Technical Member **Atul Chaturvedi** directed the resolution professional to hand back control and custody of the company and its assets to the erstwhile management. The tribunal said the insolvency process had been misused in a manner that strikes at the very credibility of the law.

"The admission of Corporate Debtor is based upon malicious and fabricated documents which had been used to misled this AA and to get a favourable order. Such conduct, which reflects an attempt to misuse the CIRP mechanism for extraneous and unjust purposes, cannot be condoned or ignored, even after the admission of the CIRP," the tribunal observed.

The case arose from a plea filed by the suspended directors of SLR Techinfra, who alleged that Endless Services, claiming to be a financial creditor, had suppressed material facts and relied on forged loan documents to push the real estate company into insolvency.

According to them, the move was aimed at defrauding the management rather than recovering any genuine debt.

Source: Live Law

Read Full news: [NCLT Recalls Insolvency Over Forged Documents, Imposes ₹50 Lakh Penalty On Financial Creditor](#)

➤ **NCLAT Dismisses Tamil Nadu State Tax Dept's Belated Claim In Sri NagaNanthana Mills Liquidation**

The National Company Law Appellate Tribunal (NCLAT) at Chennai has dismissed an appeal filed by the Tamil Nadu State Tax Department, holding that belated tax claims cannot be entertained once liquidation proceedings have attained finality.

A bench of Judicial Member Justice **Sharad Kumar Sharma** and Technical Member **Jatindranath Swain** reiterated that timelines are strict under the insolvency law and a belated claim cannot be entertained.

Source: Live Law

Read Full news: [NCLAT Dismisses Tamil Nadu State Tax Dept's Belated Claim In Sri NagaNanthana Mills Liquidation](#)

➤ **NCLT alone has Jurisdiction Over Personal Guarantor Insolvency when CIRP Is Pending: Bombay HC orders Transfer of Proceedings**

The Bombay High Court held that insolvency proceedings against personal guarantors must be filed before, or transferred to, the National Company Law Tribunal (NCLT) when the corporate debtor is already undergoing CIRP, in line with Section 60 of the Insolvency and Bankruptcy Code (IBC).

The Court quashed the Debt Recovery Tribunal's (DRT) interim moratorium order issued under Section 96 of the IBC and directed that all pending proceedings be transferred to the NCLT within four weeks. The petitions were filed by Kotak Mahindra Bank Ltd. and other secured creditors, challenging the maintainability of insolvency applications filed before the DRT by personal guarantors of defaulting borrowers.

Source: Taxscan

Read Full news: [NCLT alone has Jurisdiction Over Personal Guarantor Insolvency when CIRP Is Pending: Bombay HC orders Transfer of Proceedings](#)



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