



INSOLVENCY PROFESSIONAL AGENCY  
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# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"If you tell the truth, you don't have to remember anything."*

## ➤ **After recusal over attempt to influence member, NCLAT sets aside insolvency; imposes ₹10 lakh costs**

The National Company Law Appellate Tribunal (NCLAT) on Monday set aside insolvency proceedings in a case that had earlier seen a tribunal member recuse after disclosing an alleged attempt to influence the outcome through a retired High Court judge. [Attluru Sreenivasulu Reddy, Suspended Director of KLSR Infratech Ltd v. AS Met Corp]

A Bench led by Chairperson Justice Ashok Bhushan allowed the appeal and overturned the National Company Law Tribunal (NCLT), Hyderabad order dated July 14, 2023, which had admitted a Section 9 application filed by AS Met Corp. The NCLAT dismissed the insolvency proceedings with costs of ₹10 lakh, directing the operational creditor to pay the amount within 30 days.

It also directed that a copy of the judgment be forwarded to the Insolvency and Bankruptcy Board of India (IBBI) "to look into the matter and take appropriate measures."

The dispute traces back to a Section 9 petition filed by AS Met Corp before the NCLT, Hyderabad seeking initiation of the Corporate Insolvency Resolution Process (CIRP) against the corporate debtor over alleged unpaid dues of about ₹3.79 crore.

It was contended that a large-scale fraud had taken place involving collusion between employees and suppliers, including the operational creditor. According to the corporate debtor, an internal audit initiated in December 2021 revealed discrepancies such as fake invoices, absence of vehicle movement and irregularities in transactions.

**Source: Bar and Bench**

**Read Full news:** [After recusal over attempt to influence member, NCLAT sets aside insolvency; imposes ₹10 lakh costs](#)

## ➤ **Mumbai News: NCLT Admits Insolvency Plea Against Toll Firm Over ₹283.95 Crore Default**

The National Company Law Tribunal (NCLT) has admitted an insolvency petition filed by Canara Bank against Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited, initiating the Corporate Insolvency Resolution Process (CIRP) against the company over a default of Rs 283.95 crore.

### **Loan default and consortium details**

The petition, filed under Section 7 of the Insolvency and Bankruptcy Code (IBC), pertained to loans extended as part of a consortium financing arrangement for a road project in Maharashtra. The tribunal noted that the default dates back to December 31, 2015, when the company failed to service its debt obligations.

**Source: Free Press Journal**

**Read Full news:** [Mumbai News: NCLT Admits Insolvency Plea Against Toll Firm Over ₹283.95 Crore Default](#)

## ➤ **IBC Moratorium Cannot Be Used to Stall SARFAESI Recovery After Auction: Bombay HC**

The Bombay High Court has held that borrowers and guarantors cannot misuse the moratorium provisions under the Insolvency and Bankruptcy Code, 2016 to stall or frustrate recovery proceedings lawfully undertaken by secured creditors under the SARFAESI Act, particularly after the auction process has concluded and third-party rights have crystallised.

The Court observed that such tactics, including repeated and collusive initiation of insolvency proceedings under Sections 94 and 95 of the IBC to trigger an interim moratorium under Section 96, defeat the very object of the IBC and cannot be permitted to paralyse enforcement actions.

**Source: Law Beat**

**Read Full news:** [IBC Moratorium Cannot Be Used to Stall SARFAESI Recovery After Auction: Bombay HC | IBC Moratorium Cannot Be Used to Stall SARFAESI Recovery After Auction: Bombay HC](#)



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