



IBC AU-COURANT

Latest updates On Insolvency & Bankruptcy

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"When you have a dream, you've got to grab it and never let go"

Watch | Is the latest IBBI data a turning point in India's insolvency and bankruptcy journey?

Earlier this month, the Insolvency and Bankruptcy Board of India (IBBI), released data on the status for cases admitted under the Insolvency and Bankruptcy Code for the quarter ended March.

Two things stood out.

The bad news is that the value of assets realisable by financial creditors through a resolution plan turned out to

be less than that marked as liquidation value.

The good news is that we don't need to turn immediately despondent. The context in which this has emerged is as important. We look at the difference between a resolution plan and a liquidation process; the Jan-March 2022 newsletter of the IBBI; the bankers' view of the Insolvency and Bankruptcy Code, and more.

Source: The Hindu

Read Full news at: <https://www.thehindu.com/business/watch-is-the-latest-ibbi-data-a-turning-point-in-indias-insolvency-and-bankruptcy-journey/article65488302.ece>

NCLAT Terminates The CIRP Of National Textile Corporation Ltd. As Parties Enter Settlement

The National Company Law Appellate Tribunal ("NCLAT"), Principal Bench, comprising of Justice Ashok Bhushan (Chairperson), Ms. Shreesha Merla (Technical Member) and Shri Naresh Salecha (Technical Member), while adjudicating a petition filed in National Textile Corporation Ltd. v Hero Solar Energy Pvt. Ltd., has terminated the

Corporate Insolvency Resolution Process ("CIRP") against National Textile Corporation Ltd. ("Appellant"), which was initiated by NCLT Delhi vide an order dated 27.05.2022. The order has been passed on 01.06.2022. The Appellant, National Textile Corporation Ltd., is a Public Sector Enterprise under

the Ministry of Textiles, Government of India. It was incorporated in 1968 and has textile mills pan India for the production of yarn and fabric.

In 2015, the Solar Energy Corporation of India (SECI) had granted a Letter of Allocation to Hero Solar Energy Pvt. Ltd. ("Operational Creditor/Respondent"), for 'Designing, Engineering, Manufacturing, Supplying, Testing & Commissioning' of rooftop solar panels in cities of India. The Operational Creditor had entered into an Agreement with National Textile Corporation Ltd. ("Corporate Debtor/Appellant") on 07.06.2016, for installation of rooftop Solar PV power System for power generation. The Agreement did not contain any clause with respect to imposition of penalty. In 2016-17 the Operational Creditor had completed the work in view of the Agreement and the due amount was paid by the Appellant. However, an amount of Rs.13,84,254/- was retained by the Appellant from the total payment.

The Operational Creditor had issued a demand notice dated 23.10.2019 under Section 8 of Insolvency and Bankruptcy Code, 2016 ("IBC") to the Appellant, for the remaining payment

of Rs.13,84,254/-. Following which, the Operational Creditor had filed a petition under Section 9 of the IBC before NCLT, New Delhi ("Adjudicating Authority"), seeking initiation of CIRP against the Appellant.

The NCLT New Delhi Bench had admitted the petition under Section 9 of IBC and CIRP was initiated against the Appellant vide an order dated 27.05.2022, by observing that there was a claim due and payable and the Appellant had failed to prove existence of any 'pre-existing dispute' in respect of the default.

The Appellant filed an appeal against the NCLT order dated 27.05.2022 before the NCLAT, submitting that it has settled the matter with the Operational Creditor, and sought liberty to place on record the Settlement Agreement entered between the parties. The NCLAT Bench vide an order dated 31.05.2022 had stayed the CIRP of the Appellant. On 01.06.2022, the Appellant had placed on record the Settlement Agreement dated 31.05.2022 and the Operational Creditor had requested to withdraw the Section 9 petition. The NCLAT Bench permitted the withdrawal and terminated the CIRP initiated against the Appellant. Directions were given to pay the Interim Resolution Professional the expenses incurred by him, but no IRP fee shall be payable.

Source: Live Law

Read Full news at: <https://www.livelaw.in/news-updates/nclat-national-textile-corporation-ltd-insolvency-and-bankruptcy-code-cirp-nclt-delhi-200698>

