

INSTITUTE OF INSOLVENCY PROFESSIONALS

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Learning Curve-468

January 05, 2021

Settlement reached prior to the date of passing of the order of admission would not render the order of admission flawed on that ground alone.

CASE TITLE	Sintex Plastics Technology Ltd. Vs. Zielen Industries Pvt. Ltd. & Ors ¹
CASE CITATION	Company Appeal (AT) (Insolvency) No. 1135 of 2020
DATE OF ORDER	04.01.2021
COURT/TRIBUNAL	NCLAT, New Delhi
CASES REFERRED	<i>Swiss Ribbons and Ors. v. Union of India & Ors</i>
SECTION/REGULATION REFERRED	Section 9 of IBC

Brief of the case:

An appeal was filed on the ground that order of admission of application filed under Section 9 of the IBC should be set aside due to settlement being arrived at between the parties; post the admission order being passed.

Decision:

Hon'ble NCLAT disposed off the appeal with direction to the Appellant to approach the AA for seeking exit after filing Settlement Terms before it and held that,

“the Corporate Debtor may avail the opportunity of seeking exit from Corporate Insolvency Resolution Process (CIRP) at the stage of pre-constitution of COC but whether the same takes care of interest of all the stakeholders involved and can be permitted is a decision to be taken by the Adjudicating Authority on the peculiar facts of the case. It would, therefore, be appropriate for the Appellant to approach the Adjudicating Authority to seek exit from CIRP by filing the terms of settlement and the Adjudicating Authority will have to pass the appropriate order”



QR CODE FOR FULL ORDER/JUDGEMENT:

¹ <https://nclat.nic.in/Useradmin/upload/11393468115ff2ff6e3af6e.pdf>