

LEGAL UPDATES

DELHI HC: HC ISSUES NOTICE TO IBBI IN A PLEA AGAINST DIRECTORS OF SUCCESSFUL BIDDERS FOR VIOLATING THE APPROVED BID

In a plea filed before the Hon'ble Delhi HC's single bench headed by Justice Mukta Gupta by directors of successful resolution applicant ('SRA') against the IBBI complaint filed against the petitioners, HC has issued notice to IBBI. The HC summoned the petitioners for violating the approved resolution plan. The petitioners contended that (i) The resolution plan was not complied with by the SRA and as per the time prescribed money was also not deposited, (ii) Thereafter, a complaint was filed by IBBI and SRA through petitioners were summoned; Further, it was submitted that vicarious liability does not fall under the ambit of Sec. 74 of IBC, since, in the instant matter IBBI filed the complaint against SRA only, however, the HC summoned the Petitioners as well along with the SRA as per the earlier order without giving any reasons. Hence, the Court observed that the Petitioner's submissions are valid and have merit prima facie and hence, summoning them in their personal capacity was invalid as the complaint filed was against the corporation only; thereby issuing a notice to IBBI and directing them to file their reply affidavit within 4 weeks.