

## **Case Snippets**

**Volume 03, Number 35 (August 26, 2020)**

### **Committee of Creditors of Educomp Solutions Ltd. Vs. Ebix Singapore Pte. Ltd. & Anr.**

**[Company Appeal (AT) (Insolvency) No. 203 of 2020] Dated 29th July, 2020 [NCLAT]**

#### **Withdraw of Resolution plan is not permissible once it's submitted to NCLT**

In the present case the Appellant (Committee of Creditors of Educomp Solutions Ltd., through State Bank of India) has filed present appeal being aggrieved with the impugned order dated 02.01.2020 in Company Petition (IB) No. 101(PB)2017 passed by the NCLT , New Delhi.

The Resolution Applicant filed approved Resolution plan(Approved by COC) before the NCLT but during the pendency of the matter Resolution Applicant filed an application for the withdraw of the Resolution plan due to initiation of SFIO Investigation of the corporate debtor.



The Adjudicating Authority by means of the Impugned Order had allowed the 1st Respondent / ‘Successful Resolution Applicant’ to withdraw its ‘Resolution Plan’ (approved ‘Resolution Plan’) which was approved by a majority of 75.36% of the ‘Committee of Creditors’ and pending approval before the Authority as per Section 31 of the ‘I&B’ Code.

### **NCLAT held as follows:-**

Once the resolution plan is approved by the COC and thereafter submitted to the NCLT for its approval, then NCLT is to apply its judicial mind to the ‘Resolution Plan’ so presented and after being subjectively satisfied that the plan meets or does not meet the requirements mentioned in Section 34 of the Code may either approve or reject such plan.

It was further held that the NCLT has wrongly allowed the application for withdrawal of the Resolution Plan.

Appeal allowed.

