

# Insolvency and Bankruptcy Hotline

July 07, 2022

## SUPREME COURT RULES ON COMMERCIAL WISDOM OF CREDITORS TO ALLOW WITHDRAWAL OF INSOLVENCY PROCEEDINGS

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### INTRODUCTION

In Vallal RCK v M/s Siva Industries & Anr. (2022) ibclaw.in 63 SC, the Supreme Court ("SC") has once again given precedence to the commercial wisdom of the committee of creditors ("CoC"). The issue before the SC was whether the Adjudicating Authority could interfere with the CoC's decision to allow withdrawal of insolvency proceedings on the basis of a settlement plan. The SC held that the adjudicating authority, while deciding an application under Section 12A of the Insolvency and Bankruptcy Code ("Code"), cannot review the merits of a settlement plan approved by the CoC.

For complete article, please click [here](#).

– Adimesh Lochan, Arjun Gupta & Sahil Kanuga

(The authors would like to thank Aryan Sharma (Student, Institute of Law, Nirma University) for his contribution.)

You can direct your queries or comments to the authors

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