



## **IBC HALF-YEARLY DIGEST (JAN-JUNE 2025): JUDICIAL TRENDS & KEY DEVELOPMENTS**

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## INTRODUCTION

The Insolvency and Bankruptcy Code, 2016 (IBC) continues to evolve through judicial interpretation and legislative refinement. The first half of 2025 has seen a series of important rulings from the Supreme Court, High Courts, National Company Law Appellate Tribunal (NCLAT), and the National Company Law Tribunal (NCLT) that have materially shaped the contours of insolvency jurisprudence in India. This digest, curated by the team at Economic Laws Practice (ELP), compiles some of the key rulings delivered during this period, offering a concise summary and highlighting their practical implications.

Our aim is to equip insolvency professionals, legal practitioners, financial institutions, and stakeholders in the resolution process with quick and actionable insights into recent developments. Each case summary follows a standardized format capturing the core issues, provisions involved, and key takeaways.

## **PRELUDE: HIGHLIGHTS FROM JAN–JUNE 2025**

### **Supreme Court**

- **Visa Coke Ltd. v. Mesco Kalinga Steel Ltd. (29.04.2025):** The Supreme Court held that delivery of demand notice under Section 8 of IBC to a Key Managerial Personnel at the registered office constitutes valid service. It deferred the issue of default and novation to NCLT's final adjudication, reaffirming NCLT's domain in fact-based disputes.

### **High Court**

- **Empee Distilleries Ltd. v. Superintending Engineer, TANGEDCO (Madras HC, 02.04.2025)**  
The Division Bench of Madras High Court analyzed the interplay of IBC with statutory dues pending adjudication under sectoral regulators. The Court refused to allow reconnection of electricity without clearing undisclosed statutory dues, emphasizing duties of the RP and promoters under Sections 18 and 25 of IBC.

### **NCLAT**

- **Sarla Performance Fibres Ltd. v. Vivek Murlidhar Dabhade (24.04.2025):** NCLAT upheld the Liquidator's power to disclaim onerous property under Regulation 10 of the Liquidation Regulations, rejecting the challenge of ultra vires.
- **OM Sai Moulds and Plastics v. Pllastomax Engineering Pvt. Ltd. (23.04.2025)**  
The Appellate Tribunal cautioned against misuse of insolvency proceedings for settling personal or matrimonial disputes, holding that such misuse amounts to "manufacturing insolvency."
- **HDFC Bank Ltd. v. Atul Kumar Kansal (08.04.2025)**  
NCLAT dismissed the bank's objection against a resolution plan where the bank held only mortgage rights over a third-party's property, holding it had no locus under IBC in absence of a tripartite agreement with the corporate debtor.

### **NCLT**

- **Genesis Comtrade Pvt. Ltd. v. Opulent Infradevelopers Pvt. Ltd. (NCLT Delhi, 17.04.2025)**  
The NCLT rejected the claim of homebuyers seeking classification as financial creditors post-possession, holding that a claim limited to registration of sale deed and delayed compensation under RERA does not qualify as a financial debt under Section 5(8)(f).

## **DISCLAIMER**

This digest is compiled based on publicly available judgments and orders delivered between January and June 2025 by various judicial forums under the IBC framework. Every effort has been made to ensure accuracy and authenticity by restricting coverage to actual rulings included in this document. This publication is for general information purposes only and should not be construed as legal advice. Readers are encouraged to refer to the full text of the judgments for detailed understanding. Economic Laws Practice (ELP) disclaims any liability for actions taken based on this digest without specific legal consultation.



## SUPREME COURT JUDGMENTS

### CA Ramchandra Dallaram Choudhary (Liquidator) v. Adani Infrastructure & Developers Pvt. Ltd.

**Case No.: Civil Appeal No. 5106/2025**

**Court: Supreme Court of India (2-Judge Bench)**

**Date of Decision: 05 May 2025**

**Corporate Debtor: Anil Ltd.**

**Relevant Provisions: Section 61 of the IBC; Limitation Act; Doctrine of “sufficient cause”**

#### GIST OF THE JUDGEMENT:

The Supreme Court reaffirmed the principle that courts adopt a more liberal approach when delay is caused due to lapses on the part of lawyers, as opposed to the litigants themselves. Drawing a distinction between delay in filing an appeal and delay in refiling an appeal after curing defects, the Court emphasized that the latter should attract a more lenient approach.

In this case, the delay in refiling the appeal before the NCLAT was attributed to the legal counsel’s failure to cure defects within the prescribed timeline. The Court held that “sufficient cause” must be construed liberally in such circumstances, especially when the delay does not appear to be deliberate or mala fide.

Observing that interests of justice would be best served by hearing the appeal on merits, the delay in refiling was condoned and the matter was remanded to the NCLAT to decide the appeal on merits.

### Perfect Infraengineers Ltd. v. Technology Development Board

**Case No.: SLP(C) No. 13015/2025**

**Court: Supreme Court of India**

**Date of Decision: 19 May 2025**

**Corporate Debtor: Perfect Infraengineers Ltd.**

**Relevant Provisions: Section 7 of IBC; Article 136 of the Constitution of India**

#### GIST OF THE JUDGEMENT:

The Supreme Court clarified that any challenge to the admission of a petition under Section 7 of the IBC must be made through an appeal under Section 61 of the Code before the NCLAT, and not by invoking the Supreme Court’s jurisdiction under Article 136 of the Constitution in the first instance.

The Court held that once the Corporate Insolvency Resolution Process (CIRP) is initiated and a Resolution Professional (RP) is appointed, only the RP is authorized to represent the Corporate Debtor before judicial and quasi-judicial forums. Erstwhile directors or management lose their authority to act on behalf of the Corporate Debtor after the admission order.

As the petition under Article 136 was filed by the suspended management and not the RP, the same was held not maintainable, and the petition was dismissed.

**JSW Steel Ltd. v. Sanjay Singhal and Ors.****Date: 26 May 2025****Court: Supreme Court of India****Bench: 2-Judge Bench****Case Nos.: SLP(C)-15635/2025 & SLP(C)-15636/2025****Corporate Debtor: Bhushan Power and Steel Ltd.****HELD:**

The Supreme Court directed that status quo be maintained with respect to the proceedings pending before the National Company Law Tribunal (NCLT) concerning the liquidation of Bhushan Power and Steel Ltd. The interim order was passed in view of the apprehension raised by JSW Steel Ltd., the successful resolution applicant, that implementation of the earlier directions at the instance of the ex-promoters may adversely affect the outcome of its impending review petition. The Court clarified that the order was passed without expressing any opinion on the merits, and the status quo shall continue until the review petition is filed and decided.

**Case Title: National Spot Exchange Ltd. (NSEL) v. Union of India and Ors.****Case No. and Date: W.P. (C) No. 995/2019, decided on 15-May-2025****Provisions: Section 14 of the Insolvency and Bankruptcy Code, 2016; Maharashtra Protection of Interest of Depositors (MPID) Act, 1999****HELD:**

The Supreme Court held that properties of the judgment debtors and garnishees attached under the MPID Act would remain available for execution of decrees by the Special Court (S.C.) under the MPID framework, notwithstanding the moratorium under Section 14 of the IBC. It was clarified that the MPID Act operates in a distinct sphere protecting the interest of depositors and is not inconsistent with the provisions of the IBC. Furthermore, the Court held that secured creditors cannot claim any priority over the properties attached under the MPID Act, reaffirming that statutory attachment under MPID prevails over competing claims under IBC in such cases.

**Tata Steel Ltd. v. Raj Kumar Banerjee and Ors.****Case No. and Date: Civil Appeal No. 408/2023-SC, decided on 07-May-2025****Corporate Debtor: Rohit Ferro Tech Limited****Provisions: Section 61(2) of the Insolvency and Bankruptcy Code, 2016****HELD:**

The Supreme Court reaffirmed the strict procedural discipline under the IBC, holding that the National Company Law Appellate Tribunal (NCLAT) does not possess the power to condone a delay in filing an appeal beyond the statutory limit of 45 days (30 days plus a further condonable period of 15 days). The limitation under Section 61 is mandatory, and the NCLAT has no jurisdiction to entertain any appeal filed beyond this period, irrespective of the reason for the delay.

## Kalyani Transco v. Bhushan Power and Steel Ltd. and Ors.

**Case No. and Date:** Civil Appeal Nos. 1808/2020, 2192/2020, 2193/2020, 3020/2020, 3784/2020, 6390/2021, 668/2021 – Decided on 02-May-2025

**Corporate Debtor:** Bhushan Power and Steel Ltd.

**Provisions:** Sections 30(2), 31, and 33 of the Insolvency and Bankruptcy Code, 2016; CIRP Regulations

### HELD:

The Hon'ble Supreme Court set aside the resolution plan submitted by JSW Steel Ltd. and approved by the Committee of Creditors and the Adjudicating Authority, on the ground that the plan violated mandatory provisions of the IBC and CIRP Regulations. The Court found that:

- Material non-compliance existed with respect to due diligence under Section 29A, mandatory disclosures, and the treatment of certain operational creditors.
- The resolution plan suffered from procedural irregularities including lack of proper compliance verification by the Resolution Professional.
- Commercial wisdom of the CoC, though paramount, must operate within the four corners of the law, and where the statutory requirements under Sections 30(2) and Regulation 38 are not met, the approval of the plan is not sustainable.
- In light of these findings and the failure to receive any viable alternative plan during the extended CIRP period, the Court directed initiation of liquidation under Section 33 of the IBC.

## Amruddin Ansari (Dead) Through LRs and Ors. v. Afajal Ali and Ors.

**Case No. and Date:** SLP (C) No. 11442/2023, decided on 22-Apr-2025

**Provision(s) Involved:** Order IX Rules 2, 3, 4, 8 & 9 CPC; Sections 2(2), 2(9), and 9 CPC

Nature of proceedings under IBC and Negotiable Instruments Act, 1881 (NI Act) are different and would not intercede each other. The moratorium under Section 14 of the IBC does not apply to the proceedings initiated against signatories/directors under the NI Act. Extinguishment of debt under Section 31 or Sections 38 to 41 of the IBC would not ipso facto apply to the extinguishment of the criminal proceedings. The proceeding under the NI Act are not in the nature of debt recovery proceedings and rather are penal in character.

Relying upon the judgement in the case of *P. Mohanraj and Ors vs Shah Brothers Ispat Private Limited and Narinder Garg and Ors vs Kotak Mahindra Bank Limited and Ors* the Proceeding under NI Act had already commenced and cognizance upon the complaint was already taken and during the pendency of CIRP, the directors/signatories thus cannot escape from their penal liability by citing its dissolution. Passing of the resolution plan under Section 31 of the IBC and in light of Section 32A of the IBC, the criminal proceedings under Section 138 of the NI Act will stand terminated only in relation to the corporate debtor if the same is taken over by a new management.

## JUDGMENTS FROM HIGH COURT/DRAT

### Ranipet Developers Pvt. Ltd. v. Assistant Commissioner (ST) and Ors.

**Date:** 21 April 2025

**Court:** Madras High Court

**Case No.:** WP-12562/2025

**HELD:**

The Madras High Court held that once the auction purchaser has received a sale certificate under the IBC liquidation process, the Commercial Tax Department cannot obstruct registration of the sale document by the Sub-Registrar. The claim of the Department had already been admitted in liquidation, and its dues ranked below those of workmen and secured creditors under Section 53 of the IBC. The Court emphasized that Section 238 of the IBC overrides any inconsistent provisions in other laws, including state tax recovery laws. Therefore, the prohibition imposed by the tax department on the registration of sale deed was invalid, and the Sub-Registrar was directed to register the document submitted by the auction purchaser.

### Indian Bank v. Commercial Tax Officer and Ors

**Case No. and Date:** WP Nos. 31572 & 31573 of 2002, Madras High Court, decided on 16 April 2025

**Bench:** 2-Judge Bench, Madras High Court

**HELD:**

There were 187 different invoices for the period between 12.03.2011 and 30.06.2017. The amount under different invoices were unpaid, which gave rise to the appellant to initiate the proceedings under Section 9 of the IBC before the NCLT. The NCLT considering the starting point of limitation as 12.03.2011 held that the claim is barred by limitation. The Supreme Court held that NCLT did not take into consideration the subsequent invoices at least preceding three years from the date of filing of Section 9 application, which ought to have been considered.

### SREI Infrastructure Finance Ltd. and Anr. v. Kolkata Municipal Corporation and Ors.

**Court:** Calcutta High Court

**Case No. and Date:** WPO-1106/2024-HC, decided on 02-May-2025

**Provisions:** Section 31 of the Insolvency and Bankruptcy Code, 2016

**HELD:**

All dues, including statutory dues owed to the Central Government, any State Government, or any local authority, which are not included in the approved Resolution Plan under Section 31 of the IBC, shall stand extinguished upon such approval. No recovery or legal proceedings for such excluded dues pertaining to the period prior to the approval date can be continued. The High Court reaffirmed the binding nature and finality of an approved Resolution Plan and upheld the supremacy of IBC over conflicting statutory claims.

## Arena Superstructures Pvt. Ltd. and Anr. v. State of U.P. and Anr.

**Court:** Allahabad High Court

**Case No. and Date:** WC-6041/2024-HC, WC-8447/2024-HC, decided on 24-February-2025

**Corporate Debtor:** Arena Superstructures Pvt. Ltd.

**Provisions:** Sections 7 and 65 of the Insolvency and Bankruptcy Code, 2016

### HELD:

The High Court emphasized that in cases where insolvency proceedings are initiated under the IBC against real estate developers or builders, the NCLT/NCLAT must exercise caution before admitting such applications. It must satisfy itself that the proceeding is not maliciously filed at the instance of the builder to evade civil or criminal liabilities by projecting insolvency after siphoning off public funds. The judicial scrutiny must ensure the bona fides of the insolvency application to prevent abuse of the IBC framework.

## Elecon Engineering Company Ltd. v. Inox Wind Ltd. and Anr

**Court:** Himachal Pradesh High Court

**Case No. and Date:** CA-01/2024-HC, decided on 25-April-2025

**Corporate Debtor:** Inox Wind Ltd.

**Provisions:** General principles under IBC and Company Law

### HELD:

The High Court underscored that while corporate death may be inevitable in some cases, every possible effort must be made to revive and resuscitate the corporate debtor in the broader public interest. This encompasses not only the rights of creditors and workmen but also takes into account the utility of the corporate debtor's operations and its contribution to the economy. Revival efforts are to be prioritized over liquidation, especially where the corporate debtor is engaged in manufacturing or service operations essential to the national economy.

## Empee Distilleries Ltd. v. The Superintending Engineer, Pudukottai Electricity Distribution Circle & Ors

**Case No. and Date:** W.A. (MD) No. 1426 of 2022 & CMP (MD) No. 11524 of 2022, decided on 02.04.2025- Madras High Court

**Corporate Debtor:** Empee Distilleries Ltd.

**Provision Involved:** Sections 13, 15, 18, 31 & 53 of IBC; Regulation 4, 6, 7 of CIRP Regulations; Section 48 of GVAT Act (analogy); Regulation 17(9) of Tamil Nadu Electricity Code

**Impugned Order:** Single Judge Order dated 10.11.2022 denying reconnection to the Resolution Applicant without clearing electricity arrears

Clean slate principle under Section 31 of IBC does not apply where statutory dues were known and pending in litigation but deliberately not disclosed to the CoC during CIRP. TANGEDCO, despite non-filing of claim, can deny reconnection unless dues are cleared:

- **Failure to Disclose Known Sub Judge Dues Vitiates 'Clean Slate' Claim:** TANGEDCO's dues (approx. ₹1.14 Cr) were sub judge before the High Court and later TNERA, and known to the promoters and IRP. Failure to disclose such known debt, despite the ongoing litigation, amounts to suppression. This renders the clean slate protection under *Ghanashyam Mishra* inapplicable.
- **IRP's Failure to Collect Financial Information Materially Impacts Claim Extinguishment:** The IRP failed in duties under Section 18(a) and Regulation 4 to gather all financial information, including from Information Utilities. Thus, TANGEDCO's claim, although not filed in CIRP, cannot be extinguished due to IRP's lapse.
- **Coexistence of Ghanashyam Mishra and Rainbow Papers:** The Court harmonized the rulings in *Ghanashyam Mishra* and *Rainbow Papers*, noting that statutory dues that create a first charge (like under Electricity Code or VAT laws) may survive if not disclosed in the CIRP due to procedural lapse.
- **TANGEDCO's Right to Deny Reconnection Without Clearing Arrears is Valid:** As per Regulation 17(9) of the Tamil Nadu Electricity Supply Code and *Paschimanchal Vidyut Nigam Ltd. v. Raman Ispat* (2023), TANGEDCO has the right to insist on prior clearance of dues before providing fresh connection, even post-CIRP.
- **CIRP Public Notice and Non-Participation Not Enough Where Statutory Claim is Known:** While public notice was issued, it is not a valid defense if the promoter and IRP deliberately avoided disclosure of known liabilities. Claim extinguishment requires *disclosure*, not just public notice. (

**Legal Proposition:** The *clean slate* principle under Section 31 of IBC is not an absolute rule. Known and pending statutory claims which are deliberately not disclosed in the CIRP process, especially when the debt is sub judge and the IRP fails in its duties, do not get extinguished. In such cases, statutory authorities like TANGEDCO can lawfully deny reconnection or service restoration until such dues are cleared, subject to outcome of pending litigation

## Sri Sreekumar and Anr. v. Canara Bank and Ors.

**Date:** 9 May 2025

**Court:** DRAT, Chennai

**Case No.:** RA-110/2017

### HELD:

The DRAT Chennai held that mere execution of fresh loan documents by a reconstituted partnership firm after retirement of certain partners does not absolve the retiring partners of past liabilities, unless there is an express agreement with the bank discharging their liability. Under Sections 25 and 32 of the Indian Partnership Act, 1932, retiring partners remain jointly and severally liable for obligations incurred while they were partners. Since there was no tripartite agreement among the retiring partners, new partners, and the bank, the appellants remained liable for earlier sanctioned Term Loan of ₹35 lakhs and OD of ₹5 lakhs, but not for the enhanced OD facility of ₹9 lakhs obtained after their retirement. The Tribunal refused to interfere with the DRT's order.

## **JUDGMENTS FROM NATIONAL COMPANY LAW APPELLATE TRIBUNAL**

**Anil Kumar Seth v. Valplast Technologies Pvt. Ltd. and Anr**

**Case Number: CA(AT)(I)-1105/2024-NCLAT**

**Tribunal/Court: National Company Law Appellate Tribunal, New Delhi**

**Date of Decision: 26 May 2025**

**Provision of the Law: Section 8 and Section 9 of the Insolvency and Bankruptcy Code, 2016**

The NCLAT New Delhi held that the existence of a pre-existing dispute goes to the root of the maintainability of an application under Section 9 of the IBC. Even if no reply is filed by the Corporate Debtor in response to the demand notice issued under Section 8 of the Code, the Adjudicating Authority is duty-bound to examine the material on record to determine whether a genuine pre-existing dispute existed prior to the issuance of the demand notice. In the present case, the Tribunal erred in disregarding the email and letter correspondence exchanged between the parties merely on the ground that no reply was filed to the demand notice and that the reply to the application was filed belatedly. The Appellate Tribunal held that such material communications could not be ignored and that the NCLT's finding was contrary to settled legal principles. Accordingly, the appeal was allowed, and the order of admission was set aside.

**Rajendra Kumar v. IndusInd Bank Ltd. and Ors.**

**Case Number: CA(AT)(I)-1410/2022-NCLAT**

**Tribunal/Court: National Company Law Appellate Tribunal, New Delhi**

**Date of Decision: 28 May 2025**

**Provision of the Law: Section 7 of the Insolvency and Bankruptcy Code, 2016**

The NCLAT New Delhi distinguished the facts of the present case from the judgment of the Hon'ble Supreme Court in Vidarbha Industries Power Ltd. v. Axis Bank Ltd., holding that the promoter cannot invoke the protection of Vidarbha when there is no material or legal basis to establish that the Corporate Debtor is in a position to discharge its financial obligations. In Vidarbha, the Corporate Debtor had a favorable arbitral award that was pending enforcement before the Supreme Court, which would have enabled it to pay its dues. However, in the present case, the Appellant failed to place any such evidence on record to demonstrate financial viability or an intention or ability to settle dues. The Tribunal affirmed that the Appellant had not settled the dues or made any concrete efforts in that regard, and thus the plea to withhold admission based on Vidarbha was rejected. The appeal was dismissed.

**Indian Ocean Group Pte Ltd. v. Neeraj Agarwal****Case Number: CA(AT)(I)-531/2025-NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 26 May 2025****Provision of the Law: Section 30(4), Section 31, and related provisions of the Insolvency and Bankruptcy Code, 2016**

The NCLAT upheld the forfeiture of the performance guarantee and 1% upfront payment by the Financial Creditors on account of the Successful Resolution Applicant's failure to implement the approved resolution plan. The Tribunal referred to the terms of the Letter of Intent (LOI) dated 30 August 2021, which clearly provided that in the event of default, the amounts paid could be forfeited and other remedies under the IBC and applicable law would remain available to the creditors. The Appellant's contention that the Information Memorandum did not accurately disclose the nature of certain assets, such as leasehold land and vehicles, was rejected in light of Clause 3 of the LOI, which confirmed that the Resolution Applicant had carried out due diligence and accepted the assets on an "as-is-where-is" basis. The Tribunal held that once the default in implementation of the resolution plan was conclusively established and the forfeiture clause was triggered as per the agreed terms, no illegality could be found in the decision of the Adjudicating Authority. Accordingly, the appeal was dismissed.

**Wakai Hospitality Pvt. Ltd. v. Palak Desai and Anr.****Case Number: CA(AT)(I)-524/2024-NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 28 May 2025****Provision of the Law: Sections 14, 18, and 25 of the Insolvency and Bankruptcy Code, 2016**

The NCLAT held that the Adjudicating Authority (NCLT) does not have jurisdiction to adjudicate inter se disputes between private parties when the matter relates to enforcement of contractual rights outside the scope of the IBC. In the present case, the Tribunal emphasized that once the asset belonged to the Corporate Debtor and possession is with a third party, such party is obligated to hand over possession to the Resolution Professional under Section 18 of the Code, as held earlier in *Encore Asset Reconstruction Company Pvt. Ltd. v. Charu Sandeep Desai & Ors.*, which was upheld by the Supreme Court. On the question whether a Leave and License Agreement can be terminated during moratorium, the Tribunal held that the protection under Section 14 is available only to the Corporate Debtor and cannot be extended to third parties like the Appellant. The Resolution Professional is empowered to take appropriate legal steps, including termination of such agreements, to protect and recover the assets of the Corporate Debtor. Referring to precedents like *Deepak Sakharam Kulkarni v. Manoj Kumar Agarwal*, the Tribunal affirmed that agreements may be terminated in accordance with their terms during CIRP. Hence, the action of the RP in terminating the Leave and License Agreement was held to be legally sustainable and the appeal was dismissed.



**Lotus 300 Apartment Owner Owners Association v. IndusInd Bank Ltd. and Ors.****Case Number: CA(AT)(I)-1471/2022-NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 28 May 2025****Provision of the Law: Section 7 and Section 31 of the Insolvency and Bankruptcy Code, 2016**

The NCLAT rejected the request of the Homebuyers' Association to allow completion of the project by keeping the CIRP in abeyance and excluding the role of the Resolution Professional and promoters. The Tribunal held that once CIRP is initiated under Section 7, the Resolution Professional is bound to function in accordance with the provisions of the Code and under the direction of the Committee of Creditors (CoC). The Tribunal noted that the Adjudicating Authority had rightly considered the existence of debt and default before admitting the CIRP. Although the Appellant claimed that they were executing the work during a stay on CoC formation, there was no clarity on the legal authority under which they continued such activities. The Appellant's plea to continue the project without involvement of the RP or promoters was not supported by any provision under the IBC. The Tribunal further clarified that it could not direct the RP or the Corporate Debtor to register sale deeds in favour of allottees, as such matters fall within the jurisdiction of local authorities like the NOIDA Authority. The Appellants were advised to seek remedy before the appropriate authority. The appeal was found devoid of merit and accordingly dismissed.

**Taguda Pte Ltd. v. State Bank of India and Anr.****Case Number: CA(AT)(I)-351/2024-NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 30 May 2025****Provision of the Law: Section 31(4) of the Insolvency and Bankruptcy Code, 2016****Corporate Debtor: Ushdev International Ltd.**

The NCLAT held that under Section 31(4) of the IBC, all regulatory approvals required for implementation of a resolution plan must be obtained within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority. In the present case, despite the resolution plan being approved on 03.02.2022, the Successful Resolution Applicant (SRA) failed to obtain the necessary approvals even after expiry of the one-year period and an extended period granted by the NCLT. Relying on the Supreme Court's ruling in Independent Sugar Corporation Ltd. v. Girish Sriram Juneja, the Tribunal reiterated the mandatory nature of statutory timelines and regulatory compliance post-approval of resolution plans. The Appellant's argument that delays were due to external reasons was rejected, with the NCLAT emphasizing that the responsibility to secure all regulatory approvals lies solely with the SRA. The Tribunal also distinguished the case from Ebix Singapore v. Committee of Creditors of Educomp Solutions Ltd., noting that while the Ebix judgment dealt with withdrawal of resolution plans before approval by the Adjudicating Authority, the present case involved post-approval failure of implementation. Given the prolonged delay and non-compliance, the Tribunal directed that the pending liquidation application be proceeded with by the Adjudicating Authority.

**Sunil Gutte v. Avil Menezes and Ors****Case Number:** CA(AT)(I)-515/2025-NCLAT**Tribunal/Court:** National Company Law Appellate Tribunal, New Delhi**Date of Decision:** [Date not specified in shared content]**Provision of the Law:** Sections 14, 17, 18, 20, and 25 of the Insolvency and Bankruptcy Code, 2016**Corporate Debtor:** Sunil Hitech Engineers Ltd.

The NCLAT New Delhi held that once the moratorium under Section 14 of the IBC is declared following admission of a CIRP application under Sections 7, 9, or 10, no payments—whether by cheque, RTGS, or otherwise—can be made from the Corporate Debtor’s accounts without authorization from the Resolution Professional (RP). The moratorium acts as a statutory embargo prohibiting recovery or appropriation of amounts from the Corporate Debtor’s assets and applies to creditors and the suspended management alike. The Tribunal affirmed that even payments purportedly made in the ordinary course of business cannot override the moratorium provisions. Cheques issued prior to the CIRP admission but encashed afterward were found to have violated Section 14, particularly as there was no credible evidence that such cheques were handed over before the moratorium. Similarly, RTGS payments made after the commencement of CIRP were held to be void ab initio. The RP was held to be within his statutory mandate under Sections 17 to 25 to recover these amounts and reappropriate them towards the assets of the Corporate Debtor. The Adjudicating Authority’s direction for refund of the said amounts by the recipients and the Appellant was upheld. The appeal was dismissed with a finding that any act contrary to the moratorium renders the resolution process illegal and vitiated.

**Vinod Singh v. Chandra Prakash Jain and Ors.****Case Number:** CA(AT)(I)-800/2025-NCLAT, CA(AT)(I)-801/2025-NCLAT**Tribunal/Court:** National Company Law Appellate Tribunal, New Delhi**Date of Decision:** 30 May 2025**Provision of the Law:** Section 59 of the Insolvency and Bankruptcy Code, 2016; Regulation 5 of the IBBI (Voluntary Liquidation Process) Regulations, 2017

The NCLAT clarified that in the context of voluntary liquidation under Section 59 of the IBC, the appointment or replacement of a Liquidator does not require the approval of the Adjudicating Authority. The Tribunal distinguished the framework applicable under Chapter V (Voluntary Liquidation) from that under Chapter III (Liquidation following CIRP) and emphasized that Regulation 5 of the IBBI (Voluntary Liquidation Process) Regulations, 2017 provides a complete and self-contained procedure. It held that the Corporate Debtor, through its Directors and Shareholders, is entitled to remove and replace a Liquidator merely by passing a resolution, without being obligated to state any reasons or seek judicial approval. The NCLAT held that the Adjudicating Authority had exceeded its jurisdiction by imposing a status quo order restraining the replacement of the Liquidator and observed that loss of confidence in the Liquidator by the Corporate Debtor’s stakeholders was sufficient justification for his removal. The Tribunal allowed the appeal, vacated the status quo order dated 28.03.2025, and held that the newly appointed Liquidator (Respondent No.6) was entitled to proceed with the voluntary liquidation. The NCLT’s order was also found to have failed to address the substantive issue of maintainability of the removed Liquidator’s challenge and instead focused on procedural aspects, which the NCLAT found inappropriate in the circumstances.

**Anuj Gaur and Ors. v. Rabindra Kumar Mintri (RP) and Anr.****Case Number: CA(AT)(I)-312/2025-NCLAT, CA(AT)(I)-313/2025-NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 30 May 2025****Provision of the Law: Section 61 and Section 25(2)(h) of the Insolvency and Bankruptcy Code, 2016; Regulation 31A of the CIRP Regulations, 2016**

The NCLAT held that a suspended director of the Corporate Debtor has the locus to file an appeal under Section 61 of the IBC against the approval of a resolution plan. Relying on the recent decision of the Hon'ble Supreme Court in Kalyani Transco v. Bhushan Power and Steel Ltd., the Tribunal observed that even ex-directors qualify as stakeholders under the IBC and are therefore entitled to challenge the approval of a resolution plan. In the present case, the appellant's application (I.A. 459/2024) was rejected by the Adjudicating Authority, thereby giving him the right to file the appeal.

As to the eligibility of the resolution applicant, the Tribunal upheld the participation of Respondent No. 2, an association of homebuyers, in the resolution process. The Tribunal noted that the eligibility criteria approved in the CoC's fifth meeting required a minimum net worth of ₹90 lakhs, which was duly met by the association whose net worth stood at ₹93 lakhs. The submission that the association lacked eligibility was accordingly rejected.

The Tribunal further affirmed that an association of allottees in a real estate project is eligible to submit a resolution plan. Referring to the explanation to Regulation 31A of the CIRP Regulations, the Appellate Tribunal held that the provision explicitly recognizes the right of such associations to propose a resolution plan for the completion of real estate projects. Since the homebuyers are the most affected stakeholders and members of the CoC, their initiative to complete the project through a resolution plan deserved recognition rather than objection.

The appeals were found devoid of merit and accordingly dismissed.

**Suprio Ghosh v. Bank of Maharashtra****Case Number: CA(AT)(I)-2353/2024-NCLAT, CA(AT)(I)-2354/2024-NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 30 May 2025****Provision of the Law: Sections 94 and 96 of the Insolvency and Bankruptcy Code, 2016**

The NCLAT held that the filing of a petition under Section 94 of the IBC without subsequently pursuing it diligently amounts to an abuse of process and defeats the purpose of insolvency resolution. In the present case, the Appellant, despite enjoying interim protection under Section 96, failed to appear on multiple occasions and offered no reasonable justification for his repeated absences. The Appellate Tribunal rejected the explanation regarding internet issues, noting that the Appellant's counsel had appeared in other virtual court proceedings during the same period. It was observed that merely filing a Section 94 application without submitting a repayment plan or attending hearings demonstrated a lack of bona fides and an attempt to misuse the moratorium under Section 96. The NCLAT emphasized that for a repayment plan to be considered and finalized, proceedings must be pursued with diligence and seriousness. The casual and evasive conduct of the Appellant, including his failure to respond to the restoration application, warranted strict judicial response. Accordingly, the Tribunal upheld the Adjudicating Authority's order dismissing the restoration applications filed by Suprio Ghosh and Nilanjana Ghosh, stating that no interference was called for. Both appeals were dismissed with parties bearing their own costs.

**Drive India Enterprise Solutions Ltd. v. BGM Telecommunications Pvt. Ltd.****Case Number: CA(AT)(I)-112/2024-NCLAT, CA(AT)(I)-53/2024-NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 29 May 2025****Provision of the Law: Section 9 of the Insolvency and Bankruptcy Code, 2016**

The NCLAT held that an application filed under Section 9 of the IBC must be adjudicated on its own merits and facts. The dismissal of earlier applications filed by the same Operational Creditor against different Corporate Debtors cannot, by itself, form the basis for rejecting a new application without a reasoned consideration of the specific facts of the case at hand. The Tribunal observed that the Adjudicating Authority had erred in drawing parallels with earlier cases decided in 2021 and 2023, without examining the factual matrix of the present matter in detail. It was emphasized that the existence of a valid “dispute” or a “moonshine defence” must be assessed independently for each application. Accordingly, the impugned orders were set aside and the matters remanded back to the NCLT for fresh consideration by passing a speaking order. The Tribunal clarified that it had not entered into the merits of the case and left all issues open for reconsideration.

**Bhavik Bhimjyani v. Uday Vinodchandra Shah****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 30 May 2025****Provision of the Law: Regulation 33 of the IBBI (Liquidation Process) Regulations, 2016**

The NCLAT held that a Liquidator cannot proceed with a private sale of assets to a related party without obtaining prior permission from the Adjudicating Authority, as mandated by Regulation 33 of the Liquidation Process Regulations. The Tribunal found that the Liquidator had proceeded with a private sale in favour of Leisure Enterprises LLP (a related party) without complying with any of the prescribed exceptions—such as perishable asset, deteriorating value, higher-than-reserve price—or obtaining prior permission from the NCLT. Moreover, the sale was concluded at an undervalued price without exploring other potential buyers, thereby defeating the principles of transparency and value maximization. The Appellate Tribunal held that the NCLT's approval of the private sale was granted without applying its mind to the mandatory requirements and hence could not be sustained. The sale and the Impugned Order were set aside. The Tribunal directed appointment of a new Liquidator within 15 days and ordered that the liquidation process be conducted afresh in accordance with law, preferably through a public auction.

**Bhupesh Gupta v. Ravinder Kumar Goel****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: 30 May 2025****Provision of the Law: Regulation 4(3) of the IBBI (Liquidation Process) Regulations, 2016; Section 53 of the Insolvency and Bankruptcy Code, 2016**

The NCLAT held that for the purposes of calculating a Liquidator's fee under Regulation 4(3) of the IBBI (Liquidation Process) Regulations, 2016, the “realisation” must be net of liquidation costs, and only then can the percentage-based entitlement be determined. In the present case, the Liquidator (Appellant) sought payment of fees on the basis of sales revenue of ₹78.47 crores generated during the going concern period. However, the total liquidation cost

incurred was ₹132 crores—significantly exceeding the amount realised. The Tribunal agreed with the Adjudicating Authority's view that when the liquidation cost exceeds the realisations, no fees are payable under Regulation 4.

The Appellant's reliance on the now-withdrawn clauses (2.1 and 2.5) of the IBBI Circular dated 28.09.2023 was rejected, especially in view of the Bombay High Court's judgment in *Amit Gupta v. IBBI*, which had struck down those clauses as ultra vires. The IBBI had subsequently withdrawn the impugned portions by a circular dated 18.04.2024. The NCLAT affirmed that both under the pre-amendment and post-amendment regimes, the Liquidator's fee is determined on the basis of "net realisation," and if no such surplus remains, no fee accrues.

It was further clarified that the COC has the first right to fix the Liquidator's fee. In the absence of such a determination, the fallback mechanism under Regulation 4 applies. In this case, since the fee was not decided by the COC and the net realisation was nil, the Liquidator was not entitled to any fee. The appeal was dismissed with no order as to costs.

## Anil Kumar and Ors. v. Majinder Singh Sandhu and Ors

**Tribunal/Court:** National Company Law Appellate Tribunal, New Delhi

**Date of Decision:** 02 June 2025

**Provision of the Law:** General procedural principle relating to correction of court records

The NCLAT reiterated that the judicial record of a court or tribunal is presumed to be correct unless and until an application is made to the same court seeking correction on the ground of any error. The Tribunal emphasized that unless such correction is sought and granted by the concerned court, the official record must be treated as accurate and binding on the parties. Accordingly, the appeal challenging the recorded facts without such an application for correction was found to be unsustainable.

## Dr. Vichitra Narayan Pathak v. Suraksha Realty Ltd. and Anr.

**Case Number:** CA(AT)(I)-[not specified]

**Tribunal/Court:** National Company Law Appellate Tribunal, New Delhi

**Date of Decision:** 30 May 2025

**Provision of the Law:** Sections 60(5) and 27 of the Insolvency and Bankruptcy Code, 2016; Rule 11 of the NCLT Rules, 2016

The NCLAT set aside multiple directions issued by the Adjudicating Authority (NCLT) in the impugned orders, finding them to be in violation of natural justice and beyond the scope of judicial propriety.

First, the reduction of Arrow Engineering Ltd.'s claim from ₹81.70 crores to ₹40.75 crores was held to be unsustainable as it was passed without giving the claimant an opportunity to be heard. Arrow Engineering was not made a party in the relevant proceedings and was denied the chance to defend its admitted claim.

Second, the NCLT's adverse observations against Central Bank of India and the Resolution Professional, including a direction to re-examine the bank's claim, were set aside. These observations were made without notice to the Bank or substantiating evidence and were therefore found to be in breach of the principles of natural justice.

Third, the order replacing the Resolution Professional was also reversed. The Appellate Tribunal held that no material or evidence had been presented to justify the replacement. The mere past employment of the RP with Central Bank of India could not be a ground for alleging bias or conflict of interest, especially when the CoC had not moved any resolution under Section 27.

Lastly, the Tribunal found no justification for the NCLT's direction to conduct a forensic audit through KPMG. None of the stakeholders had requested such an audit, and the matter before the NCLT related only to verification and quantum of claims—issues within the RP's jurisdiction. The forensic audit direction was considered inappropriate and likely to delay the CIRP, which had already exceeded prescribed timelines.

In conclusion, the impugned orders were set aside for violating due process, overreaching statutory powers, and causing procedural irregularity. All related appeals were allowed, and directions issued by the Adjudicating Authority were declared unsustainable.

### **Nazru S Basheer v. Pancard Clubs Ltd. and Anr.**

**Case No.: CA(AT)(I)-798/2025-NCLAT**

**Tribunal: NCLAT, New Delhi**

**Date of Decision: 30 May 2025**

**Provision Involved: Section 14 of IBC, 2016 (Moratorium during CIRP)**

The NCLAT upheld that once CIRP is initiated and the moratorium under Section 14 of the IBC comes into effect, the property of the Corporate Debtor cannot be evacuated or disturbed. In the instant case, the appellant's right of occupation had expired by efflux of time on 07.08.2023 and no extension could be claimed merely based on an expectation under the contract. The NCLAT affirmed the Adjudicating Authority's order for eviction and dismissed the appeal as misconceived.

### **Alok Gaur v. State Bank of India and Anr.**

**Case No.: CA(AT)(I)-1565/2024-NCLAT**

**Tribunal: NCLAT, New Delhi**

**Date of Decision: 30 May 2025**

**Corporate Debtor: Jaypee Cement Corporation Ltd. (JCCL)**

**Provision Involved: Section 7 of IBC, 2016**

The NCLAT upheld the admission of a Section 7 application filed by SBI against JCCL. It held that the Master Restructuring Agreement (MRA) dated 31.10.2017 failed to take effect due to non-creation of security interest and non-fulfilment of conditions. JCCL's debt, originally due and classified as NPA in 2016, remained unresolved. The failure of the restructuring did not amount to novation under Section 62 of the Indian Contract Act, nor did it extinguish the liability of JCCL. The CIRP against JAL (a related entity) could not bar initiation against JCCL. The appeal was dismissed with a finding that debt and default stood proved.

### **Abhinav Bhatnagar v. Bank of Baroda and Ors.**

**Case Nos.: CA(AT)(I)-615/2025-NCLAT & CA(AT)(I)-616/2025-NCLAT**

**Bench: Three-Judge Bench, NCLAT New Delhi**

**Date of Decision: 30 May 2025**

**Corporate Debtor: Xyron Technologies Ltd.**

## Key Provisions Involved: Section 7 of IBC, Section 18 of the Limitation Act, Bankers' Book Evidence Act

The NCLAT upheld the admission of the Corporate Debtor into CIRP, rejecting the Appellant's contention that the Section 7 application was time-barred. It was held that consistent acknowledgements of debt in the Corporate Debtor's balance sheets from FY 2015–16 through FY 2022–23 validly extended the limitation under Section 18 of the Limitation Act. The Tribunal relied on the Supreme Court's ruling in *Asset Reconstruction Co. (India) Ltd. v. Bishal Jaiswal* and reaffirmed that balance sheets constitute valid acknowledgements. It also noted that the debt was due, default had occurred, and evidence under the Bankers' Book Evidence Act had been duly submitted. The argument that the Appellant was denied a fair hearing was rejected on the ground that sufficient opportunities were provided, and the Appellant was negligent and casual. The Tribunal dismissed both appeals, upheld the Adjudicating Authority's findings, and found no violation of natural justice.

### Sandeep Mahajan (IRP) v. Mr. Nayan Thakrashi Shah and Ors.

**Case No.:** CP(IB)-800/MB/2022, IA No. 5026/2023

**Court:** NCLT Mumbai Bench, Court-III

**Date of Decision:** 02 May 2025

**Provision Involved:** Section 14 of the Insolvency and Bankruptcy Code, 2016

- The NCLT held that suspended directors are under a legal obligation to disclose all pre-admission issued but unencashed cheques and cooperate fully with the IRP. In this case, they failed to do so and claimed software corruption (SAP) as an excuse, which was not accepted.
- The Tribunal found that post-CIRP payments totaling over ₹5.2 crore were made from the Corporate Debtor's accounts via Manager's Cheques (MCs) and electronic transfers, under the direction of suspended directors after the imposition of moratorium under Section 14.
- The suspended board claimed that these payments were made to homebuyers and operational creditors. However, the NCLT held that even if the payments were made to such creditors, the same were in breach of the moratorium and without IRP's authorization, and hence illegal.
- The Tribunal emphasized that intent or beneficiary of the payment is irrelevant for determining violation of moratorium. It noted selective cancellation and reissuance of MCs, pointing to preferential treatment and misuse of discretion by suspended management post-admission.
- Only a single payment (₹64,541 to Vodafone Idea) was found to be in ordinary course and acceptable as CIRP cost.
- The NCLT concluded that all other payments post-commencement of CIRP were unauthorized, violated Section 14, and were to be restored to the Corporate Debtor's account. The pleas of the suspended directors were found to lack merit, credibility, and were rejected.

**Praful Satra and Ors. v. Vaishali Patrikar****Date: 28 May 2025****Court: NCLAT, New Delhi****Bench: 3-Member Bench****Case No.: CA(AT)(I)-976/2024-NCLAT**

An advance payment of ₹2.65 crore alleged to be made in 2006 for a property in Bandra could not be established by the Appellants due to the absence of critical evidence, such as an agreement to sell, MoU, property details, or date of payment. No legal action was taken to recover the amount. The Tribunal found no error in the findings of the Adjudicating Authority and held that the appeal was meritless. The appeal was dismissed.

**Hari Vitthal Mission v. Ravi Sethia and Ors.****Date: 14 May 2025****Court: NCLAT, New Delhi****Bench: 3-Member Bench****Case Nos.: CA(AT)(I)-04/2024, CA(AT)(I)-05/2024-NCLAT****HELD:**

The commercial wisdom of the CoC is paramount under IBC, and neither the Adjudicating Authority nor the Appellate Tribunal can substitute their view or exercise equity-based jurisdiction under Section 31. Allocation of 'NIL' amount to an unsecured financial creditor who is also a related party does not violate Section 53 if the liquidation value is insufficient to meet even the claims of secured creditors. The CoC's discretion under Sections 30 and 31 was exercised properly. Appeal dismissed as meritless.

**Shankar Mukherjee and Anr. v. Ravi Sethia RP and Ors.****Date: 14 May 2025****Court: NCLAT, New Delhi****Case No.: CA(AT)(I)-01/2024-NCLAT****HELD:**

There is no scope for the Adjudicating Authority or the Appellate Tribunal to engage in equitable assumptions or undertake a merits-based, quantitative review of a resolution plan. Judicial review is limited to compliance with Section 30(2) and cannot extend to evaluating the commercial wisdom of the CoC. The CoC's decision to allocate 'Nil' to unsecured financial creditors was justified as the liquidation value was insufficient to meet even the claims of secured creditors. The Appellants, being suspended directors, lacked locus standi under Section 61 to challenge the resolution plan. Differential treatment among creditor classes is permissible as long as it complies with the Code. Allegations of fraud and undervaluation were found to be unsubstantiated and motivated. The appeal was dismissed as non-maintainable and devoid of merit.



**Aditya Birla Finance Ltd. v. Sarita Mishra and Anr.****Date: 27 May 2025****Court: NCLAT, New Delhi****Bench: 3-Member Bench****Case No.: CA(AT)(I)-169/2025****HELD:**

The Appellate Tribunal allowed the substitution of the appellant's name from Aditya Birla Finance Ltd. to Aditya Birla Capital Ltd. in view of their merger sanctioned by NCLT Ahmedabad under Sections 230–232 of the Companies Act, 2013, with a direction that all proceedings pending by or against the amalgamating company shall continue in the name of the amalgamated company.

The appeal, originally filed against the rejection of a Section 95 application (Personal Guarantor Insolvency) by NCLT, was withdrawn after it was pointed out that the impugned order dated 20.12.2024 had already been declared per incuriam by the NCLAT in Anita Goyal v. Vistra ITCL (India) Ltd. and Ayush Goel v. Vistra ITCL (India) Ltd.. The earlier view of the NCLT Kolkata Bench, holding that a Section 95 application by a financial creditor is not maintainable in absence of pending CIRP/liquidation, was declared contrary to binding precedent in SBI v. Mahendra Kumar Jajodia, which was affirmed by the Supreme Court. Liberty was granted to the appellant to move the NCLT for recall. The appeal was disposed of as infructuous.

**CIS Infrastructure LLP and Anr. v. Ashok Kumar Gupta (RP) and Anr.****Date: 27 May 2025****Court: NCLAT, New Delhi****Bench: 2-Judge Bench****Case No.: CA(AT)(I)-266/2025****Corporate Debtor: Andes Town Planners Pvt. Ltd.****HELD:**

The appellant, claiming to have purchased 13 apartments from the Corporate Debtor and having invested in three more, challenged the proposed alteration in the building plan by Respondent No.2 (a developer), citing adverse impact on vested rights. Although the Lucknow Bench of the Allahabad High Court had earlier directed the Lucknow Development Authority (LDA) to hear the appellant, LDA refrained from acting due to an NCLT order admitting CIRP.

In the present appeal, the NCLAT declined to interfere with LDA's statutory proceedings but clarified that LDA must give the Resolution Professional (RP) a hearing before taking any decision regarding the property. The Tribunal emphasized that its role is limited to preventing depletion of the Corporate Debtor's assets during CIRP and does not extend to determining the merits of LDA's statutory actions. The RP's statutory obligation under the IBC to protect and manage the assets of the Corporate Debtor was reiterated. The appeal and related I.A. were disposed of accordingly.

**VPR Mining Infrastructure Pvt. Ltd. v. Gajraj Mining Pvt. Ltd****Date: 23 May 2025****Court: NCLAT, New Delhi****Bench: 2-Judge Bench****Case No.: CA(AT)(I)-1546/2024****Corporate Debtor: Gajraj Mining Pvt. Ltd.****HELD:**

The NCLAT held that non-payment of TDS by the Corporate Debtor does not constitute valid grounds for initiation of CIRP under Section 9 of the IBC by an operational creditor. TDS is a statutory liability owed to the government, not to the operational creditor, and therefore cannot be the basis for establishing a default in respect of operational debt under the Code. The tribunal emphasized that such matters fall within the domain of the Income Tax Act, 1961 and must be pursued by the relevant tax authorities.

At the same time, the Tribunal clarified that CIRP can still be initiated if the unpaid part of a claim, despite partial payments, meets or exceeds the threshold of ₹1 crore, as per the statutory minimum under Section 4 of the Code. Part payment does not extinguish the default so long as the balance unpaid amount remains above the threshold.

The appeal was found to be devoid of merit and accordingly dismissed.

**Mr. Ramprasad Vishvanath Gupta v. Mr. Dinesh Kumar Deora (RP) and Ors.****Date: 21 May 2025****Court: NCLAT, New Delhi****Bench: 3-Judge Bench****Case No.: CA(AT)(I)-442/2025 & CA(AT)(I)-474/2025****Corporate Debtor: Snehanjali and S.B. Developers Pvt. Ltd.****HELD:**

The NCLAT affirmed that a homebuyer has no locus to file an application under Section 43 of the IBC seeking avoidance of preferential transactions, as such applications can only be filed by the Resolution Professional (RP) under the statutory framework. The Tribunal set aside the imposition of ₹50,000 cost on the appellant but upheld the rejection of the application.

In a related appeal challenging the resolution plan on grounds of minority dissent, the Tribunal reiterated that individual homebuyers, being part of a class of financial creditors, cannot independently object to a CoC-approved resolution plan. The Appellant, being one among nearly 600 homebuyers, lacked locus standi to seek rejection of a plan that had received over 83% voting approval. The appeal was dismissed, upholding the commercial wisdom of the CoC and the Adjudicating Authority's approval of the plan.

**Nagpur Nagrik Sahakari Bank Ltd. v. Mohanlal Ayyapan Pillai and Ors.****Date: 5 May 2025****Court: NCLAT, New Delhi****Bench: 3-Judge Bench****Case No.: CA(AT)(I)-2382/2024 & CA(AT)(I)-448/2025****Corporate Debtor: Virgo Marine Shipyards Pvt. Ltd.****HELD:**

The NCLAT held that where auction proceedings under the SARFAESI Act were initiated and completed prior to the commencement of CIRP, the National Company Law Tribunal (NCLT) cannot set aside such sale under the pretext of a violation of the moratorium under Section 14(1)(c) of the Insolvency and Bankruptcy Code, 2016.

Relying on its earlier decision in *Pratibha Industries Ltd. v. Yes Bank Ltd.*, the Appellate Tribunal reiterated that once the auction notice under Section 13(8) of the SARFAESI Act is issued and sale is concluded before the initiation of CIRP, the right of redemption is extinguished and the moratorium under IBC does not retrospectively affect such transactions.

In the present case, since the entire sale process including issuance of sale notice, bid submission, confirmation of sale, and payment was completed before 21.01.2020 (the date of CIRP commencement), the subsequent interference by the NCLT in setting aside the sale was unjustified.

Accordingly, the NCLAT allowed the appeal and set aside the order of the NCLT, restoring the sale in favour of the auction purchaser.

**Ganesh Maruti Shendage v. Samruddhi Health Care and Anr.****Date: 23 May 2025****Court: NCLAT, New Delhi****Case No.: CA(AT)(I)-595/2025****Corporate Debtor: Surabhi Hospital Pvt. Ltd.****HELD:**

The appeal filed by the Suspended Director became infructuous due to a settlement between the Corporate Debtor and Operational Creditor, whereby the entire principal and interest were paid. Although CIRP was already initiated and 21 claims had been filed by creditors, the CoC was not yet constituted. The Appellant was granted liberty to file an application under Section 12A of the IBC through the IRP for withdrawal of CIRP proceedings. The NCLAT directed that the interim stay granted earlier shall continue until the NCLT adjudicates the 12A application. The ruling followed the principle laid down in *Glas Trust Co. LLC v. Byju Raveendran* [(2025) 3 SCC 625], permitting withdrawal prior to CoC formation.

**State Bank of India v. L.R. Builders Pvt. Ltd.****Date: 23 May 2025****Court: NCLAT, New Delhi****Case No.: CA(AT)(I)-2205/2024****Corporate Debtor: L.R. Builders Pvt. Ltd.****Section(s): Section 7 of IBC****HELD:**

The NCLAT set aside the NCLT's order rejecting SBI's Section 7 application on the ground of fraud and collusion. The Appellate Tribunal found that the NCLT had erroneously relied on criminal allegations made by the corporate guarantor (L.R. Builders) which had already been quashed by the Delhi High Court in *Sudhir Kumar & Ors. v. State of NCT of Delhi & Ors.* (W.P. (Crl.) 2152/2022).

It held that:

- The acknowledgments made by the guarantor restarted the limitation period under Section 18 of the Limitation Act.
- The NCLT failed to consider material evidence and judicial findings, including:
  - Delhi High Court's conclusion that the FIR was an abuse of process and that the dispute was civil in nature.
  - The bank's right to lien under Section 171 of the Contract Act, and that the collateral was validly retained for outstanding dues.
  - The guarantor's admission before the Delhi High Court in LPA No. 236/2024 that it had no grievance against SBI.
- The NCLAT observed that the NCLT drew unwarranted conclusions of collusion and fraud based on proceedings unrelated to the current debtor, notably involving PP Jewellers (Exports), which was a separate legal entity.
- Citing *Kranti Associates v. Masood Ahmed Khan* [(2010) 10 SCR 1070], the NCLAT criticized the lack of reasoning and disregard of natural justice in the impugned NCLT order.

The NCLAT concluded that the impugned order suffered from factual and legal infirmities, misapplied the law, and failed to appreciate relevant judicial decisions. It allowed the appeal and restored SBI's insolvency application under Section 7, holding that the debt and guarantee were enforceable, and no fraud was established.

**Indian Bank v. Anjane Kumar Lakhota and Ors.****Case No. and Date: CA(AT)(I)-458/2025, NCLAT New Delhi, decided on 21 May 2025****Corporate Debtor: MBL Infrastructures Ltd.****Provisions: Sections 95, 95(1) of the Insolvency and Bankruptcy Code, 2016****HELD:**

The NCLAT upheld the rejection of an application under Section 95(1) of the IBC against a personal guarantor whose earlier guarantee deed stood extinguished by an approved Resolution Plan that mandated the issuance of a fresh personal guarantee. The Tribunal held that although judicial precedents clarify that a Resolution Plan does not ipso facto discharge the guarantor's liability, this case was distinct. Here, the personal guarantor was also the Resolution Applicant, and the approved plan contemplated substitution of the old security, including the earlier guarantee—with a new one. Since the lender accepted payment under the approved plan and the fresh guarantee was executed in favour of SBICAP Trustee Company Ltd., the attempt to initiate insolvency proceedings under Section 95 on the basis of the old guarantee was held to be impermissible. The appeal was dismissed.

## **Vashishth Builders and Engineers Ltd. and Vashishth Estates Ltd. (in Consortium) v. Trishul Dream Homes Ltd. and Anr.**

**Case Nos. and Date: Company Appeal (AT) (Insolvency) Nos. 732, 680 & 681 of 2025, decided on 20 May 2025**

**Tribunal: NCLAT, Principal Bench, New Delhi**

### **HELD:**

The NCLAT set aside the rejection of the resolution plan by the Adjudicating Authority, holding that once a resolution plan meets the criteria under Section 30(2), the Adjudicating Authority is bound to approve it. In this case, the plan was approved by 91% of the CoC (majority of whom were homebuyers). The grounds of rejection, including issues related to valuation, CIRP cost allocation, statutory liabilities, and avoidance transaction recoveries, were found unsustainable. The Appellate Tribunal emphasized that judicial interference cannot override the commercial wisdom of the CoC unless there is a clear violation of the Code. The resolution plan was accordingly approved

## **Kuldeep Kumar Contractors v. NBCC (India) Pvt. Ltd.**

**Tribunal: The National Company Law Tribunal, New Delhi Bench**

**Case No. and Date: C.P. (IB) No. 715/ND/2023, decided on 09-May-2025**

**Corporate Debtor: NBCC (India) Pvt. Ltd.**

**Provisions: Sections 4, 8, and 9 of the Insolvency and Bankruptcy Code, 2016**

### **HELD:**

The NCLT rejected the Section 9 application filed by the Operational Creditor on the ground that the principal debt of Rs. 91.87 lakhs did not meet the statutory threshold of Rs. 1 crore under Section 4 of the IBC. The applicant sought to include interest to cross the threshold, but the Tribunal held that interest was contractually barred under Clause 23 of the General Conditions of Contract (GCC), and there was no independent agreement supporting such interest. Referring to precedents such as *SS Polymers v. Kanodia Technoplast Ltd.*, *Prashant Agarwal v. Vikas Parasrampur*, and *Maulick Kirtibhai Shah v. United Telecoms Ltd.*, the Tribunal reiterated that interest claims under IBC must be supported by written agreements or invoices. It further held that reliance on the MSMED Act without such agreement was not sustainable. The Tribunal also took note of forum shopping by the applicant who had initiated proceedings simultaneously before the MSME Arbitration Council, Delhi High Court, and NCLT. The existence of a pre-existing dispute, as acknowledged by the applicant, was another ground for rejection. Accordingly, the application under Section 9 was dismissed as not maintainable.

## **Nishit Sharma v. Jana Small Finance Bank and Anr.**

**Tribunal: The National Company Law Appellate Tribunal, Principal Bench, New Delhi**

**Case No. and Date: Company Appeal (AT) (Insolvency) No. 679 of 2025, decided on 20-May-2025**

**Corporate Debtor: Brandscale Innovations Pvt. Ltd.**

**Provisions: Section 7 of the Insolvency and Bankruptcy Code, 2016**

### **HELD:**

The Appellate Tribunal upheld the admission of the Section 7 application filed by Jana Small Finance Bank against Brandscale Innovations Pvt. Ltd., rejecting the appellant's reliance on the *Vidarbha Industries Power Ltd. v. Axis Bank*

Ltd. judgment. It was found that there was no dispute regarding the existence of financial debt or default, and the appellant's efforts to seek settlement during appeal proceedings only reinforced the admission of default. The Tribunal noted that the Adjudicating Authority had exercised its jurisdiction correctly and had recorded a clear finding on debt and default. It held that discretionary relief under Vidarbha is not attracted when debt and default are undisputed. The Appellant was granted liberty to pursue a settlement by filing a Section 12A application in accordance with the law laid down in GLAS Trust Company LLC v. BYJU Raveendran & Ors., 2024 SCC OnLine SC 3032. Accordingly, the appeal was dismissed.

### **TUF Metallurgical Pvt. Ltd. v. Wadhwa Glass Processors Pvt. Ltd.**

**Tribunal:** The National Company Law Tribunal, New Delhi Bench

**Case No. and Date:** CP(IB)-356/PB/2019-NCLT, decided on 04-Apr-2025

**Corporate Debtor:** Wadhwa Glass Processors Pvt. Ltd.

**Provisions:** Sections 3(10), 5(8) of the IBC, 2016

#### **HELD:**

A mortgage debt, while falling within the broad definition of 'debt' under Section 3(10) of the IBC, does not automatically qualify as a 'financial debt' under Section 5(8). The essential requirement of disbursement against time value of money must be satisfied to treat the debt as a financial debt. In the absence of such disbursement and financial contract, the application under Section 7 of the Code is not maintainable.

### **Asha Basantilal Surana v. State Bank of India and Ors.**

**Tribunal:** The National Company Law Appellate Tribunal, Principal Bench, New Delhi

**Case No. and Date:** CA(AT)(I)-84/2025-NCLAT, decided on 15-May-2025

**Corporate Debtor:** Not specified (case pertains to invocation of personal guarantee)

**Provisions:** Section 13(2) of the SARFAESI Act, 2002

#### **HELD:**

Whether a personal guarantee has been invoked by a notice under Section 13(2) of the SARFAESI Act depends on the specific language and intent of the notice. The Tribunal clarified that the earlier decision in Amanjyot Singh v. Navneet Kumar Jain RP cannot be read to lay down an absolute proposition that a personal guarantee can never be invoked under Section 13(2). Each case must be decided on its own facts and the wording of the notice.

### **Harish Raghavji Patel and Anr. v. Ajit Gyanchand Jain (IRP) and Ors.**

**Tribunal:** The National Company Law Appellate Tribunal, Principal Bench, New Delhi

**Case No. and Date:** Company Appeal (AT) (Insolvency) No. 682 of 2025, decided on 15-May-2025

**Corporate Debtor:** Rajesh Cityspaces Pvt. Ltd.

**Provisions:** Sections 18 and 19 of the IBC, 2016

#### **HELD:**

The IRP is duty-bound under Section 18 to take control and custody of assets owned by the Corporate Debtor. The suspended directors' occupation of two flats based merely on a Board Resolution does not confer any legal right to retain possession during CIRP. The Tribunal held that even if a notice period were applicable, it had long expired, and

the directors' continued possession was unjustified. The Appellants were directed to vacate the premises within 10 days, and the appeal was dismissed.

### **Max Publicity & Communication Pvt. Ltd. v. Enviro Home Solutions Pvt. Ltd.**

**Tribunal:** National Company Law Appellate Tribunal, New Delhi

**Case No. and Date:** CA(AT)(I)-456/2025-NCLAT, decided on 15-May-2025

**Corporate Debtor:** Max Publicity & Communication Pvt. Ltd.

**Provisions:** Section 9 of the IBC; Sections 213 & 212 of the Companies Act, 2013; Rule 11 of NCLT Rules, 2016

#### **HELD:**

While exercising jurisdiction under Section 9 of IBC, the Adjudicating Authority also acts as the NCLT under the Companies Act, 2013. Therefore, it may exercise powers under Section 213 to direct an investigation, provided reasonable opportunity is given to affected parties. However, directions to SFIO under Section 212 for investigation can only be issued in accordance with statutory provisions of that section. The Adjudicating Authority cannot directly order SFIO investigation under its general powers while acting under the Companies Act.

### **State Tax Officer v. Premraj Ramratan Laddha and Ors**

**Tribunal:** National Company Law Appellate Tribunal, New Delhi

**Case No. and Date:** CA(AT)(I)-720/2021-NCLAT, decided on 16-May-2025

**Corporate Debtor:** Twenty First Century Wire Rods Ltd.

**Provisions:** Section 53 of the IBC; Section 48 of the Gujarat VAT Act, 2003; Supreme Court judgment in Rainbow Papers

#### **HELD:**

Dues owed to the government under the GVAT Act and CST Act for the pre-CIRP period, if secured by operation of law under Section 48 of the GVAT Act, must be treated as secured debt under Section 53 of the Code. The Resolution Plan that ignored such dues was held to be in violation of Rainbow Papers and thus suffered from material irregularity under Section 30(2) of IBC. The statutory charge created by law elevates the claim from operational to secured status.

### **Gateway Investment Management Services Ltd. v. ASC Insolvency Services LLP and Ors.**

**Tribunal:** National Company Law Appellate Tribunal, New Delhi

**Case No. and Date:** CA(AT)(I)-148/2025-NCLAT, decided on 15-May-2025

**Corporate Debtor:** Not specifically mentioned

**Provisions:** Section 30(4), Section 31 of the IBC

#### **HELD:**

The Committee of Creditors (CoC) is fully empowered to evaluate and decide among competing resolution plans. Its commercial wisdom is not to be interfered with by the Adjudicating Authority unless the plan violates the mandatory

requirements under Section 30(2). In this case, no such violation was found. Therefore, the decision of the CoC was upheld and the NCLT's non-interference was found to be justified.

### **Devika Resources Pvt. Ltd. v. MAA Manasha Devi Alloys Pvt. Ltd.**

**National Company Law Appellate Tribunal, New Delhi, Principal Bench, New Delhi**

**Case No. and Date: Comp. App. (AT) (Ins) No. 938 of 2024 & I.A. No. 3418, 3419 of 2024, decided on 14-May-2025**

**Corporate Debtor: MAA Manasha Devi Alloys Pvt. Ltd.**

**Provisions: Section 4 and Section 9 of the Insolvency and Bankruptcy Code, 2016**

#### **HELD:**

The Appellate Tribunal held that for the purpose of maintaining an application under Section 9 of the IBC, the threshold amount of default (Rs. 1 crore as per the amended Section 4) must be assessed at the time of filing the application and not at the time of admission. Relying on the judgments in Rajamundry Electric Supply Corporation Ltd. v. A. Nageshwara Rao, Manish Kumar v. Union of India, and Hyline Mediconz Pvt. Ltd. v. Anandaloke Medical Centre Pvt. Ltd., the NCLAT observed that a subsequent payment made by the Corporate Debtor reducing the claim below the threshold during pendency does not invalidate a validly instituted application. Accordingly, the NCLT's dismissal of the application for want of threshold was held to be a patent error, and the order was set aside.

### **Apresh Garg v. Indian Bank and Ors.**

**Case No. and Date: Company Appeal (AT) (Insolvency) No. 396 of 2024 & I.A. No. 1822, 1977, 6619 of 2024, decided on 15-May-2025**

**Corporate Debtor: Agson Global Pvt. Ltd.**

**Provisions: Section 7 of the Insolvency and Bankruptcy Code, 2016**

#### **HELD:**

The Appellate Tribunal upheld the admission of the Section 7 application filed by Indian Bank despite it having only a 2.47% exposure in the lending consortium. The Tribunal held that consortium lenders are independent to pursue recovery under their own policies, and the in-principle decision of other lenders to transfer the account to NARCL does not preclude Indian Bank from initiating insolvency proceedings under IBC. The default by the Corporate Debtor was not disputed, and even the Appellant's conduct, seeking settlement with lenders and offering revised proposals, indicated the existence of debt and default. NARCL, now assignee of the entire consortium debt, had rejected the settlement proposals citing lack of tied-up funds and reliance on uncertain insurance claims and unidentified investors. The Tribunal found no infirmity in NARCL's decision and held that resolution must proceed under the IBC. Accordingly, the appeal was dismissed, and the interim relief vacated.



**Dr. Arabinda Kumar Rath v. Siba Kumar Mohapatra****National Company Law Appellate Tribunal (NCLAT), New Delhi****Case No. and Date: CA(AT)(I)-1482/2023-NCLAT, decided on 07-May-2025****Corporate Debtor: Medirad Tech India Ltd.****Provisions: Sections 25, 29, 30, and 31 of the Insolvency and Bankruptcy Code, 2016****HELD:**

The Appellate Tribunal held that there is no requirement under the IBC or the CIRP Regulations mandating the Resolution Professional (RP) to share the valuation reports with the suspended management of the Corporate Debtor. The role of the RP is confined to processing the resolution plan and placing any settlement or resolution offers before the Committee of Creditors (CoC). The decision to accept or reject a resolution plan or settlement offer is solely within the domain of the commercial wisdom of the CoC. The Tribunal reiterated that the RP has no adjudicatory power to assess or approve the plan, and the statutory framework does not permit intervention by the suspended directors in such commercial decisions.

**Divyang Gopalbhai Soni v. Bank of Baroda****Case No. and Date: CA(AT)(Insolvency) No. 1988/2024-NCLAT, decided on 02-May-2025****Corporate Debtor: Not applicable (proceeding under Part III – personal guarantor)****Provisions: Section 94 of the IBC, 2016; Section 19 of the Limitation Act, 1963****HELD:**

The NCLAT held that recoveries made through auction of mortgaged properties in execution of DRT decrees do not constitute acknowledgment of debt by the principal borrower or guarantor under Section 19 of the Limitation Act. Such recoveries, being unilateral enforcement actions, do not extend the limitation period for filing of an insolvency application under Section 94 against a personal guarantor. Therefore, in the absence of a fresh written acknowledgment or part payment by the guarantor, limitation continues to run.

**Sadananda Maiya P v. Karnataka Bank Ltd. and Anr.****Case No. and Date: Decided on 30-Apr-2025 (NCLAT Chennai Bench; specific appeal number not provided)****Corporate Debtor: Not applicable (personal guarantor proceedings under Part III)****Provisions: Sections 94, 95, 97, 99, 100, and 61 of the IBC, 2016****HELD:**

The NCLAT held that the appointment of a Resolution Professional (RP) under Section 97 of the IBC, 2016, is a procedural and administrative step in personal insolvency proceedings and does not determine any substantive right. As such, the appointment of RP under Section 97 does not give rise to a cause of action for appeal under Section 61. The Tribunal emphasized that only upon admission or rejection of the insolvency application under Section 100 does the right to challenge arise. This view is consistent with the Supreme Court's ruling in Dilip B. Jiwrajka v. Union of India, which clarified that the procedural steps under Sections 95 to 100 are not adjudicatory in nature. Accordingly, the appeals were dismissed as premature and devoid of merit.

**Vasavai Power Services Pvt. Ltd. v. Canara Bank Ltd.****Case No. and Date:** CA(AT)(CH)(I)-228/2025-NCLAT, decided on 30-Apr-2025**Corporate Debtor:** Vasavai Power Services Pvt. Ltd.**Provisions:** Section 7 of the IBC, 2016**HELD:**

Amendment in a Section 7 application cannot be allowed if it withdraws a pleading previously made or alters the foundational basis of the case. Such amendments that amount to retraction of prior admissions or change the character of the original pleading before the NCLT are impermissible, especially when they strike at the root of the cause of action or undermine judicial discipline.

**K.S. Chowdry v. Mummaneni Vazra Laxmi****Case No. and Date:** CA(AT)(CH)(I)-47/2025-NCLAT, decided on 30-Apr-2025**Corporate Debtor:** Not specified**Provisions:** Section 33(2) of the IBC, 2016**HELD:**

An application filed by an assignee (post-filing of liquidation application) to keep liquidation in abeyance cannot obstruct the NCLT from passing a liquidation order once the matter is reserved for orders. Assignment of debt or submission of resolution plan by suspended director cannot override the statutory mandate under Section 33(2). The mere pendency of such an IA does not constitute a valid legal ground to prevent the final adjudication of liquidation.

**Sugan Choudhary v. Arun Enterprises and Anr.****Case No. and Date:** CA(AT)(I)-746/2022-NCLAT, decided on 02-May-2025**Corporate Debtor:** Arun Enterprises**Provisions:** Section 5(8) of the IBC, 2016**HELD:**

A payment made by a buyer to a corporate debtor for purchase of land under an agreement to sell cannot be treated as a “financial debt” under Section 5(8). Such a transaction does not involve disbursement of money against consideration for the time value of money, which is the essential feature of financial debt. Consequently, such claims do not confer the status of a financial creditor.

**Harsha Vardhan Reddy v. Merit Inn Southern Star Pvt. Ltd. and Ors.****Case No. and Date:** CA(AT)(CH)-55/2025-NCLAT, decided on 30-Apr-2025**Corporate Debtor:** Merit Inn Southern Star Pvt. Ltd.**Provisions:** Section 421(3) of the Companies Act, 2013**HELD:**

The outer limit for filing an appeal under Section 421 of the Companies Act, 2013, including the condonable period, is 90 days. The Tribunal emphasized that no further extension can be granted beyond this limit. Mere “knowledge” of the order is not a sufficient ground for condoning delay. Litigants must apply for certified copies within the prescribed time, and failure to do so disqualifies the appeal as time-barred.

**Amier Hamsa Ali Abbas Rawther (Liquidator) v. Chairman Cum Managing Director, NLC India Ltd.****Case No. and Date:** CA(AT)(CH)(I)-213/2025-NCLAT, decided on 30-Apr-2025**Corporate Debtor:** Not specified**Provisions:** Section 9 of IBC, contractual dispute, arbitration clause**HELD:**

The NCLAT reiterated that the Insolvency and Bankruptcy Code is not a debt recovery mechanism. It refused to admit the Section 9 application where the underlying dispute arose from contractual obligations that were themselves subject to arbitration. The tribunal emphasized that where the contract provides for dispute resolution via arbitration, and there exists a genuine dispute, the remedy under IBC is not maintainable.

**Rajesh Bhatia v. Canara Bank and Anr.****Case No. and Date:** CA(AT)(CH)(I)-143/2024 & CA(AT)(CH)(I)-150/2024-NCLAT, decided on 30-Apr-2025**Corporate Debtor:** Not applicable (personal guarantor proceedings)**Provisions:** Sections 95, 97, and 100 of IBC, 2016**HELD:**

The NCLAT held that a personal guarantor cannot challenge the appointment of a Resolution Professional under Section 97 when no adjudication of rights has taken place. Proceedings from Sections 95 to 100 are administrative in nature and do not involve judicial determination of rights. Thus, no appeal lies under Section 61 until the matter reaches the stage of admission under Section 100. Consequently, challenges at the stage of RP appointment are premature and not maintainable.

## **T.C.A. Surveyors and Advisors Pvt. Ltd. v. Pooja Bahry, Est. RP for United News of India and Ors.**

**Case No. and Date:** CA(AT)(I)-533/2025 & CA(AT)(I)-534/2025-NCLAT, decided on 01-May-2025

**Corporate Debtor:** United News of India

**Provisions:** Section 30 of IBC, CoC approval, belated claim

### **HELD:**

The NCLAT held that a creditor who failed to file its claim before approval of the resolution plan by the CoC cannot later assert that the claim should be treated as financial debt. Once a plan is approved, no new claims can be entertained. The Appellant's failure to submit the claim during CIRP bars subsequent invocation of financial creditor rights. Procedural discipline under the IBC must be respected to uphold the finality of resolution plans.

## **Mudraksh Investfin Pvt. Ltd. v. Gursev Singh**

**Case No. and Date:** Company Appeal (AT) (Insolvency) No. 9 of 2025, decided on 02-May-2025

**Corporate Debtor:** Mica Industries Ltd. (Principal Borrower)

**Provisions:** Sections 4, 60, 78, 79, 95 of the Insolvency and Bankruptcy Code, 2016; Rule 3(1)(a) of the 2019 Rules; Judicial precedents including Lalit Kumar Jain, Anita Goyal, Aarti Singal

The Liquidator released Rs.14,34,73,661/- to the petitioner Bank towards its share for the credit of the loan account of M/s.Sri Textile Erode Private Limited with them. This was from the sale proceeds of the properties sold.

In the meanwhile, EPFO issued proceedings by invoking Section 8(B) of the EPF and MP Act prohibiting and restraining the Bank from making payments of the said deposit or any part thereof, to any person, whomsoever or otherwise than to the EPFO.

It was held that Section 53(1) of the IBC, 2016 shall not be applicable to dues governed by Section 36(4) of IBC 2016, which are to be treated outside the liquidation process and liquidation estate assets under the IB Code.

IB Code which stipulates that the IRP should obtain and review Income Tax and other statutory notices and obtain details of the financial institutions that are maintaining accounts of the CD and inform them of commencement of CIRP of the CD and appointment of IRP.

The IRP should also immediately give instructions for stopping payment from the account without the authority of the IRP and also change the details of the signatories of the accounts so as to take control of the account. In fact, it is recommended that where required, a new account may be opened.

In such circumstances, the prohibitory orders or attachment order being sent to the Bank appears out of the rule book. This is not a case where the defaulter is not under liquidation initiated by the IBC. This is also a case where the Bank intimated of the dues.

The orders of the EPFO on the hapless Bank Management is erroneous. The impugned orders of the EPFO are quashed.

## **Amier Hamsa Ali Abbas Rawther (Liquidator) v. Chairman Cum Managing Director, NLC India Ltd.**

**Case No. and Date:** CA(AT)(CH)(I)-213/2025-NCLAT, decided on 30-April-2025

**Coram:** 2-Member Bench, NCLAT Chennai

**Provision Involved:** Section 9 of the Insolvency and Bankruptcy Code, 2016

### **HELD:**

The NCLAT reiterated that IBC is not a tool for recovery of disputed claims, especially where the underlying dispute arises from contractual obligations that expressly provide for dispute resolution through arbitration. It held that CIRP cannot be invoked for recovery of dues arising from unsettled contractual claims, particularly when an arbitration clause exists and has not been exhausted. The Liquidator, acting on behalf of the Corporate Debtor, cannot bypass the dispute resolution mechanism agreed between parties by invoking IBC proceedings against a contracting party merely to recover money. The appeal was dismissed, reinforcing the distinction between insolvency and adjudicatory forums for contractual disputes.

## **S. Srinivasan v. State Bank of India**

**Case No. and Date:** Company Appeal (AT)(CH)(Ins) No. 270/2024 (IA No.723/2024), decided on 25-Apr-2025

**Corporate Debtor:** Not applicable (Personal Guarantor proceedings)

**Provisions:** Section 95 of the Insolvency and Bankruptcy Code, 2016; Rule 10 & 11 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019

### **HELD:**

The NCLAT dismissed the appeal filed by the Personal Guarantor challenging the Adjudicating Authority's order permitting withdrawal of the insolvency application under Section 95 filed by State Bank of India. It held that the applicant to the proceedings (SBI) retains the prerogative to withdraw its own petition before admission, especially when the application was still at the preliminary stage under Section 99 and had not yet reached adjudication under Section 100. The Tribunal held that the principles of "Dominus Litus" apply squarely, and the Personal Guarantor, as the opposite party, has no legal right or locus to oppose such withdrawal. Rule 11 of the IBC (Personal Guarantors) Rules, 2019 was held to be directory and procedural in nature, and withdrawal at a pre-admission stage does not require creditor approval. Since no prejudice is caused to the Personal Guarantor and the matter was withdrawn before any adjudicatory finding, the appeal was found devoid of merit and dismissed.

## **Sashi Kanta Jha and Anr. v. Devi Prasad and Ors.**

**Case No. and Date:** Company Appeal (AT) (Insolvency) No. 214 of 2024, decided on 30-Apr-2025

**Corporate Debtor:** Juggilal Kamlapat Jute Mills Company Ltd. (Now Geo Jute Ltd.)

**Provisions:** Sections 5(20), 5(21), and 9 of the Insolvency and Bankruptcy Code, 2016

### **HELD:**

The NCLAT upheld the admission of the Section 9 application filed by a workman (Respondent No. 1), holding that unpaid gratuity along with interest awarded under a final and unchallenged industrial award constituted "operational debt" under Section 5(21) of the IBC. The Tribunal further held that there was no pre-existing dispute raised in the civil suits relied upon by the Corporate Debtor, as those were filed either after initiation of proceedings or were

unrelated to the claim of workmen. The filing of Suit No. 2506/2017, shortly after the company agreed before the Delhi High Court that workers could proceed under Sections 8 and 9 of the IBC, was found to be a mala fide attempt to obstruct legitimate claims. The plea of res judicata was rejected, as the earlier Section 9 application by the trade union was dismissed solely on the ground of prematurity and not on merits. The appeal was dismissed, affirming the maintainability of the operational creditor's claim.

### **Saurabh Jhunhunwala v. Pegasus Assets Reconstruction Company Pvt. Ltd. and Anr.**

**Case No. and Date:** CA(AT)(I)-648/2024-NCLAT, decided on 01-May-2025

**Provision Involved:** Section 7, IBC; Section 18, Limitation Act, 1963; Section 28, Registration Act, 1908 (as amended by Tamil Nadu Act 19 of 1997)

#### **HELD:**

The NCLAT upheld the admission of Section 7 application by Pegasus ARC, rejecting the appellant's challenge on three key issues:

- **Validity of Assignment Agreement:** The Tribunal held that although the assignment deed dated 27.09.2013, executed outside Tamil Nadu and registered in Kolkata, was void qua the immovable property situated in Coimbatore (253.89 acres of land and building), due to violation of Section 28 of the Registration Act (as amended for Tamil Nadu), this did not render the entire assignment invalid. Thus, rights over the debt itself were validly assigned.
- **Limitation:** Continuous acknowledgment of debt in the Corporate Debtor's balance sheets extended the limitation under Section 18 of the Limitation Act. The non-disclosure of the Assignee's name in those acknowledgments did not nullify the extension of limitation, since the acknowledgment was of the debt itself, not necessarily the identity of the creditor.
- **Relevance of Assigned Amount vs. Claimed Amount:** The Tribunal clarified that the amount mentioned in the assignment agreement (as of 2013) is irrelevant to assessing default under Section 7. What matters is the debt due as on the date of filing of the application, i.e., 04.08.2022.

The appeal was dismissed, and the Section 7 admission was upheld. However, the Tribunal declared the assignment agreement void insofar as it purported to create equitable mortgage over the Tamil Nadu property without complying with Tamil Nadu's registration requirement.

### **Kavindra Kumar and Ors. v. Desein Pvt. Ltd.**

**Case No. and Date:** CA(AT)(I)-1272/2023-NCLAT, decided on 01-May-2025

**Corporate Debtor:** Desein Pvt. Ltd.

**Provisions:** Sections 4 and 8 of the Insolvency and Bankruptcy Code, 2016; Rule 6 and Form 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016

#### **HELD:**

The NCLAT held that operational debts of multiple employees cannot be clubbed together to meet the threshold under Section 4 of the IBC for initiating insolvency proceedings:

- **Distinct Operational Creditors:** Each employee is an independent *operational creditor* and must serve a separate demand notice under Section 8(1) of the Code. The Note appended to Part-V of Form 5 of Rule 6 of the IB (Application to Adjudicating Authority) Rules, 2016, which allows for listing of all debts, does not override the statutory requirement.

- **Threshold Under Section 4:** The financial threshold (Rs. 1 crore) under Section 4 must be met *individually* by each operational creditor. Clubbing debts of multiple employees is impermissible and would defeat the scheme of the Code.
- **Binding Nature of NCLAT Judgments:** Even where a judgment of the NCLAT is carried in appeal and the Supreme Court dismisses the appeal without assigning reasons, the NCLAT's judgment retains its precedential value and remains binding. The appeal was accordingly dismissed, and the order rejecting the joint application by multiple employees was upheld.

## G. V. Marry v. Union Bank of India and Ors.

**Bench: NCLAT Chennai**

**Case No.: Company Appeal (AT)(CH)(Ins) No. 165/2025**

**Date: 30-Apr-2025**

### ISSUE:

Whether penalties imposed by SEBI and sought to be recovered under Section 28A of the SEBI Act can be treated as "excluded debt" under Section 79(15)(a) of the IBC and therefore kept outside the purview of personal insolvency and bankruptcy proceedings under IBC.

### HELD:

- **SEBI Penalty = Excluded Debt:** The penalty imposed by SEBI under Section 28A of the SEBI Act is a fine within the meaning of **Section 79(15)(a)** of the Insolvency and Bankruptcy Code, 2016. Fines imposed by a court or tribunal are treated as "excluded debt" and do not fall within the scope of bankruptcy proceedings initiated under Section 122 of IBC.
- **No Protection from Moratorium (Sec. 96):** The moratorium under Section 96 does not apply to fines or regulatory penalties. This position is also supported by the **Supreme Court decision in *Saranga Anilkumar Aggarwal v. Bhavesh Dhirajlal Sheth [(2025)]***, which held that penalties imposed for regulatory violations are not covered by the moratorium under personal insolvency provisions.
- **Pending Telangana HC Proceedings:** The Division Bench of the Hon'ble Telangana High Court (*G. Bala Reddy case*) had kept the question open whether SEBI's penalty constitutes a fine under IBC, but the NCLAT independently held that SEBI penalties fall within the meaning of "fine" and hence are excluded debts.
- The adjudicating authority's observation treating SEBI's penalty as "excluded debt" was **legally valid** and consistent with statutory interpretation. The moratorium and discharge provisions of the IBC cannot be invoked to shield the personal guarantor from regulatory penalties.

## DSP Asset Managers Pvt. Ltd. v. Grant Thornton India (Bharat) LLP and Ors.

**Case No. and Date: CA(AT)-263/2024-NCLAT, decided on 01/05/2025**

**Corporate Debtor: Not specified (inferred to be under CIRP managed by Grant Thornton India LLP as IRP/RP)**

**Provisions: Section 15, Section 18, and relevant CIRP Regulations (including Regulation 12 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)**

### HELD:

In the absence of any credible and genuine grounds for delay, the NCLAT declined to interfere with the NCLT's rejection of the belated claim of DSP Asset Managers Pvt. Ltd. The Tribunal emphasized that:

- Permitting delayed admission of claims without reasonable cause may jeopardize the resolution process, particularly at an advanced stage.
- Any selective indulgence in allowing delayed claims may trigger similar demands from other creditors, leading to re-mapping of creditors and pro-rata recalculation of distributions, which would undermine the finality and timeliness intended under the IBC.
- The extension of timelines for filing claims had been made uniformly available to all stakeholders, and there was no arbitrariness in the cut-off applied.

Accordingly, the appeal was dismissed, reinforcing the principle that strict adherence to CIRP timelines is vital to preserve the certainty and sanctity of the resolution process under IBC.

### **Visa Coke Ltd. v. Mesco Kalinga Steel Ltd.**

**Case No. and Date:** CA-357/2025-SC, decided on 29/04/2025

**Corporate Debtor:** Mesco Kalinga Steel Ltd.

**Provisions:** Section 8 and Section 9 of the Insolvency and Bankruptcy Code, 2016

#### **HELD:**

The Supreme Court upheld the decision that service of demand notice under Section 8 of the IBC, issued by the Operational Creditor to a Key Managerial Personnel (KMP) of the Corporate Debtor and delivered at the Corporate Debtor's registered office, constitutes valid service in compliance with the IBC. The Court noted that such service satisfies the statutory requirement of bringing the demand to the notice of the Corporate Debtor.

Further, the Court clarified that issues raised by the Corporate Debtor regarding the date of default, or any alleged novation or supersession of the original contract, are matters of disputed facts. These issues must be decided by the Adjudicating Authority (NCLT) at the stage of final disposal of the Section 9 petition, and not at the stage of issuance or challenge to the demand notice.

### **IDBI Bank Ltd. v. KRS Erectors Pvt. Ltd. and Ors.**

**Case No. and Date:** IA No. 328/2025 & IA No. 252/2025 in Company Appeal (AT)(CH)(Ins) No. 211/2024, decided on 28-Apr-2025

**Corporate Debtor:** KRS Erectors Pvt. Ltd.

**Provisions:** Section 61 of IBC; Sections 19, 25, 35 & 36 of IBC; Regulation 33(3) of Liquidation Process Regulations, 2016; Section 238 of IBC

#### **HELD:**

An injunction or restraint cannot be sought in an appeal under Section 61 of the IBC against a third party (Maharashtra State Power Generation Company Ltd.) who is not a party to the original proceedings. Provisions of Sections 19, 25, 35, and 36 of the IBC, as well as Regulation 33(3), do not confer authority on the Appellate Tribunal to injunct non-parties to the appeal. Section 238 of the IBC does not override the fundamental principle that no order affecting civil rights can be passed without hearing the concerned party. Consequently, IA No. 252/2025 seeking injunction against MSPGCL was rejected.



## Gajjala Yoganand v. Birendra Kumar Agarwal and Anr.

**Case No. and Date:** CA (AT)(CH)(Ins) No. 131/2025 (IA Nos. 351, 352, 353/2025) with CA (AT)(CH)(Ins) No. 133/2025 (IA Nos. 357, 358, 359, 360/2025), decided on 28-Apr-2025

**Provision(s) Involved:** Section 61(2) of IBC; Rule 26 of NCLAT Rules, 2016

### HELD:

Condonation of delay in re-filing of appeals under the IBC must meet the test of reasonable diligence and sufficiency of cause, especially given the time-bound framework of the Code. The Tribunal distinguished between delay in filing governed by Section 61(2) of IBC and delay in re-filing governed by Rule 26 of NCLAT Rules. While procedural delays in re-filing may be treated more flexibly, such leniency is not automatic and requires a plausible and genuine explanation. Here, the delay of 209 and 212 days in re-filing was held to be excessive and unexplained, showing lack of diligence. Delay applications (IA Nos. 353/2025 and 360/2025) were dismissed. All pending IAs stood closed.

### Key Precedents Cited:

- V.R. Ashok Rao v. TDT Copper Ltd., (2022) -NCLAT
- Innovators Cleantech Pvt. Ltd. v. Pasari Multi Projects Pvt. Ltd., (2024) - NCLAT
- Jojo Joseph v. Vajra Creations Pvt. Ltd., (2023) - NCLAT
- Adisri Commercial Pvt. Ltd. v. RBI, (2022) - NCLAT
- Mr. V. Nagarajan v. SKS Ispat and Power Ltd., (2021- SC
- Ebix Singapore Pvt. Ltd. v. CoC of Educomp Solutions Ltd., (2021) - SC
- CA Ramchandra Dallaram Choudhary (Liquidator) v. Adani Infrastructure & Developers Pvt. Ltd., (2025)- NCLAT

## Syed Sirajis Salikin Khadri v. Edelweiss Asset Reconstruction Company Ltd. and Anr.

**Case No. and Date:** Company Appeal (AT) (Insolvency) No. 455 of 2025, decided on 25-Apr-2025

**Provision(s) Involved:** Section 94 and Section 96 of the Insolvency and Bankruptcy Code, 2016; SARFAESI Act

### HELD:

- **Filing of Section 94 Petition Was Abuse of Process to Stall Recovery:** The Appellant, a personal guarantor to Infra Dredge Services Pvt. Ltd., filed a Section 94 IBC application just weeks after receiving possession notice under the SARFAESI Act. NCLAT held this was not for genuine insolvency resolution but to obstruct lawful recovery proceedings and delay possession of the mortgaged residential property.
- **Pattern of Abuse by the Guarantor:**  
Over a decade, the Appellant initiated repeated litigations (multiple SAs, writs, etc.) to evade recovery and possession proceedings under SARFAESI. Despite undertakings to DRT and the High Court to vacate or repay, the Appellant defaulted persistently.
- **Misplaced Reliance on *Getz Cables* Judgment:**  
The Tribunal distinguished the *Getz Cables Pvt. Ltd. v. SBI* case, noting that unlike *Getz*, where IBC proceedings followed closely on SARFAESI action, here there was a gap of over 10 years, indicating bad faith in invoking Section 94.
- **Moratorium Under Section 96 Not a Shield for Avoiding Possession:**  
The letter dated 06.12.2022 sent by the Appellant to Edelweiss citing moratorium to stop SARFAESI

enforcement, was seen as an admission of using IBC's protection to stall action rather than to resolve insolvency.

- **Adjudicating Authority Had Jurisdiction to Entertain Intervention and Dismiss Petition:**  
Since the Resolution Professional's report under Section 99 was filed, NCLT had the jurisdiction to adjudicate under Section 100 and also entertain the IA by the Financial Creditor alleging abuse of process.
- **No Violation of Natural Justice:**  
The Appellant failed to file replies despite repeated opportunities. The plea of being denied a hearing before dismissal was held meritless and unsupported by the record.

The NCLAT affirmed the NCLT's dismissal of the Section 94 petition. The appeal was dismissed with no costs.

### **Sarla Performance Fibres Ltd. v. Vivek Murlidhar Dabhade**

**Corporate Debtor: Desimran Cartons Pvt. Ltd.**

**Provisions: Section 7, Section 34(2), Section 35(1)(o), and Section 45 of the Insolvency and Bankruptcy Code, 2016; Regulation 10 of the IBBI (Liquidation Process) Regulations, 2016**

**Case No. and Date: Company Appeal (AT)(CH)(Ins) No. 270/2024 (IA No.723/2024), decided on 25-Apr-2025**

#### **HELD:**

The NCLAT upheld the Adjudicating Authority's order allowing the liquidator to disclaim a Leave and License Agreement entered into by the Corporate Debtor with the Appellant as an onerous and unprofitable contract under Regulation 10 of the Liquidation Regulations. It rejected the challenge to the validity of Regulation 10, holding it intra vires the IBC and traceable to Section 35(1)(o). The Tribunal also held that there was no divergence in opinion between the Judicial and Technical Members of the NCLT, as both concluded that the transaction lacked bona fides and amounted to an unprofitable contract. The appeal challenging the auction process was also rejected, as the auction had already been successfully conducted. The liquidator was directed to reconsider the claim of the Appellant for Rs. 1.15 crore. All appeals were dismissed.

### **Maneesh Ramakant Sapte v. Export Import Bank of India and Ors.**

**Case No. and Date: Company Appeal (AT) (Insolvency) No.1954 of 2024, decided on 24.04.2025**

**Corporate Debtor: Maneesh Pharmaceuticals Ltd.**

**Provisions: Sections 7, 12A, 62 of IBC; Regulation 30A of CIRP Regulations; RBI Circular dated 18.08.2023**

#### **HELD:**

The NCLAT upheld the admission of Section 7 application filed by Export-Import Bank of India and other financial creditors against Maneesh Pharmaceuticals Ltd., based on established debt and default, including the invocation of a corporate guarantee for a foreign currency term loan to a Dutch subsidiary. The Appellant (suspended director) had deposited Rs.369.11 crores with the Tribunal, contending that it was sufficient to discharge all dues. The Appellant's argument against penal interest and interest-on-interest based on RBI's 2023 Guidelines was rejected, noting such circulars do not apply to external commercial borrowings. The Tribunal clarified that such disputes on computation and penal charges cannot be resolved in admission proceedings. Referring to the Supreme Court's decision in GLAS Trust Company LLC v. BYJU Raveendran, the Tribunal directed that any settlement proposal must be submitted to the CoC under Section 12A and Regulation 30A. The CoC was directed to be constituted within the CIRP process, and given 60 days to consider the Appellant's proposal. If the CoC rejects the proposal, the Appellant may apply for withdrawal of the amount deposited. The appeal was disposed of with liberty to pursue settlement via CoC and Section 12A mechanism.

## Sarla Performance Fibres Ltd. v. Vivek Murlidhar Dabhade

**Case No. and Date:** CA(AT)(I)-379/2025, CA(AT)(I)-380/2025, CA(AT)(I)-381/2025 – decided on 24.04.2025

**Corporate Debtor:** Desimran Cartons Pvt. Ltd.

**Provision:** Regulation 10 of IBBI (Liquidation Process) Regulations, 2016; Sections 34, 35, 240 of IBC

### HELD:

The NCLAT upheld the validity of Regulation 10 of the Liquidation Regulations, 2016 empowering the liquidator to disclaim onerous property, including unprofitable contracts such as the Leave and License Agreement entered by the Corporate Debtor just before commencement of CIRP. It held that the regulation is not ultra vires the Code and is squarely covered under Sections 35(1)(o) and 240(2) of the IBC. The Tribunal found no divergence in opinion between the Judicial and Technical Members of the NCLT, both having concluded that the transaction was unprofitable and not in good faith. The appeal challenging the disclaimer and auction process was dismissed, with liberty to the liquidator to proceed further.

## Shailendra Agarwal v. Asit Upadhyaya and Ors.

**Case No. and Date:** Company Appeal (AT) (Insolvency) No. 327 of 2025 – decided on 23.04.2025

**Corporate Debtor:** NHA Infrabuild Pvt. Ltd.

**Provisions:** Section 7(1), Section 65 of the Insolvency and Bankruptcy Code, 2016; Sections 18 and 22 of the Limitation Act, 1963; Sections 369 and 370 of the Companies Act, 2013

### HELD:

The NCLAT upheld the admission of the Section 7 IBC application filed by allottees against the Corporate Debtor, rejecting objections regarding limitation, threshold compliance, fraudulent intent, and legal personality change. It was held that:

- **Limitation:** Continuous failure to hand over possession and default in refunds constituted a continuing cause of action under Section 22 of the Limitation Act, and acknowledgment in the Corporate Debtor's balance sheet dated 30.06.2022 further extended limitation under Section 18. The petition filed in January 2024 was held to be within time.
- **Threshold Compliance under Proviso to Section 7(1):** Respondents collectively held 34 out of 247 units, meeting the 10% threshold. Objections regarding alleged settlements or refund to some allottees were not backed by credible evidence.
- **Status of Decree Holders:** The Tribunal affirmed that homebuyers holding RERA recovery certificates continue to remain "financial creditors" under Section 5(8)(f) of IBC, relying on Vishal Chelani (2023 SC) and Rahul Gyanchandani (2024 NCLAT), overriding contrary views in Sushil Ansal (2020 NCLAT).
- **Fraud/Malicious Intent under Section 65:** Allegations of forum shopping or speculative intent by homebuyers were found baseless. No evidence of fraud was produced by the Corporate Debtor, and mere assertions could not invoke Section 65.
- **Conversion from Partnership to Company:** Change in legal structure from M/s. Nikhil Associates to M/s. NHA Infrabuild Pvt. Ltd. did not extinguish pre-existing liabilities. The liabilities of the partnership firm remained binding post-conversion under Sections 369–370 of the Companies Act, 2013.

Accordingly, the appeal was dismissed and the CIRP was directed to continue. All interlocutory applications were disposed of.

## Bank of Baroda v. Formation Textile LLC and Ors.

**Case No. and Date: Company Appeal (AT) (Insolvency) No. 983 & 984 of 2023 with connected appeals – decided on 22.04.2025**

**Corporate Debtor: Mandhana Industries Ltd.**

**Provisions: Sections 29, 60(5)(c) of the IBC; Regulation 36(2) of CIRP Regulations; Section 42 of Companies Act, 2013; Section 74 of Indian Contract Act, 1872**

### HELD:

The NCLAT overturned the NCLT's finding that the Resolution Plan became voidable due to alleged non-disclosure of transaction audit reports and financial details, reaffirming the binding obligations of the Successful Resolution Applicant (SRA) post-approval:

- **PBG and Equity Infusion:** The Performance Bank Guarantee (PBG) furnished under the RFRP remains distinct from equity infusion. In line with the Supreme Court's ruling in *Murari Lal Jalan*, PBG must be kept alive till full plan implementation and cannot be adjusted towards equity. CoC's invocation of PBG was held valid.
- **Non-Sharing of Transaction Audit Report:** Under Regulation 36(2) as applicable at the time, RPs were not obligated to share transaction audit reports in the Information Memorandum. Filing of the avoidance application was post-plan submission, and its non-disclosure could not render the plan voidable.
- **No Right to Wriggle Out:** Once the plan is approved, obligations of the SRA become enforceable. Citing *Ebix Singapore v. Educomp*, the Tribunal held that SRA cannot evade commitments on grounds of alleged non-disclosures or exclusions. The findings of the Adjudicating Authority were erroneous.
- **Companies Act Section 42 Inapplicable:** The requirement of issuing shares under Section 42 (private placement) is not attracted where equity infusion is a requirement of a resolution plan. Obligations must be read from the plan itself.
- **Damages and Forfeiture:** Forfeiture of EMD/PBG or other sums per the plan terms is permissible without invoking Section 74 of the Contract Act. However, the Adjudicating Authority could not adjudicate non-liquidated damages under Section 60(5)(c) IBC jurisdiction.
- **Interim Trade Creditors Entitled to Dues:** Formation (SRA) failed to pay ₹20.9 Cr. dues to interim trade creditors for supplies made during its management. The Tribunal directed recovery of these dues from ₹42.99 Cr. held in fixed deposit (infused equity). After settling creditors, the balance ₹22.09 Cr. (with interest) was ordered to be refunded to Formation, as no shares were ever allotted to them.

Accordingly, the appeal by Bank of Baroda and other financial creditors was allowed. The findings of the NCLT were reversed to the extent of permitting SRA to wriggle out, and directions were issued regarding PBG invocation, settlement of trade creditors, and refund of remaining funds.

## Electrosteel Steel Ltd. v. Ispat Carrier Pvt. Ltd.

**Case No. and Date:** Civil Appeal No. 2896 of 2024 (Arising out of SLP (C) No. 15823 of 2023), decided on 21.04.2025

**Corporate Debtor:** Electrosteel Steel Ltd.

**Provision Involved:** Section 31 of the IBC, 2016; Sections 34 & 36 of Arbitration and Conciliation Act, 1996; Section 47 CPC; Sections 15–18 of MSME Act, 2006

### HELD:

Upon approval of the Resolution Plan under Section 31 of the IBC, all prior claims not included in the Plan stand extinguished, including those under MSME arbitral awards. Award rendered by MSME Facilitation Council post-approval of Resolution Plan is non-executable as being without jurisdiction:

- **Resolution Plan Binding:** The Supreme Court reaffirmed the "clean slate" principle as laid down in Essar Steel and Ghanshyam Mishra, holding that all claims not forming part of the approved resolution plan stand extinguished, including arbitral claims, even if arbitrated under the MSME Act. The respondent's claim was not included in the top 30 operational creditors whose claims were settled at nil, and thus, stood extinguished.
- **Execution of Arbitral Award Not Permissible:** The arbitral award passed by the MSME Facilitation Council post-CIRP approval was declared without jurisdiction and hence a nullity. Such an award can be challenged under Section 47 of the CPC during execution proceedings, even if not challenged under Section 34 of the Arbitration Act. The High Court erred in holding otherwise. (¶49–50.1)
- **Moratorium Lifting Irrelevant:** The lifting of moratorium after approval of the resolution plan does not revive extinguished claims. Once the plan is approved, the corporate debtor cannot be subjected to proceedings in respect of any claim not accounted for in the plan.
- **Award Set Aside and Execution Quashed:** The arbitral award dated 06.07.2018 was held unenforceable. Execution order passed by Commercial Court and High Court's judgment were both set aside. (¶52–53)

**Legal Proposition:** Even if the MSME Facilitation Council recommences arbitral proceedings after the moratorium ends, it cannot revive or enforce claims extinguished under a duly approved Resolution Plan. Such arbitral awards are non est in law and unenforceable under Section 47 CPC, and Section 34 challenge is not a pre-condition for objecting to their execution.

## Aarti Singal v. State Bank of India and Anr.

**Case No. and Date:** Company Appeal (AT) (Insolvency) Nos. 2121, 2124, 2114 & 2115 of 2024, decided on 21.04.2025

**Corporate Debtor:** Not named in the order (concerns personal guarantors of a resolved corporate debtor)

**Provision Involved:** Sections 95 & 100 of IBC, 2016; Rule 7 of the Personal Guarantor Rules, 2019

**Impugned Order:** NCLT Principal Bench, New Delhi, dated 07.10.2024 in IA Nos. 155/2024 & 2595/2024

### HELD:

Mere approval of a Resolution Plan and partial recovery of debt therein does not preclude a Financial Creditor from initiating insolvency proceedings under Section 95 of IBC against a personal guarantor. Objections on quantification of debt or recoveries made are to be considered at the stage of the repayment plan, not at admission:

- Invocation of Guarantee is Trigger for Section 95: The Bank had invoked personal guarantees on 13.02.2018, and the Section 95 application was filed thereafter. The invocation gave rise to a cause of action and entitled the Financial Creditor to file for initiation of insolvency resolution against the personal guarantor.
- Resolution Plan Clause Does Not Bar Application: Clause 1.8(F) of the approved Resolution Plan only restricts the guarantor from claiming subrogation or indemnity but expressly preserves the Financial Creditor's right to proceed against personal guarantors for any unrecovered financial debt. Thus, admission under Section 95 was not vitiated.
- Quantum of Debt Not a Bar to Admission: Objections raised by the Appellant regarding alteration of debt quantum or recovery made under the Resolution Plan are not valid grounds to challenge admission under Section 95. Such objections are to be examined at the stage of repayment plan formulation. (relying on Hari Singh Thakur v. Sandeep Kumar Bhatt, 2024 SCC OnLine NCLAT 1182)
- Application under Rule 7 Properly Made: As all procedural steps under Rule 7 of the IBC (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors) Rules, 2019, were complied with, the initiation of the insolvency process was valid.

**Legal Proposition:**

Admission of a Section 95 application against a personal guarantor cannot be faulted merely because a Resolution Plan has been approved for the Corporate Debtor or because certain recoveries have been made under it. Such factors may affect quantification and structuring of the repayment plan, but not the initiation of proceedings itself.

## **Genesis Comtrade Pvt. Ltd. v. Opulent Infradevelopers Pvt. Ltd.**

**Case No. and Date:** IA 1796(ND)/2024 in CP No. IB 304(ND)/2022, decided on 17.04.2025

**Corporate Debtor:** Opulent Infradevelopers Pvt. Ltd.

**Provision Involved:** Sections 5(8)(f), 3(11), and 14 of IBC; Section 40 of the RERA Act

**HELD:**

Homebuyers who have already taken possession of units prior to commencement of CIRP cannot claim registration of sale deed or delayed possession charges as financial debt under IBC; such claims are not maintainable in CIRP, especially if based on pre-CIRP RERA decrees:

- Possession Delivered Prior to CIRP – No Surviving Debt: Applicants had taken possession in 2021 (pre-CIRP). Claims relating to sale deed registration or delayed interest do not qualify as financial debt under Section 5(8)(f), which requires an obligation to pay a sum that is still due. Once possession is delivered, no further contractual or financial liability survives.
- RERA Decree Does Not Create Financial Creditor Status: Though the UP RERA had passed a decree in 2019 granting delayed possession interest, the Applicants became decree-holders, not financial creditors in class. The claim does not meet the IBC definition of financial debt, and thus, they cannot be treated as part of the class of homebuyer-creditors.
- Execution of RERA Decree Barred by Moratorium: The Applicants sought to enforce the RERA decree after commencement of CIRP and during the moratorium imposed under Section 14. Such enforcement proceedings are barred, and no recovery can be made through Section 40 RERA certificate during CIRP.
- Electricity Disconnection – Not a CIRP Claim: Grievance regarding disconnection of electricity post-CIRP is unrelated to the insolvency process and does not constitute a claim against the corporate debtor under the IBC.
- Wrong Form & Delay in Filing Claim – Justified Rejection by RP: Initial filing in incorrect Form-B and delayed refiling in Form-CA (March 2024) were not condoned by the RP, which was held valid by the Adjudicating Authority in light of delay and absence of a financial debt.

**Legal Proposition:** Possession of property pre-CIRP disentitles an allottee from classification as a financial creditor under IBC. RERA decrees for delayed possession interest create enforceable rights in civil law but not financial debt

under IBC. Execution of such decrees is barred during moratorium. Claims related to sale deed registration or amenities (like electricity) do not fall within CIRP claim processing and are not enforceable during resolution proceedings.

### **HDFC Bank Ltd. v. Atul Kumar Kansal and Ors.**

**Case No. and Date: Company Appeal (AT) (Insolvency) No. 549 of 2025, decided on 08.04.2025**

**Corporate Debtor: Universal Buildwell Pvt. Ltd.**

**Impugned Order: Atul Kumar Kansal RP of Universal Buildwell Pvt. Ltd**

#### **HELD:**

Secured lender having mortgage over third-party buyer's property has no locus to object to a resolution plan under IBC when the mortgaged unit is not held by the corporate debtor and no tripartite agreement exists:

- **No Locus to Object Without Title or Tripartite Agreement:** HDFC Bank's mortgage was created by M/s Nayanika Holdings Pvt. Ltd., which held title over the concerned unit through a conveyance deed. There was no tripartite agreement between the bank, Nayanika Holdings, and the Corporate Debtor. Thus, the Bank cannot raise objections to the resolution plan or seek exclusion of the unit from it.
- **Resolution Plan Approved by CoC and Unit Holders:** The unit in question was already considered in the resolution plan approved by unit holders having valid builder-buyer agreements or conveyance deeds. Once the CoC-approved resolution plan is placed before the Adjudicating Authority, objections from third-party lenders (with no direct contractual nexus with the Corporate Debtor) are not maintainable.
- **Remedy Lies Against Borrower, Not in CIRP:** The Appellant's remedy, if any, lies against the borrower (i.e., M/s Nayanika Holdings Pvt. Ltd.) and not within the CIRP framework of Universal Buildwell Pvt. Ltd.. The Adjudicating Authority rightly held that disputed mortgage rights vis-à-vis a non-CD entity must be agitated before a competent forum outside IBC.
- **Reliance on Deepak Kulkarni Judgment Misplaced:** The Appellant's reliance on Deepak Sakham Kulkarni v. Manoj Kumar Agarwal (RP) [(2024) NCLAT] was found inapplicable. In that case, units wrongly included in the resolution plan were not owned by the CD. In contrast, here, the units are validly held and part of resolution plan with no rights vested in HDFC.

**Legal Proposition:** A secured creditor holding mortgage rights over a unit purchased by a third party (not the Corporate Debtor), without any tripartite agreement involving the CD, cannot object to a resolution plan under IBC. The locus standi in CIRP is confined to creditors of the corporate debtor, and resolution plan once approved by CoC is binding, subject to rights of such secured creditor to proceed under general law against the borrower.

### **Canara Bank v. Ramgopal Agrawal**

**Case Number: CP(IB)-56/IND/2024-NCT**

**Tribunal/Court: National Company Law Tribunal, Indore Bench: Date of Decision: 23 April 2025**

**Provision of the Law: Section 95 of the Insolvency and Bankruptcy Code, 2016 (Personal Insolvency – Initiation by Financial Creditor)**

The NCLT held that issuance of a demand notice under Section 13(2) of the SARFAESI Act, 2002 does not amount to invocation of a personal guarantee under the IBC. The SARFAESI demand notice is intended for enforcement of security interest and does not trigger the contractual liability of a guarantor as envisaged under the Deed of Guarantee. Consequently, for the purpose of Section 95 of the IBC, a separate and explicit invocation of the guarantee is necessary to establish default.



**Omkara Assets Reconstruction Pvt. Ltd. v. Ms. Kirandevi Agrawal****Case Number: CP(IB)-151/AHM/2025-NCLT****Tribunal/Court: National Company Law Tribunal, Ahmedabad Bench****Date of Decision: 08 April 2025****Provision of the Law: Section 95 of the Insolvency and Bankruptcy Code, 2016 (Personal Insolvency – Initiation by Financial Creditor)**

The NCLT Ahmedabad held that a demand notice issued under Section 13(2) of the SARFAESI Act, 2002, even if addressed to the guarantor and demanding payment of dues, does not amount to a valid invocation of the personal guarantee for the purposes of initiating proceedings under Section 95 of the IBC. The Tribunal observed that enforcement action under SARFAESI is aimed at realization of secured assets and is distinct from enforcing the contractual obligations of a guarantor. Therefore, in the absence of separate invocation of the personal guarantee as per the terms of the Guarantee Deed, the existence of “default” under Section 95 could not be established.

**State Tax Officer v. CA Vinod T. Agrawal and Ors****Case Number: CP(IB)-123/AHM/2022-NCLT****Tribunal/Court: National Company Law Tribunal, Ahmedabad Bench****Date of Decision: 05 May 2025****Provision of the Law: Section 9, Section 5(21) of the Insolvency and Bankruptcy Code, 2016**

The NCLT Ahmedabad dismissed the application filed under Section 9 of the IBC by the State Tax Officer, holding that tax dues such as GST liabilities do not qualify as “operational debt” under Section 5(21) of the Code. Referring to established judicial precedents, the Bench held that statutory dues are not claims arising from the provision of goods or services and therefore do not fall within the ambit of operational debt under the IBC. Further, the Adjudicating Authority noted that the applicant had failed to establish a default or provide documentary evidence in support of the claim. Mandatory requirements, such as issuance and service of demand notice under Section 8, were not complied with. The Tribunal also observed filing defects and insufficient documentation regarding the debt. The application was held to be a misconceived attempt by a statutory authority to invoke the IBC in place of the appropriate recovery mechanism provided under the GST laws. Consequently, the application was dismissed for non-maintainability.

**IDBI Bank Ltd. v. Hemangi Patel****Case Number: CP(IB)-55/IND/2024-NCLT****Tribunal/Court: National Company Law Tribunal, Indore Bench****Date of Decision: 05 May 2025****Provision of the Law: Section 95(4)(b) of the Insolvency and Bankruptcy Code, 2016**

The NCLT Indore held that the issuance of a demand notice under Section 95(4)(b) of the IBC, 2016, is merely a procedural requirement and does not create a fresh cause of action for initiating insolvency proceedings against the personal guarantor. The Tribunal clarified that the limitation period must be computed from the date of actual default and not from the date of issuance of the demand notice. Therefore, the application filed under Section 95 was held to be barred by limitation as the underlying default had occurred much earlier, and the demand notice under Section 95(4)(b) could not be relied upon to revive a time-barred claim.



**Jai Prakash Jaiswal v. Sanjai Kumar Gupta and Ors.****Case Number: TP-05/KB/2023-NCLT****Tribunal/Court: National Company Law Tribunal, Kolkata Bench (2-Judge Bench)****Date of Decision: 23 May 2025****Provision of the Law: Section 30(4) of the Insolvency and Bankruptcy Code, 2016**

The NCLT Kolkata reiterated the settled position that decisions adopted by the Committee of Creditors (CoC) with the requisite majority voting share fall within the exclusive domain of their commercial wisdom. Such decisions, even if taken unanimously, are not subject to judicial review except on grounds of illegality or material irregularity. The Adjudicating Authority declined to interfere with the CoC's decision approving the resolution plan, reaffirming that the judiciary has a limited supervisory role in matters involving the CoC's commercial judgment.

**Bank of Baroda v. Bijal S Shah****Case Number: CP(IB)-170/AHM/2025-NCLT****Tribunal/Court: National Company Law Tribunal, Ahmedabad Bench****Date of Decision: 23 April 2025****Provision of the Law: Section 95(4)(b) of the Insolvency and Bankruptcy Code, 2016**

The NCLT Ahmedabad held that a demand notice issued in Form B under Section 95(4)(b) of the IBC does not amount to a valid invocation of a personal guarantee. The Tribunal emphasized that such a notice is merely procedural and cannot be treated as a substantive act of enforcing a contractual liability under the Deed of Guarantee. Consequently, the application filed without prior and proper invocation of the guarantee was held to be unsustainable.

**K.V. Tolin and Anr. v. Tahsildar and Ors.****Case Number: CP(IB)-41/KOB/2020-NCLT****Tribunal/Court: National Company Law Tribunal, Kochi Bench****Date of Decision: 30 May 2025****Provision of the Law: Section 31 of the Insolvency and Bankruptcy Code, 2016**

The NCLT Kochi held that while the successful resolution applicant is protected from all claims and liabilities not forming part of the approved resolution plan under Section 31 of the IBC, this immunity does not extend to proceedings initiated under public law statutes such as the Kerala Building Tax Act, 1975. The Adjudicating Authority clarified that it cannot quash or restrain proceedings initiated by statutory authorities under such laws, as they fall outside the IBC's jurisdiction and involve public interest considerations.

**Mrs. Elsa Tenny****Case Number: CP(IB)-27/KOB/2024-NCLT****Tribunal/Court: National Company Law Tribunal, Kochi Bench****Date of Decision: 27 May 2025****Provision of the Law: Section 99 of the Insolvency and Bankruptcy Code, 2016**

The NCLT Kochi emphasized that the role of the Resolution Professional (RP) under Section 99 is not limited to mere administrative functions but includes a duty to conduct an independent and investigative assessment of the debtor's financial conduct. The RP must evaluate the facts objectively and report all material information that impacts the maintainability and merits of an insolvency petition under Section 94. In this case, the Tribunal found that the RP had failed to exercise due diligence and failed to discharge this statutory responsibility adequately.

**Mr. Mibu John v. Mr. Rajendran P. R and Anr****Case Number: CP(IB)-KOB/2024-NCLT****Tribunal/Court: National Company Law Tribunal, Kochi Bench****Date of Decision: 02 April 2025****Provision of the Law: Section 7 and Section 5(8) of the Insolvency and Bankruptcy Code, 2016; Section 67 and Section 185 of the Companies Act, 2013**

The NCLT Kochi held that an alleged violation of Section 67 and Section 185 of the Companies Act, 2013 in furnishing a corporate guarantee does not operate as a bar to the Resolution Professional's authority to verify and admit claims under the IBC. The Interim Resolution Professional had admitted the claim of M/s Piramal Trusteeship Services Pvt. Ltd. and included it in the Committee of Creditors after independently assessing its nature under Section 5(8) of the Code. The Tribunal observed that the process of claim verification and CoC constitution is distinct from the underlying transaction that led to the admission of the petition under Section 7. Once the claim satisfies the definition of "financial debt," the creditor is entitled to participate in the process, and the IRP is duty-bound to verify such claims. The alleged statutory violations under the Companies Act do not render the debt invalid for the purpose of IBC proceedings.

**Khaitan Winding Wire Pvt. Ltd. v. Truvolt Engineering Co. Pvt. Ltd.****Case Number: CP(IB)-72/KB/2024-NCLT****Tribunal/Court: National Company Law Tribunal, Kolkata Bench****Date of Decision: 21 May 2025****Provision of the Law: Section 8 and Section 9 of the Insolvency and Bankruptcy Code, 2016**

The NCLT Kolkata held that the Insolvency and Bankruptcy Code, 2016 does not contemplate the issuance of a corrigendum or amendment to a demand notice under Section 8 when such notice suffers from material defects. Where defects go to the root of the matter, the proper recourse available to the Operational Creditor is to issue a fresh demand notice in compliance with statutory requirements. In this case, instead of rectifying the defects by issuing a new notice, the Operational Creditor issued multiple corrigendum notices, which created confusion and procedural irregularity. The Tribunal noted that the issuance of multiple demand notices—including the original notice dated 26.03.2021 and corrigenda dated 30.11.2023 and 07.12.2023—undermined the statutory clarity required under Section 8. Relying on prior rulings, including Ultratech Cement Ltd. v. Universal Journeys (India) Pvt.

Ltd., the Tribunal held that a demand notice with fundamental defects cannot be cured by way of corrigendum, and the application was dismissed accordingly.

## **Lanco Solar Energy Pvt. Ltd. v. Deputy/Assistant Commissioner of Income Tax and Anr.**

**Case No.: CP(IB)-518/HDB/2018-NCLT**

**Court: NCLT Hyderabad Bench**

**Date of Decision: 09 April 2025**

The Adjudicating Authority held that realisation of income tax demands arising from assessment orders pertaining to the pre-CIRP period during the moratorium is legally impermissible. It further ruled that no set-off or adjustment of such tax demands against tax refunds is permissible during the moratorium under Section 14 of the IBC.

Accordingly, the Tribunal directed that any amounts from tax refunds that were unlawfully adjusted during the moratorium must be refunded to the Corporate Debtor. The ruling reinforces the primacy of moratorium protections, shielding the Corporate Debtor from recovery actions, including administrative adjustments, during CIRP.

## **Edelweiss Asset Reconstruction Company Ltd. v. Additional Commissioner of Customs and Ors.**

**Case No.: CP(IB)-88/HDB/2022-NCLT**

**Court: NCLT Hyderabad Bench**

**Date of Decision: 09 April 2025**

The NCLT reiterated the settled position that Bank Guarantees—including Performance Guarantees, are not covered by the moratorium under Section 14 of IBC, following the 2018 amendment and the exclusion under Section 3(31). Therefore, their invocation during CIRP is legally tenable.

In the instant case, despite approval of the Resolution Plan, the invocation of performance guarantees by statutory authorities and consequent appropriation of margin money (fixed deposits) by the issuing bank was upheld. The Court held that margin money or FDs earmarked for BGs are held in trust for the beneficiary and do not revert to the Corporate Debtor unless released.

The Tribunal clarified that inclusion of clauses in a Resolution Plan seeking return of such margin money does not override the legal character of the deposit or the rights of the beneficiary bank. The judgment affirms that performance BGs survive CIRP and can be enforced irrespective of plan approval.

## **CRC Infratech & Services LLP v. Fourth Generation Information Systems Ltd.**

**Case No.: CP(IB)-102/HDB/2024-NCLT**

**Court: NCLT Hyderabad Bench**

**Date of Decision: 24 April 2025**

The Tribunal addressed the legal implication of acceleration clauses in loan agreements. While such clauses empower lenders to declare the entire outstanding amount due upon default, this right does not automatically crystallize unless there is affirmative and proven invocation of the clause by the lender.

The NCLT held that in the absence of evidence of invocation and proper communication of such invocation to the Corporate Debtor, only the defaulted instalments can be treated as “default” under Section 3(12) for the purposes of initiating CIRP under Section 7.

As the applicant failed to establish that the acceleration clause had been duly invoked and communicated, the petition was dismissed for failing to meet the minimum default threshold under Section 4 of the Code.

### **Chappidi Swaminadha Rao v. Averx Drugs Pvt. Ltd.**

**Court: NCLT Amaravati Bench**

**Date: 03 April 2025**

**Case No.: CP(IB)-20/AMR/2024-NCLT**

The NCLT Amaravati Bench held that a Section 7 IBC petition is not maintainable merely on the basis of an award passed by a Lok Adalat, unless the petitioner independently proves the existence of a "financial debt" and a "default". The Financial Creditor failed to produce any conclusive evidence such as a board resolution authorizing the loan, bank entries proving disbursement, or even a demand notice.

The Tribunal also clarified that NCLT is not an executing court for enforcing Lok Adalat awards, especially when the original settlement has failed or been violated. As per Lok Adalat Rules, once settlement fails, recourse must be sought before the same court where the matter originated. The petition was dismissed for being devoid of merit.

The application filed by the Corporate Debtor under Section 65 alleging fraudulent initiation of CIRP also became infructuous due to the dismissal of the main petition.

### **Central Board of Trustees EPFO v. Shri Kamlesh Kumar Singhania**

**Court: NCLT Hyderabad Bench**

**Date: 04 April 2025**

**Case No.: CP(IB)-326/HDB/2018-NCLT**

The NCLT reaffirmed that provident fund dues, including interest and damages under Sections 7Q and 14B of the EPF Act, form an integral part of statutory dues and must be computed by the Liquidator even in the absence of a formal claim. The Court referred to multiple precedents, including Sunil Kumar Jain v. Sundaresh Bhatt and Anuj Bajpai v. EPFO, holding that provident fund, pension, and gratuity dues are excluded from the liquidation estate under Section 36(4)(a)(iv) of the IBC.

The Tribunal held that assessment of provident fund dues is not barred post-liquidation and Section 33(5) of the IBC does not restrict statutory assessments. The Liquidator had an affirmative obligation to determine correct dues, including interest and damages. Delay in raising a claim for such dues was condoned, and the Liquidator was directed to reassess the dues accordingly.

### **Manjeet Bucha IRP of Trident Sugars Ltd.**

**Court: NCLT Hyderabad Bench**

**Date: 28 April 2025**

**Case No.: CP(IB)-259/HDB/2023-NCLT**

The NCLT examined CIRP Regulation 13(1B) and 13(1C) and held that the Adjudicating Authority can condone the delay for claims submitted beyond the Regulation 12(1) timeline if the procedural safeguards under Regulation 13 are met. Specifically, claims received up to 7 days before the CoC voting meeting can be considered for collation and recommendation, provided:

- The Resolution Professional examines and categorizes them.
- The RP informs the creditor within 7 days with reasons if the claim is not accepted.
- Acceptable claims are placed before the CoC for recommendation.
- The RP submits the CoC-recommended claims to the Adjudicating Authority for condonation and adjudication.

The judgment clarifies the multi-layered verification and recommendation framework under Regulation 13, ensuring procedural compliance while granting creditors an opportunity to be included in the list even if they file belatedly.

#### **Mr. Bihari Lal Chakravarti, RP of Goodhealth Industries Pvt. Ltd.**

**Case No. and Date: IA (IBC) (PLAN) No. 08/2025 & IA (I.B.C)/PB/121(PB)2025 in CP(IB)-628(PB)/2023, decided on 5 March 2025**

**Tribunal: NCLT, Principal Bench, New Delhi**

The NCLT reaffirmed that it is not for the Adjudicating Authority to conduct a quantitative assessment of valuations at the time of approving a resolution plan. Valuation reports are tools to assist the CoC, and judicial review is confined to compliance with statutory provisions, not comparative valuations

#### **Kuldeep Kumar Contractors v. NBCC (India) Pvt. Ltd**

**Case No. and Date: CP(IB) No. 715/ND/2023, decided on 9 May 2025**

**Tribunal: NCLT, New Delhi**

The NCLT dismissed the Section 9 application due to (i) the debt amount being below the statutory threshold of ₹1 crore (principal was ₹91.87 lakhs, and interest was disallowed due to absence of contractual provision), and (ii) the existence of pre-existing disputes as shown by multiple litigations. The tribunal held that invocation of MSME Act provisions or other forums without resolution reflected forum shopping. It reiterated that IBC is not to be used for recovery but for genuine insolvency, and the petition was rejected for failing to meet essential pre-conditions.

#### **Joint Commissioner of Commercial Taxes & GST v. Navneet Kumar Gupta**

**Case No. and Date: CP(IB)-1696/MB/2017-NCLT, decided on 02-May-2025**

**Corporate Debtor: Not specified in brief**

**Provisions: Section 53 of the Insolvency and Bankruptcy Code, 2016; Section 48 of the Gujarat Value Added Tax Act, 2003**

The NCLT held that the decision of the Hon'ble Supreme Court in State Tax Officer v. Rainbow Papers Ltd. will continue to bind proceedings where the statutory provision creating a first charge in favour of the government or statutory authority is pari materia with Section 48 of the GVAT Act, 2003. Where such priority charge exists by operation of law, the statutory authority may claim status as a secured creditor under Section 53 of the IBC, and the resolution plan must accordingly consider their dues to avoid contravention of IBC provisions.

**Modilal Dhanraj Pamecha, Liquidator of SPG Multi Trade Pvt. Ltd.**

**Tribunal: National Company Law Tribunal, Mumbai Bench**

**Case No. and Date: CP(IB)-3419/MB/2019-NCLT, decided on 06-May-2025**

**Corporate Debtor: SPG Multi Trade Pvt. Ltd.**

**Provisions: Sections 241, 242, 339 and 447 of the Companies Act, 2013; Section 54 of the Insolvency and Bankruptcy Code, 2016**  
**Case Number: CP(IB)-41/KOB/2020-NCLT**

The NCLT ruled that the dissolution of a Corporate Debtor under Section 54 of the IBC does not result in the abatement of proceedings initiated by the Serious Fraud Investigation Office (SFIO) under the Companies Act, 2013. The SFIO's actions under Sections 241, 242, 339, and 447 for determination of fraud and recovery can continue against individuals other than the Corporate Debtor. The Tribunal clarified that such dissolution shall be without prejudice to the rights of SFIO and creditors to proceed against persons from whom amounts are recoverable or determined to be recoverable.

We hope you have found this information useful. For any queries/clarifications please write to us at [insights@elp-in.com](mailto:insights@elp-in.com) or write to our authors:

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