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IBC ANNUAL DIGEST: JUDICIAL TRENDS AND 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.

DISCLAIMER

This digest is compiled based on publicly available judgments and orders delivered between January and December 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.

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.**GIST OF THE JUDGEMENT:**

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.

NATIONAL SPOT EXCHANGE LTD. (NSEL) V. UNION OF INDIA AND ORS.**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**GIST OF THE JUDGEMENT:**

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**GIST OF THE JUDGEMENT:**

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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.

RANIPET DEVELOPERS PVT. LTD. V. ASSISTANT COMMISSIONER (ST) AND ORS.**Date: 21 April 2025****Court: Madras High Court****Case No.: WP-12562/2025****GIST OF THE JUDGEMENT:**

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****GIST OF THE JUDGEMENT:**

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****GIST OF THE JUDGEMENT:**

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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.

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**GIST OF THE JUDGEMENT:**

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**GIST OF THE JUDGEMENT:**

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**GIST OF THE JUDGEMENT:**

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**GIST OF THE JUDGEMENT:**

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**GIST OF THE JUDGEMENT:**

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.**GIST OF THE JUDGEMENT:**

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.**GIST OF THE JUDGEMENT:**

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**GIST OF THE JUDGEMENT:**

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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**GIST OF THE JUDGEMENT:**

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 Number.:** 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)**GIST OF THE JUDGEMENT:**

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 Number.: 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****GIST OF THE JUDGEMENT:**

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 Numbers.: 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****GIST OF THE JUDGEMENT:**

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 Number.: 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****GIST OF THE JUDGEMENT:**

- 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 Number.: CA(AT)(I)-976/2024-NCLAT

GIST OF THE JUDGEMENT:

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 Numbers.: CA(AT)(I)-04/2024, CA(AT)(I)-05/2024-NCLAT

GIST OF THE JUDGEMENT:

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 Number.:** CA(AT)(I)-01/2024-NCLAT**GIST OF THE JUDGEMENT:**

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 Number.:** CA(AT)(I)-169/2025**GIST OF THE JUDGEMENT:**

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 Number.:** CA(AT)(I)-266/2025**Corporate Debtor:** Andes Town Planners Pvt. Ltd.**GIST OF THE JUDGEMENT:**

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 Number.: CA(AT)(I)-1546/2024

Corporate Debtor: Gajraj Mining Pvt. Ltd.

GIST OF THE JUDGEMENT:

The NCLAT GIST OF THE JUDGEMENT 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 Number.: CA(AT)(I)-442/2025 & CA(AT)(I)-474/2025

Corporate Debtor: Snehanjali and S.B. Developers Pvt. Ltd.

GIST OF THE JUDGEMENT:

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 Number.: CA(AT)(I)-2382/2024 & CA(AT)(I)-448/2025

Corporate Debtor: Virgo Marine Shipyards Pvt. Ltd.

GIST OF THE JUDGEMENT:

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 Number.: CA(AT)(I)-595/2025

Corporate Debtor: Surabhi Hospital Pvt. Ltd.

GIST OF THE JUDGEMENT:

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 Number.: CA(AT)(I)-2205/2024

Corporate Debtor: L.R. Builders Pvt. Ltd.

Section(s): Section 7 of IBC

GIST OF THE JUDGEMENT:

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. ANJANEE KUMAR LAKHOTIA AND ORS.

Case Number. 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

GIST OF THE JUDGEMENT:

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 VASHISTH ESTATES LTD. (IN CONSORTIUM) V. TRISHUL DREAM HOMES LTD. AND ANR.

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

Tribunal: NCLAT, Principal Bench, New Delhi**GIST OF THE JUDGEMENT:**

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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**GIST OF THE JUDGEMENT:**

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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**GIST OF THE JUDGEMENT:**

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 Number. 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**GIST OF THE JUDGEMENT:**

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 Number. 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**GIST OF THE JUDGEMENT:**

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 JHUNJHUNWALA V. PEGASUS ASSETS RECONSTRUCTION COMPANY PVT. LTD. AND ANR.

Case Number. 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)

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number.: 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.

GIST OF THE JUDGEMENT:

- **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 Number. 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)

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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)

GIST OF THE JUDGEMENT:

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)

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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

GIST OF THE JUDGEMENT:

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 Number.: CP(IB)-518/HDB/2018-NCLT

Court: NCLT Hyderabad Bench

Date of Decision: 09 April 2025

GIST OF THE JUDGEMENT:

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 Number.: CP(IB)-88/HDB/2022-NCLT

Court: NCLT Hyderabad Bench

Date of Decision: 09 April 2025

GIST OF THE JUDGEMENT:

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 Number.: CP(IB)-102/HDB/2024-NCLT

Court: NCLT Hyderabad Bench

Date of Decision: 24 April 2025

GIST OF THE JUDGEMENT:

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 Number.: CP(IB)-20/AMR/2024-NCLT

GIST OF THE JUDGEMENT:

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 Number.: CP(IB)-326/HDB/2018-NCLT

GIST OF THE JUDGEMENT:

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 Number.: CP(IB)-259/HDB/2023-NCLT

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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

Tribunal: NCLT, New Delhi

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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 Number. 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

GIST OF THE JUDGEMENT:

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.

PUNJAB & SIND BANK V. UMESH SINGHAL (IRP) & ANR.

Case Number.: I.A. No. 1601 of 2025 in C.P. No. 462 (ND) of 2023 with I.A. No. 1761 of 2025 in C.P. No. 462 (ND) of 2023 and I.A. No. 1767 of 2025 in C.P. No. 462 (ND) of 2023

Tribunal/Court: NCLT New Delhi Bench – Court IV

Date of Decision: October 10, 2025

GIST OF THE JUDGEMENT:

The inherent powers under Rule 11 of the NCLT Rules, 2016 cannot be invoked to supervise or micro-manage functions that are statutorily vested in the Interim Resolution Professional (**IRP**) under the Insolvency and Bankruptcy Code (**IBC**).

The Tribunal emphasized that the Adjudicating Authority may step in only where there is a *specific violation or irregularity* in the IRP's conduct, not to oversee day-to-day decisions or inter-creditor issues.

It further observed that an IRP is not expected to adjudicate inter-creditor disputes or engage in bilateral reconciliation among lenders, his role is confined to duties prescribed under the IBC and CIRP Regulations.

PUNJAB & SIND BANK V. UMESH SINGHAL (IRP) & ANR.

Case Number.: I.A. No. 1601 of 2025 in C.P. No. 462 (ND) of 2023 with I.A. No. 1761 of 2025 in C.P. No. 462 (ND) of 2023 and I.A. No. 1767 of 2025 in C.P. No. 462 (ND) of 2023

Tribunal/Court: NCLT New Delhi Bench – Court IV

Date of Decision: October 10, 2025

GIST OF THE JUDGEMENT:

NCLT held that inherent powers under Rule 11 cannot be invoked to supervise or micro-manage the IRP's statutory functions. The Adjudicating Authority may interfere only upon a clear finding of irregularity or violation of IBC provisions. The IRP is not expected to adjudicate inter-creditor disputes or engage in bilateral reconciliations beyond his statutory role.

SIDBI V. KRISHNAKANT BAGREE

Case Number.: CP(IB) No. 62 of 2023- NCLT

Tribunal/Court: NCLT Indore Bench

Date: October 29, 2025

GIST OF THE JUDGEMENT:

The Bench held that the limitation for filing an application under Section 95 (personal guarantor insolvency) is three years from the date of default or invocation of guarantee. An OTS proposal made after expiry of limitation does not constitute an acknowledgment under Section 18 of the Limitation Act and hence does not extend limitation.

- **Principle reinforced:** OTS beyond limitation cannot revive time-barred claims.

SHABANABANU GAFARBHAI MANDAVIYA V. HDFC BANK LTD.**Case Numbers.: CP (IB)/365(AHM) 2025****Tribunal/Court: NCLT – Ahmedabad Bench****Date of Judgement: September 26, 2025****GIST OF THE JUDGEMENT:**

The Tribunal imposed costs on an individual debtor for filing a Section 94 IBC application merely to stall SARFAESI proceedings initiated by the bank.

*“In fact, the Corporate Debtor and Applicant made an unsuccessful attempt to stall recovery proceedings under SARFAESI by obtaining a favourable order from the DRT in SA No. 357 of 2022, which was not honoured by them. Again, in order to just stall the auction dated 25.08.2025 of the secured asset under the SARFAESI Act, 2002, the present petition was filed on 21.08.2025 by invoking the interim moratorium to frustrate the said legitimate auction process. The Hon’ble NCLAT in **Syed Sirajis Salikin Khadri v. Edelweiss Asset Reconstruction Company Ltd. and Anr.** held that Section 94 application filed to stall recovery proceedings under SARFAESI by taking advantage of the moratorium under IBC, **Getz Cables Judgment** is not applicable.*

12. *In view of the above discussions, it is established that the present Petition was filed by the Applicant only to halt the proceedings initiated by the Secured Financial Creditor against the secured asset and to frustrate other proceedings under the SARFAESI Act. The sole intention of the Applicant herein is to enjoy the moratorium as contemplated under Section 96(1) of the IBC, 2016, which automatically commences on the date of the filing of the Petition U/s 94 or 95 of the IBC, 2016.”*

- **Principle reinforced:** IBC cannot be used as a shield against legitimate enforcement.

SHIVA ASPHALTIC PRODUCTS PVT. LTD. V. ATLAS CONSTRUCTIONS PVT. LTD.**Case Number.: CP (IB)-339(ND)/2025****Tribunal/Court: New Delhi Bench (Court-IV)****Date: October 14, 2025****GIST OF THE JUDGEMENT:**

Held that the time spent in voluntary pre-litigation mediation cannot be excluded under Section 14 of the Limitation Act when computing limitation for a Section 9 application.

*“In this context, reference may be made to the **“Report on Framework for Use of Mediation under the Insolvency and Bankruptcy Code, 2016”**, dated 31.01.2024, prepared by the Expert Committee constituted by the Insolvency and Bankruptcy Board of India (IBBI). The Committee, while deliberating on the scope of mediation in insolvency matters, specifically observed as follows:*

“5.42. Pre-institutional Mediation falls outside of Insolvency:

The Committee also discussed at length, the possibility of pre-institutional mediation in insolvency matters, and is of the view that it may not fit well within the spirit of the Code. The remedies under the Code come into effect only after the statutory ‘default’ has occurred and an application has been made to initiate insolvency proceedings. Any mediation prior to such application would fall outside the realm of the Code and technically not be ‘insolvency mediation.’ Thus, it cannot therefore be enforced in the same manner as mediations post the filing of an application under the Code.”

viii. The above extract clearly strengthens the point that any mediation prior to filing of an insolvency application falls outside the framework of the Code and cannot be treated as a proceeding “in relation to insolvency.” Therefore, the

time spent in such voluntary pre-institution mediation proceedings cannot be excluded for computation of limitation under Section 14 of the Limitation Act.”

- **Principle reinforced:** Only time spent in proceedings before a court of competent jurisdiction can be excluded under Section 14.

MANISH BAGRODIA V. ANIL KOHLI (RP)

Case Number.: Company Appeal (AT)(Insolvency) No. 1078/2025

Tribunal/Court: NCLAT – Company Appeal (AT)(Insolvency)

Date: October 29, 2025

Corporate Debtor: Rohit Ferro Tech Limited

GIST OF THE JUDGEMENT:

NCLAT dismissed an ex-director’s plea for access to discarded valuation reports in Winsome Yarns’ CIRP, holding that:

- Suspended directors have notice and participation rights under Section 24,
- But no entitlement to interim or abandoned valuation reports under Reg. 35(2), which restricts sharing to CoC members under confidentiality undertakings. The Bench distinguished Vijay Kumar Jain (SC), clarifying that access rights extend to resolution plans, not discarded valuations.

CANARA BANK LTD. V. SANJANA UDAY DESAI

Case Number.: CP (IB) NO. 25/MB/2025

Tribunal/Court: NCLT Mumbai Bench

Date: October 1, 2025

GIST OF THE JUDGEMENT:

Acceptance of claim of financial creditor in CIRP of Corporate Debtor can further extend the period of limitation for Section 95 application | There is no provision in the law which vitiates the proceedings if the statutory demand notice is issued after gap of years so long as the filing of Application consequent thereto is found within the limitation period.

Liability due to financial creditor having been verified by RP of Corporate Debtor in its CIRP as within limitation in itself constitutes acknowledgement by Corporate Debtor and binds Personal Guarantor as well extending the period of limitation for an application under Section 95 of IBC.

RAWFERT RESOURCES PVT. LTD. V. R V GLOBAL PVT. LTD.

Case Number.: CP (B) No. 367/MB/2025

Tribunal/Court: NCLT Mumbai Branch

Date: October 10, 2025

GIST OF THE JUDGEMENT:

The existence of an arbitration clause does not preclude the filing of an application under Section 9 of the IBC. It is established law that the operational creditor may initiate insolvency proceedings even when an arbitration agreement is present, as the objective of the IBC is resolution rather than mere recovery of dues through traditional

dispute resolution mechanisms. Moreover, the Hon'ble Supreme Court in **Tata Consultancy Services Ltd. v. Vishal Ghisulal Jain**, [Civil Appeal No 3045 of 2020] has categorically held

"21. In terms of Section 238 and the law laid down by this Court, the existence of a clause for referring the dispute between parties to arbitration does not oust the jurisdiction of the NCLT to exercise its residuary powers under Section 60(5)(c) to adjudicate disputes relating to the insolvency of the Corporate Debtor."

Accordingly, it is now well settled that the jurisdiction of the Adjudicating Authority under the IBC is not excluded merely by reason of an arbitration clause. Hence, the CD's argument that arbitration should be pursued before insolvency is legally unsustainable."

EQUENTIA FINANCIAL SERVICE PVT. LTD. V. PUNEET SINGH JAGGI

Case Number: C.P. (IB) No. 333/NCLT/(AHM) /2025 with I.A. No. 1042/NCLT/AHM/2025

Tribunal/Court: NCLT Ahmedabad Bench

Date: October 13, 2025

GIST OF THE JUDGEMENT:

Admission of claim in Corporate Insolvency Resolution Process does not discharge the personal guarantor. The personal guarantee creates an independent obligation enforceable Separately from the corporate debt. Parallel proceedings against the personal guarantor are permissible and do not amount to duplicity. As per section 128 of the Contract Act, 1872, a guarantor's liability is co-extensive with that of the principal debtor. The creditor can take action against both the principal debtor and guarantor at the same time.

MANISH BAGRODIA V. ANIL KOHLI (RP)

Case Number.: Company Appeal (AT) (Insolvency) No. 1078 of 2025

Tribunal/Court: NCLAT New Delhi Bench

Date: October 29, 2025

GIST OF THE JUDGEMENT:

Right to participate of Suspended Director/ ex-Management of Corporate Debtor in CoC Meetings under Section 24 of IBC does not extend to deliberations over Valuation Report / documents which are statutorily restricted and confidential in nature.

"It may not be off the mark to hold that the Appellant being part of the suspended management was responsible for the insolvency of the Corporate Debtor. It therefore does not behove the Appellant to self-proclaim that they are the only participant entity which is focused on efficient and beneficial resolution of the Corporate Debtor. We also do not find any rationale in the Appellant pressing for the first set of valuation reports when these had already been categorically rejected by the CoC and no longer carried any relevance to the resolution plans which were discussed by the CoC. The unilateral perception of the Appellant on the reliability of the first set of valuation reports which had already been rejected by the CoC lacks force of contention. The Adjudicating Authority had not committed any error in rejecting the application filed by the Appellant to provide them with copies of the first set of valuation reports which had been discarded by the CoC."

SUBHASH AGGARWAL V. STATE BANK OF INDIA AND ANR.**Case Number.: Company Appeal (AT) (Insolvency) No. 512 of 2024****Tribunal/Court: NCLAT New Delhi Bench****Date: October 29, 2025****GIST OF THE JUDGEMENT:**

There is no statutory prohibition on submission of multiple reports/ additional report under Section 99 of the IBC by Resolution Professional (**RP**) in personal insolvency.

"In such circumstances, it does not appeal to reason for the Appellant to question the submission of the Additional Report. When sufficient opportunity had also been given to the Appellant to deal with the Additional Report, the Appellant cannot claim to have suffered any prejudice on this count. Even the contention that the Additional Report filed by the RP could not have been considered by the Adjudicating Authority as it was beyond the statutory period of 10 days provided under Section 99 of IBC is not tenable since there is no prohibition on the RP to file an Additional Report in continuation of his earlier report. Moreover, the Additional Report was placed with the prior approval of the Adjudicating Authority. Further under Section 100 of IBC, any aggrieved party can produce additional documents before the RP. In the present case, the Appellant had also filed additional documents. Having availed this benefit, they cannot now question the conduct of the RP on this count. Apart from the fact that there was no embargo on the filing of an Additional Report, the Appellant cannot raise this ground at this stage when it did not challenge the order passed by the Adjudicating Authority on 14.12.2022. The contention raised by the Appellant that the RP could not have filed an additional report is a frivolous technical plea which lacks basis."

ARUL PRASAD SENNIAPPAN V. VIPRAH TECHNOLOGIES LTD.**Case Number.: IBA/1297(CHE)/2019****Tribunal/Court: NCLT Chennai Bench****Date: October 10, 2025****GIST OF THE JUDGEMENT:**

"The Tribunal is conscious that the IBC is not a forum for recovery of disputed claims, but once the debt and default are established and there is no genuine dispute prior to the issuance of demand notice, the statutory mandate under Section 9(5) requires admission of the application. The Respondent's defences appear to be afterthoughts raised belatedly with the sole object of avoiding admission of the petition."

MECK PHARMACEUTICALS AND CHEMICALS PVT. LTD. V. ACCURATE INFRABUILD PVT. LTD.**Case Number.: CP(AT) (Insolvency) No 544 of 202****Tribunal/Court: NCLT New Delhi Bench****Date: October 29, 2025****GIST OF THE JUDGEMENT:**

For any debt to be treated as financial debt under Section 5(7) of IBC, the pre-requisite is disbursal of money to borrower and that the disbursal must be against consideration for time value of money even if it is not interest-bearing | Even if there is no agreement/contract between the parties, nothing precludes NCLT from looking into the real nature of transaction to determine whether the transaction in question.

VITHAL M. DAHAKE (RP) V. SURAKSHA REALTY LTD. AND ORS**Case Number.: IA 4504/2024 in CP No 380/IB/MB/2021****Tribunal/Court: NCLT Mumbai Bench****Date: October 10, 2025****GIST OF THE JUDGEMENT:**

Mortgage Deed executed in favour of Suraksha Realty Ltd. constituted a preferential transaction under Section 43 of the IBC, as it changed the status of Suraksha from unsecured to secured creditor within the look-back period and was not in the ordinary course of business.

"It is an undisputed fact that the Respondent No. 1 in the present case is not a related party and the relevant time for scrutinizing the preferential transactions made in favour of a person other than a related party is one year preceding the insolvency commencement date. In the present case the CIRP of the Corporate Debtor was initiated vide order dated 06.09.2021 and the Corporate Debtor and Respondent No. 1 has executed the said Mortgage deed on 29.07.2021. Hence, the mortgage deed and subsequent creation of security interest in favour of the Respondent No.1 clearly falls under the look back period of one year as stipulate under section 43(4)(b)."

VIDUSHI TECHNICAL AND COMMERCIAL SERVICES PVT. LTD. V. KAMANI FOODS PVT. LTD.**Case Number.: CP (IB)/533(MB)2025****Tribunal/Court: NCLT Mumbai Bench****Date: October 9, 2025****GIST OF THE JUDGEMENT:**

*"The CD has submitted that the Applicant has imposed conditions on the CD with mala fide intentions and the terms and conditions of the loan facility that the Applicant has envisaged the failure of the CD to meet such unreasonable terms despite being aware about the hardships faced by the CD. We are of the view that, it is a settled principle that when the parties are relying on a duly executed contract between them, then the Courts cannot rewrite or create a new contract between the parties and have to simply rely on the terms and conditions of the agreement. Reliance is placed on the judgment of the Hon'ble Supreme Court in **Venkataraman Krishnamurthy and Another v. Lodha Crown Buildmart Pvt. Ltd. (2024 INSC 132)** where it held that:*

"15. Once the parties committed themselves to a written contract, whereby they reduced the terms and conditions agreed upon by them to writing, the same would be binding upon them."

*"17. More recently, in **Shree Ambica Medical Stores vs. Surat People's Coop. Bank Ltd.**, it was observed that, through its interpretative process, the Court cannot rewrite or create a new contract between the parties and has to simply apply the terms and conditions of the agreement as agreed between the parties."*

SOUTH INDIAN BANK V. K.C. MOHANAN**Case Number: IA (IBC) 1063/ (CHE)/ 2025 in CP (IB) 109/ (CHE)/ 2023****Tribunal/Court: National NCLT Chennai Bench****Date of Decision: October 10, 2025****GIST OF THE JUDGEMENT**

An application under Section 94 of the IBC cannot be permitted to solely to stall recovery proceedings under SARFAESI Act and unjustly enjoy moratorium benefits without bona fide intent to resolve debts.

"This Bench notes that the Respondent has been enjoying the protection of moratorium for more than two years without any meaningful progress towards resolution or settlement. Even as per the Applicant's submissions, repeated representations were made by the Respondent citing "ongoing settlement discussions", yet no concrete steps were taken to discharge admitted liabilities. The prolonged pendency of the Section 94 petition thus appears to have operated to the sole benefit of the Respondent, while severely prejudicing the legitimate recovery rights of the Financial Creditor.

3.6. *Reliance has rightly been placed by the Applicant on the decision of the Hon'ble NCLT, Bengaluru Bench in C.P. No. 8 of 2024, wherein it was observed that the provisions of Section 94 of the IBC cannot be permitted to be misused merely to thwart recovery actions initiated under the SARFAESI Act, particularly when such measures are already at an advanced stage. The principle squarely applies to the present case, where the Respondent's filing under Section 94 has effectively stalled recovery proceedings for an extended period without any bona fide attempt at repayment."*

NAGARAJ C. M., (PG) OF RIGHT ENGINEERS AND EQUIPMENTS INDIA PVT. LTD

Case Number.: I.A. No. 702/2024 in C.P.(IB) No. 151/BB/2024

Tribunal/Court: NCLT Bengaluru Bench

Date: September 29, 2025

GIST OF THE JUDGEMENT:

"It is an admitted fact that the Respondent stood as a Personal Guarantor for the financial facilities extended by the Applicant to the Corporate Debtor, who defaulted and was ordered into liquidation. The Personal Guarantee dated 25.10.2016 was invoked, and despite service of demand notice in Form B dated 17.12.2022 under Rule 7(1) of the 2019 Rules read with Section 95(4)(b) of the Code, the guarantor failed to discharge his liability. Hence, a clear default stands established.

14. *On the issue of limitation, the Respondent's objection is untenable. The Hon'ble Supreme Court in **Syndicate Bank v. Channaveerappa Beleri (Civil Appeal No. 6894/1997, decided on 10.04.2006)** has categorically held that the limitation period against a guarantor runs from the date of invocation of the guarantee and demand, not from the date of default of the principal borrower. In this case, the guarantee was invoked on 10.06.2022, demand was made on 17.12.2022, and the present application was filed on 14.05.2024, well within the limitation period of three years.*

15. *Under Section 128 of the Indian Contract Act, 1872, the liability of the guarantor is co-extensive with that of the principal debtor. Since the Corporate Debtor failed to discharge its liability, the guarantor is equally bound to repay. The Applicant has therefore rightly invoked the personal guarantee and initiated proceedings under Section 95 of the Code."*

UCO BANK V. DEBASHISH NANDA (RP)

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

Date of Decision: October 29, 2025

GIST OF THE JUDGEMENT:

"As per the definition of 'contract of indemnity', there has to be a promise by one party to save the other from loss caused to him by the conduct of the promisor himself, or by the conduct of any other person. None of the clauses of Tripartite Agreement contain any contract of indemnity and Clause-41 on which reliance is placed, only contains agreement of builder that it accepts the present terms and conditions of the Tripartite Agreement and binds itself for the said terms and conditions. Thus, Clause-41 is reiteration of earlier terms and conditions of the Agreement. Applicability of Clause-41 arises only when there is any terms and conditions in the Agreement, which requires Builder to discharge the liability of Borrower for repayment to the Bank. There being no such terms and conditions in the

Tripartite Agreement that on failure of Borrower to repay the loan to the Bank, the Builder is obliged to discharge the liability, Clause-41 in no manner helps the Appellant in the facts of the present case.”

IIFL HOME FINANCE LTD. V. BLISS INFRATECH PVT. LTD.

Case Number.: CP IB No. 434 of 2025

Tribunal/Court: National Company Law Tribunal, New Delhi

Date of Decision: October 10, 2025

GIST OF THE JUDGEMENT:

“On perusal of the Tripartite Agreement, it is pertinent to note that Clause 10 of the Tripartite Agreement dated March 2016 clearly casts a refund obligation upon the Builder. The relevant extract of the Clause 10 of the Tripartite Agreement is reproduced hereunder:

Clause 10. That if the Borrower failed to pay the balance amount representing the difference between the loan sanctioned by IIFL HFC and the actual purchase price of the flat/residential apartment, or in the event of death of the Borrower or in the event of cancellation of the residential apartment for any reason whatsoever, the entire amount advanced by IIFL HFC will be refunded by the Builder to IIFL HFC forthwith. The Borrower hereby subrogates all his rights for refund with respect to the said residential apartment in favour of IIFL HFC.

9. The abovementioned clause unequivocally provides that in the event of default by the borrower, death of the borrower, or cancellation of the apartment for any reason, the entire loan amount advanced by the lender (the financial creditor) shall be refunded by the Builder to the financial creditor forthwith. Clause 12 and 15 reinforce this liability by mandating the Builder to cancel the allotment upon intimation from IIFL and to refund the entire loan disbursed directly to the lender. Thus, the contractual terms clearly make the Builder i.e., Supertech Limited liable to refund the loan amount to the lender upon default or cancellation.”

STATE BANK OF INDIA V. SHRI BERNARD JOHN

Case Number: CA(AT)(I)-351/2024-NCLAT

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

Date of Decision: October 17, 2025

GIST OF THE JUDGEMENT:

*“We also note that the Hon’ble Supreme Court in **Asset Reconstruction Company (India) Ltd. v. Bishal Jaiswal, (2021) 6 SCC 366**, decisively held that an acknowledgment of liability in a company’s balance sheet constitutes acknowledgment under Section 18 of the Limitation Act, thereby restarting limitation. This principle was reaffirmed in *Dena Bank v. C. Shivakumar Reddy, (2021) 10 SCC 330*, where the Court observed that acknowledgment in a balance sheet or in a one-time settlement proposal renews the period of limitation for the purpose of proceedings under the IBC.*

58. Therefore, each and every acknowledgment of the debt by the Corporate Debtor in the balance sheet up to FY 2019–20 has the effect of extending the limitation period.

62. Regarding the respondent’s liability for repayment based on the acknowledgment in balance sheet, the Appellant highlighted the Clauses 12 and 19 of the Deed of Guarantee dated 31.03.2015, executed by the Respondent in favour of the Bank, which specifically stipulate that any acknowledgment, admission, or statement made by the principal borrower in respect of the debt “shall be binding on the guarantor and shall be deemed to have been made on his behalf.” Therefore, acknowledgment of liability made by the Corporate Debtor in its financial statements has the effect of acknowledgment by the guarantor himself for purposes of limitation.”

KANNAN TIRUVENGADAM (LIQUIDATOR) V. ASSETS CARE & RECONSTRUCTION ENTERPRISE LTD. AND ORS.

Case Number.: Company Appeal (AT) (Insolvency) No. 15

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

Date of Decision: October 15, 2025

GIST OF THE JUDGEMENT:

Where Stakeholders' Consultation Committee (**SCC**) and Committee of Creditors (**CoC**) have not fixed Liquidator's fee, the liquidator's entitlement is governed strictly by Regulation 4(2)(b) of Regulation 4 of IBBI (Liquidation Process) Regulations, 2016, i.e., as a percentage of the amount realised or distributed, and not by way of a fixed monthly fee. If any of original executants of the POA has expired, their legal representative shall step in to execute the Sale Deed | NCLT has jurisdiction under Section 60(5) IBC to direct execution of Sale Deed in favour of Successful Resolution Applicant (**SRA**) for land.

VANTAGE POINT ASSET MANAGEMENT PTE. LTD. V. GAURAV MISRA RP OF ALCHEMIST INFRA REALITY LTD. AND ANR.

Case Number.: Company Appeal (AT) (Ins) No. 1495 of 2024 & I.A. No. 1987 of 2025

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

Date of Decision: October 14, 2025

GIST OF THE JUDGEMENT:

Provisional Attachment Order passed prior initiation of CIRP shall cease to operate after approval of Resolution Plan, bringing into effect Section 32A of IBC and there is no necessity to obtain any order by SRA from Adjudicating Authority under the PMLA | NCLT will have no jurisdiction to set aside order passed by the adjudicating authority in PMLA Act, 2002 | Where proceeding under Section 8 of PMLA Act has not even commenced, no order of confiscation being there, Provisional attachment under PMLA does not divest ownership or prevent inclusion of assets in the Resolution Plan.

*"Section 32A which was inserted by Act No. 01/2020 in the IBC was brought by legislature providing for certain immunity from the liability from prior offences to a new management of the corporate debtor, which has come into existence after approval of the resolution plan, which result in change in the management or control of the corporate debtor. Section 32A only give immunity to the new management of the corporate debtor and conditions which are mentioned in Section 32A(a) and (b) has to be fulfilled, that is the new management who has come into control of the corporate debtor is not a promoter or in the management or control of the corporate debtor or related party of such person or person with regard to whom investigation authority on the basis of material has reason to believe that he has awaited conspire omission of offence. It is clear from the scheme that 32A that the provisions of Section 32A does not absolve the person who was promoter or person who was in the management of corporate debtor and proceeding under the PMLA against the promoter or the persons who were in the management of the corporate debtor and were involved in the commission of the offence fact can be proceeded. The question which has up for consideration in the present case is as to whether the Provisional Attachment Order which was passed on 24.01.2019 still was required to be vacated for implementation of the resolution plan and whether the SRA was required to file an application before the adjudicating authority (**PMLA**) for release of the attachment. The answer to the said question has to be found out from the legislative scheme under Section 32A. Section 32A does not carve any exception that resolution plan cannot be approved with regard to assets of the corporate debtor which has been attached under the PMLA Act prior to approval of the resolution plan. There is no exception in scheme of Section 32A that where Provisional Attachment Orders have been passed prior to initiation of CIRP or prior to approval of the resolution plan assets have to be kept out of the resolution. The trigger event when 32A comes into operation is the approval of the resolution plan, which is also laid down by the Delhi High Court in '**Rajiv Chakraborty**' (*supra*). Under sub-Section (1) of Section 32A the phrase used is the liability of the corporate debtor for an offence committed prior to the commencement of the corporate insolvency resolution process shall cease. The liability of the corporate debtor and further sub-Section (1)*

provides that corporate debtor shall not be prosecuted for such an offence from the date when resolution plan has been approved by the adjudicating authority. Thus, two consequences have been provided, they are (i) liability of corporate debtor for an offence committed prior to the commencement of the corporate insolvency resolution process shall cease; (ii) corporate debtor shall not be prosecuted for such offence from the date of resolution plan has been approved. The above consequence can follow, of course when resolution plan condition stipulated in sub-Section (1) are fulfilled."

RAKESH BHAILALBHAI PATEL V. VASUNDHARA SEAMLESS STAINLESS TUBES PVT. LTD. AND ANR.

Case Number.: Company Appeal (AT) (Ins.) No. 1695 of 2024

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

Date of Decision: October 17, 2025

GIST OF THE JUDGEMENT:

The IBC does not exclude commercial breaches from its ambit | Once an advance is shown to have been paid and not returned, and there exists no plausible evidence of discharge, default stands established | Mere assertion of a dispute or the filing of a complaint after the commencement of insolvency proceedings is insufficient to oust the jurisdiction of the Adjudicating Authority under Section 9 of the IBC.

*"The belated police complaint filed on 20.07.2024 appears to be an afterthought. Its timing, after the case was reserved for judgment, clearly indicates that it was filed to create a semblance of dispute when none existed earlier. Courts have consistently held that a dispute fabricated after issuance of demand notice or after filing of the Section 9 petition does not qualify as a "pre-existing dispute." The ratio in Mobilox (supra) and subsequent decisions such as **Kay Bouvet Engineering Ltd. v. Overseas Infrastructure Alliance (India) Pvt. Ltd. (2021) SCC OnLine SC 1349** reinforce this principle.*

79. *The contention regarding the NeSL portal is also not convincing. The Code does not treat the NeSL information as determinative of the existence of a dispute. The mere marking of a debt as "disputed" on the portal, without supporting evidence, cannot override the underlying contractual documents and financial records. Moreover, the Corporate Debtor's audited financial statements for FY 2020–21 and 2021–22 continue to reflect the amount of Rs.1 crore under the head "Advance from Others – B.N. Enterprises," without any qualification or disclaimer. These audited statements, prepared and signed under statutory obligation, are reliable indicators that the Corporate Debtor treated the amount as an outstanding liability, not as a disputed claim."*

LATE BABU LAL THROUGH ITS LEGAL HEIR MR. SUNDER LAL V. JASRATI EDUCATION SOLUTIONS LTD. AND ORS.

Case Number.: Company Appeal (AT) (Insolvency) No. 1293 of 2025

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

Date of Decision: October 15, 2025

GIST OF THE JUDGEMENT:

If any of original executants of the POA has expired, their legal representative shall step in to execute the Sale Deed NCLT has jurisdiction under Section 60(5) IBC to direct execution of Sale Deed in favour of Successful Resolution Applicant (**SRA**) for land.

VINERGY INTERNATIONAL PVT. LTD. V. BHARAT PETROLEUM CORPORATION LTD. AND ANR**Case Number.: (2025) ibclaw.in 562 SC****GIST OF THE JUDGEMENT:**

Bharat Petroleum Corporation (filed the subject application under Section 11 of the Act prior to the initiation of the Corporate Insolvency Resolution Process but the same came to be decided only after the Successful Resolution Applicant was put in place, pursuant to the approval of the Resolution Plan on 09.12.2024.

In that view of the matter, the Successful Resolution Applicant, who stepped into the shoes of the Corporate Debtor, cannot be fastened with the past liabilities of the corporate debtor which did not form part of the approved resolution plan, in the light of the 'clean slate' principle applicable to it.

AHMEDNAGAR FORGINGS LTD. V. DONGARE GANESH D.**Case Number.: (2026) ibclaw.in 71 HC****Tribunal/Court: Bombay High Court****GIST OF THE JUDGEMENT:**

In the instant case, the application moved under section 33A of the Industrial Disputes Act was pending. During the moratorium, the proceedings were under suspension and after moratorium period the matters are now proceeded further. The question before this court is, whether the proceedings could have been continued further before the Industrial Tribunal after the acceptance of resolution plan. However, this issue is no more in res integra as the same is concluded by the Hon'ble Supreme Court in the case of Electrosteel Steel Limited (Now M/S Esl Steel Limited vs. Ispat Carrier Private Limited, Civil Appeal No.2896 of 2024, dated 21.04.2025, wherein the Hon'ble Supreme Court by relying upon the earlier Judgments at paragraphs no.50, 50.1,51.52 has held that it is now well settled that once resolution plan is duly approved by the adjudicating authority under Sub-section 1 of Section 31 all claims which are not part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect of the claim which is not a part of the resolution plan. In the case of Essar Steel India Ltd. Committee of Creditors Vs. Satish Kumar Gupta, (2020) 8 SCC 531, the Hon'ble Supreme Court had categorically declared that a successful resolution applicant cannot be faced with undecided claims after the resolution plan is accepted. Otherwise this would amount to a hydra head popping up which would throw into uncertainty the amount payable by the resolution applicant. It has been further observed that the lifting of the moratorium does not mean that the claim of the respondent would stand revived notwithstanding approval of the resolution plan by the adjudicating authority. Moratorium is intended to ensure that no further demands are raised or adjudicated upon during the corporate insolvency resolution process so that the process can be proceeded with and concluded without further complications.

Considering the law as declared by the Hon'ble Supreme Court and also considering the relevant clauses of the resolution plan, there is no scope left for payment of any dues by the petitioner / company and the petitions will have to be necessarily allowed. In view of the resolution plan, as approved, the claim of the respondents would automatically stand extinguished.

RARE ASSET RECONSTRUCTION COMPANY LTD. V. VR2 LAND DEVELOPMENT PVT. LTD. AND ORS.**Case Number.: (2025) ibclaw.in 1057****Tribunal/Court: National Company Law Appellate Tribunal****GIST OF THE JUDGEMENT:**

The case involves Rare Asset Reconstruction Company Ltd. (Rare ARC) and its right to participate and vote in the Committee of Creditors (CoC) after acquiring debt from IIFL Finance Private Limited, which was previously considered a related party to the corporate debtor, Satra Property Developers Private Limited (SPDPL). IIFL had sanctioned loan facilities to SPDPL and filed a petition under Section 7 of the IBC, which was later withdrawn. During the CIRP, IIFL's claim was admitted, and it became a CoC member. However, its status as a related party was challenged, leading to its vote being excluded by the NCLT. IIFL's debt was assigned to ARCIL and subsequently to Rare ARC, which was substituted as the appellant.

The NCLAT held that the disqualification under Section 21(2) of the IBC applies only to the related party in praesenti and not to the debt itself. Therefore, the assignment of debt in good faith to unrelated third parties like ARCIL and Rare ARC entitles the assignee to full CoC rights. The impugned orders of the NCLT were modified to recognize Rare ARC as not a related party, allowing it to participate and vote in the CoC. The pending resolution plans are to be considered by the reconstituted CoC.

DEEPIKA BHUGRA PRASAD (LIQUIDATOR) V. LUCKY HOLDINGS PVT. LTD.**Case Number.: (2025) ibclaw.in 1005 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal****GIST OF THE JUDGEMENT:**

The Corporate Insolvency Resolution Process (CIRP) of Ess Dee Aluminium Ltd. led to liquidation, and the Respondent emerged as the highest bidder in an auction. However, due to a stay order, the Respondent delayed the payment of the first instalment. After the stay was vacated, the Liquidator requested payment, but the Respondent failed to comply, leading to cancellation of the sale and forfeiture of the EMD. The NCLT directed a refund of the EMD, which the Liquidator appealed.

The NCLAT held that the Liquidator's cancellation of the sale and forfeiture of the EMD was lawful, as it was in compliance with the auction terms and statutory regulations. The Tribunal found that Section 74 of the Indian Contract Act is inapplicable to statutory liquidation auctions, and the appeal was allowed, setting aside the NCLT's order for a refund of the EMD.

SHRI. CHIKALI NAGARAJU VS. ISPAT CORP LTD.**Case Number.: (2025) ibclaw.in 1076 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, Delhi****GIST OF THE JUDGEMENT:**

There can be no dispute to the proposition that no application under Section 7 can be filed on the ground of default which has occurred during 10A period, however, whether the default is committed during 10A period or period prior to 10 A period can always be gone into and the Financial Creditor can be permitted to amend the date of default in event there are material to indicate that default has also been committed prior to 10A period.

We have already noticed the terms and conditions of the Guarantee cum Indemnity Deed dated 14.12.2025. It is clear that ICD was only for 15 days which was with payment of interest and after 15 days no repayment was made rather a cheque dated 29.12.2015 was issued with added interest. The mere fact that post-dated cheques were issued from

time to time does not mean that no default was committed by the Corporate Debtor. Permitting the Corporate Debtor to given fresh post-dated cheques cannot negate the default.

HARDEEP SINGH VS. GAGAN GULATI (RP) AND ANR.

Case Number.: (2025) ibclaw.in 1001 NCLAT

Tribunal/Court: National Company Law Appellate Tribunal, Delhi

Date of Decision: November 27, 2025

GIST OF THE JUDGEMENT:

When a settlement is recorded by a court or tribunal, it does not become a new and independent contract replacing the earlier one | A guarantor is not discharged merely because the principal debtor enters into a settlement or compromise with the creditor | An acknowledgment or part-payment by the principal debtor extends limitation against the guarantor also

ANUBHAV ANILKUMAR AGGARWAL AND ANR. VS. RAJENDRA KUMAR GIRDHAR (RP)

Case Number.: (2025) ibclaw.in 964 NCLAT

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

Date of Decision: November 21, 2025

GIST OF THE JUDGEMENT:

A document which is per se fraudulent and void ab initio even without being declared as void may be ignored by the Tribunal, even if it not having jurisdiction to declare it void or cancel it | The same principle may not be applicable to voidable documents for which a declaration would be necessary from the competent court | Once a transaction has been held to a fraudulent transaction there is no limitation to look back if the other ingredients of Section 66 (1) of the IBC are satisfied.

SHRI ROKADOBA MAHARAJ GINNING & PRESSING PVT. LTD. VS. THE SRI VENKATESA MILLS LTD.

Case Number.: (2025) ibclaw.in 971 NCLAT

Tribunal/Court: National Company Law Appellate Tribunal, Chennai

Date of Decision: December 10, 2025

GIST OF THE JUDGEMENT:

Where a company petition under Section 9 of the IBC is disposed of on the basis of a compromise/ settlement, the proper remedy for non-compliance with the compromise terms is execution of the order, not recall or restoration of the petition under NCLT Rule 1.1

KAAJAL AIJAZ ILMI VS. RAM KUMAR (ADMINISTRATOR OF AVIOM INDIA HOUSING FINANCE PVT. LTD.)

Case Number.: (2025) ibclaw.in 1060 NCLAT

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

Date of Decision: December 11, 2025

GIST OF THE JUDGEMENT:

Superseded Directors (Bod) of Financial Service Providers or ex-Promoters, who are deemed to have vacated their office upon supersession of the Board by the regulatory authority, cannot claim any right to attend CoC meetings or participate in the CIRP or get copy of Resolution Plan.

TRIPUPATI ENTERPRISES VS. ARCK RESOLUTION LLP AND ANR.

Case Number.: (2025) ibclaw.in 2822 NCLT

Tribunal/Court: National Company Law Tribunal, Mumbai

Date of Decision: December 11, 2025

GIST OF THE JUDGEMENT:

Provisions of Section 47(2) and 47(3) of Maharashtra Co-operative Societies Act, 1960 are inconsistent with the provisions contained in the IBC and these provisions of Maharashtra Co-operative Societies Act, 1960 have to give way to provisions contained in section 52 & 53 of the IBC read with Regulation 37 of Liquidation Regulations in view of section 238.

LE ECOSYSTEM TECHNOLOGY INDIA PVT. LTD. VS. PRINCIPAL CHIEF COMMISSIONER OF CENTRAL TAXES AND ORS

Case Number.: (2025) ibclaw.in 2859 NCLT

Tribunal/Court: National Company Law Tribunal

GIST OF THE JUDGEMENT:

Any tax refund or other receivable that is due to Corporate Debtor constitutes a realizable asset forming part of liquidation estate and must be recovered and brought into the common pool for distribution in accordance with the statutory waterfall | No Govt. Dept., statutory authority or third party is permitted to withhold, retain, adjust or set off such amounts outside the mechanism prescribed under the IBC.

ANKIT INTERNATIONAL VS. BANK OF INDIA AND ANR.

Case Number.: (2025) ibclaw.in 2815 NCLT

Tribunal/Court: National Company Law Tribunal, Mumbai

Date of Decision: December 12, 2025

GIST OF THE JUDGEMENT:

Margin money deposited by Corporate Debtor for issuance of Bank Guarantees which remained uninvoked and expired forms part of assets of Corporate Debtor and Bank is not legally entitled to appropriate the same after approval of the Resolution Plan | After approval of the Resolution Plan under Section 31 of the IBC, all claims not

forming part of the Resolution Plan stand extinguished and no stakeholder is permitted to enforce or satisfy claims outside the scope of the approved Resolution Plan | The Respondent Bank, having already accepted full and final settlement and furnished a No Dues Certificate, cannot retain or appropriate assets of the Corporate Debtor thereafter | The subsequent unilateral appropriation of the Fixed Deposits amounting to Rs. 49,03,519/- into the written-off account of the Bank constitutes an attempt to recover claims outside the approved Resolution Plan and is legally impermissible.

HARISHARAN HI-TECH INDUSTRIES VS. BIRENDRA KUMAR AGRAWAL (IRP) OF RENAISSANCE INDUS INFRA PVT. LTD.

Case Number.: (2025) ibclaw.in 2804 NCLT

Tribunal/Court: National Company Law Tribunal, Mumbai

Date of Decision: December 12, 2025

GIST OF THE JUDGEMENT:

Investors who purchase commercial or industrial premises for business, trade, warehousing, manufacturing, or assured returns with the intention of deriving commercial benefits do not fall within the ambit of Section 5(8)(f) of IBC as Financial Creditors and cannot rely on the Mansi Brar judgment to claim classification as Financial Creditors under Section 5(8)(f).

KOTAK MAHINDRA BANK LTD. VS. HYBRO FOODS PVT. LTD.

Case Number.: (2025) ibclaw.in 2837 NCLT

Tribunal/Court: National Company Law Tribunal, Mumbai

Date of Decision: December 12, 2025

GIST OF THE JUDGEMENT:

Adjustment of fixed deposit amounts against outstanding debt of Corporate Debtor after commencement of CIRP is in contravention of moratorium under Section 14 of the IBC | For invoking Sections 68 and 70 of IBC, it is essential to establish a crystal clear case that certain assets existed as on the date of CIRP and were concealed or not handed over by the Suspended Directors, thereby thwarting the CIRP.

HENEX DAIRY AND FOOD PRODUCTS PVT. LTD. V. MOHAMMAD AASIF MOHAMMAD ISMAIL

Case Number.: (2025) ibclaw.in 2826 NCLT

Tribunal/Court: National Company Law Tribunal, Mumbai

Date of Decision: December 12, 2025

GIST OF THE JUDGEMENT:

The NCLT imposed costs on the Creditor in a Section 95 IBC application, holding that both the Applicant-Creditor and the Personal Guarantor failed to cooperate with the Resolution Professional and the Tribunal. The conduct of both parties was treated as a fraud upon the provisions of the IBC, as their non-cooperation obstructed the purpose and timely progress of the personal insolvency process. The Tribunal reiterated that parties approaching the insolvency forum must act in good faith and comply with statutory duties, failing which adverse consequences, including imposition of costs, may follow.

ORIENTAL BANK OF COMMERCE V. HIKE LEATHER PVT. LTD.**Case Number.: (2025) ibclaw.in 2779 NCLT****Tribunal/Court: National Company Law Tribunal, Chandigarh****Date of Decision: December 12, 2025****GIST OF THE JUDGEMENT:**

The National Company Law Tribunal at Chandigarh held that the successful auction purchaser of the Corporate Debtor's assets is not liable to pay the arrears of electricity dues that were payable by the Corporate Debtor prior to the liquidation sale. The Tribunal clarified that pre-auction electricity liabilities of the Corporate Debtor cannot be fastened on the purchaser simply by virtue of acquisition of assets in liquidation proceedings and directed the relevant State Electricity Board to restore the electricity connection at the property purchased in liquidation.

ASHWIN SMITH V. INVENT ASSETS SECURITISATION AND RECONSTRUCTION PVT. LTD. AND ANR.**Case Number.: (2025) ibclaw.in 1063 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: December 12, 2025****GIST OF THE JUDGEMENT:**

The NCLAT held that when a shareholder, who is also a personal guarantor, has been permitted to participate before the NCLT by filing a reply to a Section 7 application, such a shareholder has the locus to maintain an appeal under Section 61 of the IBC. The Tribunal also clarified that jurisdiction under Section 65 of the IBC can be invoked at any stage of the insolvency proceeding, as allegations of fraudulent or malicious initiation of insolvency strike at the very root of the process and may be examined whenever they arise.

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) V. RAJIV BAJAJ, LIQUIDATOR OF ANNIES APPAREL PVT. LTD.**Case Number.: (2025) ibclaw.in 1062 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: December 14, 2025****GIST OF THE JUDGEMENT:**

The NCLAT held that a claim arising from a penalty order passed by SEBI after the liquidation commencement date cannot be entertained by the Liquidator, because the Insolvency and Bankruptcy Code and the Liquidation Process Regulations "freeze all claims as on the liquidation commencement date." The Tribunal affirmed the Liquidator's rejection of SEBI's claim for a penalty imposed after the liquidation commencement date, observing that such claims do not qualify as debts existing prior to liquidation and therefore cannot be admitted in the liquidation process.

JINDAL BIOCHEMS & DEVELOPERS PVT. LTD. V. KAMAL RENU CREDIT INVEST PVT. LTD. AND ORS.**Case Number.: (2025) ibclaw.in 2788 NCLT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi****Date of Decision: December 15, 2025****GIST OF THE JUDGEMENT:**

The NCLT recalled the CIRP admission order on the ground that the Corporate Insolvency Resolution Process had been initiated not due to genuine financial necessity or commercial insolvency but as a **shield against enforcement of an arbitral award**, thereby defeating the rightful claim of the award holder. The Tribunal held that such misuse falls within the mischief of **Section 65 of the IBC** and is liable to be corrected. The NCLT further clarified that a plea under Section 65 of the IBC is not confined to any particular stage of the CIRP proceedings and can be examined at any time if it is shown that the insolvency proceedings were used as an instrument to abuse the process and frustrate legitimate enforcement of a claim.

SHUBHYUVI INFRASTRUCTURE LLP V. RAVI SETHIA, RP OF INDO GLOBAL SOFT SOLUTIONS AND TECHNOLOGIES PVT. LTD. AND ANR.**Case Number.: (2025) ibclaw.in 2836 NCLT****Tribunal/Court: National Company Law Tribunal, Mumbai****Date of Decision: December 18, 2025****GIST OF THE JUDGEMENT:**

The NCLT held that the sanctity and transparency of the Corporate Insolvency Resolution Process (CIRP), as prescribed by the Insolvency and Bankruptcy Code and Regulations, cannot be compromised in the pursuit of maximising value. The Tribunal emphasised that Regulation 39(1B) of the CIRP Regulations explicitly bars the Committee of Creditors from considering any resolution plan received after the time specified under Regulation 36B, and also bars it from considering a plan submitted by a person who does not appear in the final list of Prospective Resolution Applicants. Any deviation from these regulatory timelines or eligibility criteria undermines the statutory framework governing CIRP.

ATMA RAM HOUSE INVESTMENT PVT. LTD. V. BHUSHAN POWER AND STEEL LTD.**Case Number.: (2025) ibclaw.in 2699 NCLT.****Tribunal/Court: National Company Law Tribunal, New Delhi****Date of Decision: December 19, 2025****GIST OF THE JUDGEMENT:**

The NCLT held that writing-off a debt in the books of a creditor is merely an internal accounting treatment and does not extinguish the enforceability of the debt, which continues to subsist as a legally enforceable claim. The Tribunal clarified that the act of writing off a claim for accounting or tax purposes does not alter the creditor's right to pursue recovery of the underlying debt, and such treatment cannot be used to defeat enforceability in liquidation or other insolvency proceedings.

VALUE WISE CONSULTANCY PVT. LTD. V. RAJKUMAR ROOPCHAND BAID AND ORS.**Case Number.:** (2025) ibclaw.in 2654 NCLT.**Tribunal/Court:** National Company Law Tribunal, Ahmedabad Bench**Date of Decision:** December 17, 2025**GIST OF THE JUDGEMENT:**

The NCLT held that assignment of uncrystallised and contingent avoidance/Section 66 claims is permissible under Liquidation Process Regulation 37A, and that substitution of the assignee as Applicant in the pending application is within the Tribunal's jurisdiction under Section 60(5)(c) of the IBC and Rule 11 of the NCLT Rules. The Tribunal further observed that such substitution aligns with Regulation 44A of the Liquidation Process Regulations and the value maximisation objective of the IBC, causes no prejudice to the respondents, and ensures continuity and effective prosecution of the claim for the ultimate benefit of stakeholders.

HLL INFRA TECH SERVICES LTD. V. REUBEN GEORGE JOSEPH, LIQUIDATOR OF SAPTHA ZEAL PVT. LTD.**Case Number.:** (2025) ibclaw.in 2513 NCLT.**Tribunal/Court:** National Company Law Tribunal, Kochi Bench**Date of Decision:** December 15, 2025**GIST OF THE JUDGEMENT:**

The NCLT held that the Liquidator is bound to independently verify all claims submitted before him, regardless of whether the Resolution Professional had admitted such claims during the CIRP, as the Liquidator's duty to verify claims arises afresh upon commencement of liquidation. The Tribunal observed that the powers of the Liquidator stand on a higher pedestal than those of the Interim Resolution Professional or Resolution Professional, given the Liquidator's role in marshalling assets and realising value for creditors. The NCLT further held that the issue regarding the decision on the fee of the Liquidator is beyond the scope of the appeal filed under Section 42 of the IBC, 2016, and therefore could not be adjudicated in the present proceedings.

BALKISHAN SHRIKISAN BALDAWA V. AGRI-TECH (INDIA) LTD. AND ORS**Case Number.:** (2025) ibclaw.in 1073 NCLAT**Tribunal/Court:** National Company Law Appellate Tribunal**Date of Decision:** December 15, 2025**GIST OF THE JUDGEMENT:**

The NCLAT held that shareholders have the locus to file an appeal before the NCLAT in cases where insolvency proceedings have been fraudulently initiated, and that the principle laid down in the *Park Energy* judgment, which restricted appeals to operational creditors, does not apply where there is clear evidence of fraudulent or malicious initiation of insolvency proceedings. The Tribunal clarified that where a shareholder has been prejudicially affected by a fraudulently invoked Section 7 or Section 9 application, such shareholder may maintain an appeal under Section 61 of the IBC to challenge the initiation itself.

CANARA BANK V. VIJAYALAXMI AGARWAL AND ANR.**Case Number.: (2025) ibclaw.in 2738 NCLT****Tribunal/Court: National Company Law Tribunal, Hyderabad Bench****Date of Decision: December 19, 2025****GIST OF THE JUDGEMENT:**

The National Company Law Tribunal, Hyderabad Bench, held that **the issuance of a demand notice under Section 13(2) of the SARFAESI Act by a secured creditor amounts to invocation of the guarantee** provided by the guarantor. The Tribunal observed that once the secured creditor issues a formal demand notice under Section 13(2), the guarantee becomes enforceable against the personal guarantor, who can no longer contend that the guarantee has not been invoked, and the liability of the guarantor is triggered accordingly.

UCO BANK V. GOURI SHANKAR JAIN AND ORS.**Case Number.: (2025) ibclaw.in 2866 NCLT****Tribunal/Court: National Company Law Tribunal, Kolkata Bench****Date of Decision: December 15, 2025****GIST OF THE JUDGEMENT:**

The NCLT held that the issuance of a notice under Section 13(2) of the SARFAESI Act, 2002 or the issuance of a demand notice in Form-B under Rule 7 of the Insolvency Resolution Process for Personal Guarantors to Corporate Debtors Rules, 2019 does not amount to invocation of a guarantee. The Tribunal observed that invocation of a guarantee requires a clear and unequivocal demand calling upon the guarantor to discharge the liability, and that statutory notices issued for enforcement under SARFAESI or under the IBC personal guarantor rules cannot, by themselves, be treated as invocation of the guarantee.

CANARA BANK V. GALAXY CONSTRUCTIONS AND CONTRACTORS PVT. LTD.**Case Number.: (2025) ibclaw.in 2805 NCLT****Tribunal/Court: National Company Law Tribunal, Mumbai Bench****Date of Decision: November 21, 2025****GIST OF THE JUDGEMENT:**

The NCLT held that the **Insolvency and Bankruptcy Code's mechanism is not intended to punish defaulting debtors but to revive the corporate debtor through resolution**. The Tribunal observed that the purpose of IBC is to provide a time-bound, balanced framework for resolution of distressed companies with an emphasis on business continuity and maximization of value, and not to serve as a tool of retribution or penal action against the defaulting party. Consequently, the CIRP must be conducted in a manner consistent with the remedial and rehabilitative objectives of the Code rather than with a punitive mindset.

SUMIT KHANNA V. JOSSY STEPHEN KATTUR, RP OF KERALA CHAMBER OF COMMERCE AND INDUSTRIES AND ORS.

Case Number.: (2025) ibclaw.in 2683 NCLT

Tribunal/Court: National Company Law Tribunal, Kochi Bench

Date of Decision: November 21, 2025

GIST OF THE JUDGEMENT:

The NCLT held that Regulation 36A(4A) of the CIRP Regulations merely restricts the modification of an existing Form-G and does not prohibit the issuance of a fresh Form-G in circumstances where an existing resolution plan has been rejected. The Tribunal further clarified that neither the Insolvency and Bankruptcy Code nor the CIRP Regulations impose any fetter on the authority of the Committee of Creditors to issue a fresh invitation for Expressions of Interest upon the rejection of a non-compliant plan. Additionally, the NCLT reiterated that the mere filing of an application does not operate as a stay on the CIRP, and CIRP actions may proceed unless a formal stay is granted by the Tribunal.

KOTAK MAHINDRA BANK V. STATE OF MAHARASHTRA AND ORS.

Case Number.: (2025) ibclaw.in 4136 HC

Tribunal/Court: Bombay High Court

Date of Decision: December 10, 2025

GIST OF THE JUDGEMENT:

The Bombay High Court held that applications under Section 95 of the IBC filed against Personal Guarantors of a Corporate Debtor are not maintainable before the Debt Recovery Tribunal (DRT). The Court clarified that **DRT has no jurisdiction** to entertain such applications once insolvency proceedings against the Corporate Debtor have been admitted, and in such circumstances the DRT is required either to **dismiss the application for want of jurisdiction or transfer it to the NCLT**, which is the competent forum under Section 60(2) of the IBC. The Court emphasised that the statutory scheme centralises proceedings relating to the Corporate Debtor and its Personal Guarantors before the NCLT to ensure consistency and avoid conflicting decisions.

KOTAK MAHINDRA BANK LTD. V. ANIL TAYAL AND ORS.

Case Number.: (2025) ibclaw.in 2691 NCLT.

Tribunal/Court: National Company Law Tribunal, Delhi Bench (Court II)

Date of Decision: December 14, 2025

GIST OF THE JUDGEMENT:

The NCLT considered whether a Bank, by virtue of Tripartite Agreements executed with the Corporate Debtor and the homebuyers, holds a “financial debt” under Section 5(8) of the IBC in situations where no claim has been filed by the concerned homebuyer. The Bench delivered a **split verdict**. One Member held that the Tripartite Agreement creates a direct financial relationship between the Bank and the Corporate Debtor by way of disbursement for time value of money, making the Bank’s claim admissible as that of a **secured financial creditor**. The other Member held that the **primary debt lies between the Bank and the homebuyer**, and unless the homebuyer files a claim or establishes default by the Corporate Debtor under the Tripartite Agreement, the Bank cannot independently assert a financial debt against the Corporate Debtor. Owing to the **difference of opinion**, the matter stands referred to a third Member for resolution.

PROFITPLUS INFRA PVT. LTD. AND ANR. V. EXECUTIVE ENGINEER AND ANR.**Case Number.: (2025) ibclaw.in 1078 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi Bench****Date of Decision: December 16, 2025****GIST OF THE JUDGEMENT:**

The NCLAT held that where an electricity connection had been permanently disconnected prior to the liquidation of the Corporate Debtor, and a fresh connection was subsequently obtained by the successful auction purchaser, any claim for interest on the earlier security deposit does not arise out of the insolvency resolution or liquidation process. Consequently, such a claim falls outside the jurisdiction of the Adjudicating Authority under Section 60(5) of the IBC. The Tribunal clarified that disputes relating to interest on security deposits from pre-liquidation utility arrangements are not matters “arising out of or in relation to” the IBC process and must be pursued before the appropriate non-IBC forum.

RANA SARKAR V. BIMAL AGARWAL (RP) AND ORS.**Case Number.: (2025) ibclaw.in 1059 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal, New Delhi Bench****GIST OF THE JUDGEMENT:**

The NCLAT held that in the absence of evidence caused by non-cooperation of the Suspended Directors, the Resolution Professional’s opinion, formed on the basis of the Corporate Debtor’s bank statements, suspicious entries, and supported by a transaction audit, is sufficient to justify filing an application under Section 66 of the IBC. The Tribunal observed that when the RP makes reasonable attempts to obtain records and cooperation but is obstructed by the Suspended Management, the RP is entitled to rely on available financial data and audit findings, and such material constitutes an adequate foundation for initiating proceedings for fraudulent or wrongful trading under Section 66.

CENTRAL BANK OF INDIA V. HANUNG FURNISHINGS PVT. LTD.**Case Number.: (2025) ibclaw.in 2791 NCLT****Tribunal/Court: National Company Law Tribunal, New Delhi Bench (Court-II)****Date of Decision: November 20, 2025****GIST OF THE JUDGEMENT:**

The NCLT held that the admission of a claim by the Resolution Professional in the CIRP of the Principal Borrower constitutes a valid acknowledgment of debt for the purpose of extending limitation under Section 18 of the Limitation Act when a financial creditor files an application under Section 7 of the IBC against the Corporate Guarantor. The Tribunal observed that acknowledgment of liability in the books of the Principal Borrower—reflected through acceptance of the creditor’s claim during CIRP—operates for the benefit of the creditor against both the borrower and the guarantor, thereby keeping the claim within limitation for proceedings initiated against the Corporate Guarantor.

REGIONAL PF COMMISSIONER II VASHI V. HARISH KANT KAUSHIK (RP)**Case Number.: (2025) ibclaw.in 1016 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal****GIST OF THE JUDGEMENT:**

The Regional Provident Fund Commissioner II appealed against the NCLT's rejection of claims for damages and interest arising from an order passed after the liquidation commencement date. The NCLT allowed only claims existing as on the liquidation commencement date.

The NCLAT upheld the NCLT's decision, stating that only claims existing as on the liquidation commencement date are to be settled, and no claim can arise from any order passed thereafter. The appeal was dismissed, affirming the NCLT's order.

SUMER RADIUS REALTY PVT. LTD. V. AVENURE 54 WELFARE ASSOCIATION**Case Number.: (2025) ibclaw.in 1015 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal****GIST OF THE JUDGEMENT:**

Two appeals were filed against the NCLT's decision to allow a Section 7 application by Avenue 54 Welfare Association, a registered society of homebuyers. The appellants argued that the Association lacked valid authorization from all financial creditors.

The NCLAT held that a registered society can file an application on behalf of homebuyers, but it must have valid authorization from all members. The defect in authorization is curable, and the Association was given 7 days to file individual affidavits of authorization. The impugned order was not interfered with.

OMKARA ASSET RECONSTRUCTION PVT. LTD. V. AMIT VIJAY KARIA AND ANR.**Case Number.: (2025) ibclaw.in 1006 NCLAT****Tribunal/Court: National Company Law Appellate Tribunal****GIST OF THE JUDGEMENT:**

The appellant challenged the Adjudicating Authority's decision to appoint a liquidator of its own choice, disregarding the CoC's selection. The appellant argued that the CoC alone has the authority to select the liquidator.

The NCLAT held that the CoC has the exclusive authority to select the liquidator, and the Adjudicating Authority's role is limited to formal appointment, except in cases of fraud or collusion. The impugned orders were set aside, and the CoC's nominee was directed to be appointed as liquidator.

PRANAV DAMANIA (RP) V. DEPARTMENT OF GOODS AND SERVICE TAX AND ORS.**Case Number.: IA (IBC) No. 1491 of 2024 in CP(IB) No. 4304/MB/2019; (2025) ibclaw.in 2874 NCLT****Tribunal/Court: National Company Law Appellate Tribunal****GIST OF THE JUDGEMENT:**

The moratorium under Section 14 of the IBC prohibits any recovery or enforcement action, including the freezing of bank accounts, during the CIRP. The Tribunal directed the refund of amounts recovered during the moratorium and ordered the lifting of all attachments/freezing of bank accounts.

J KUMAR INFRAPROJECTS LTD. AND ORS. V. BANK OF INDIA AND ANR.

Case Number.: (2025) ibclaw.in 2869 NCLT

Tribunal/Court: National Company Law Appellate Tribunal, Mumbai

GIST OF THE JUDGEMENT:

The National Company Law Tribunal, Mumbai Bench, addressed a dispute involving the release of funds held by Bank of India post-CIRP of Pranav Construction System Pvt. Ltd. The Tribunal held that once the bank accepted full consideration under the Resolution Plan and issued a No-Dues Certificate, it was estopped from asserting rights over additional funds belonging to the Corporate Debtor. The Tribunal directed the release of the funds to the Corporate Debtor.

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

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