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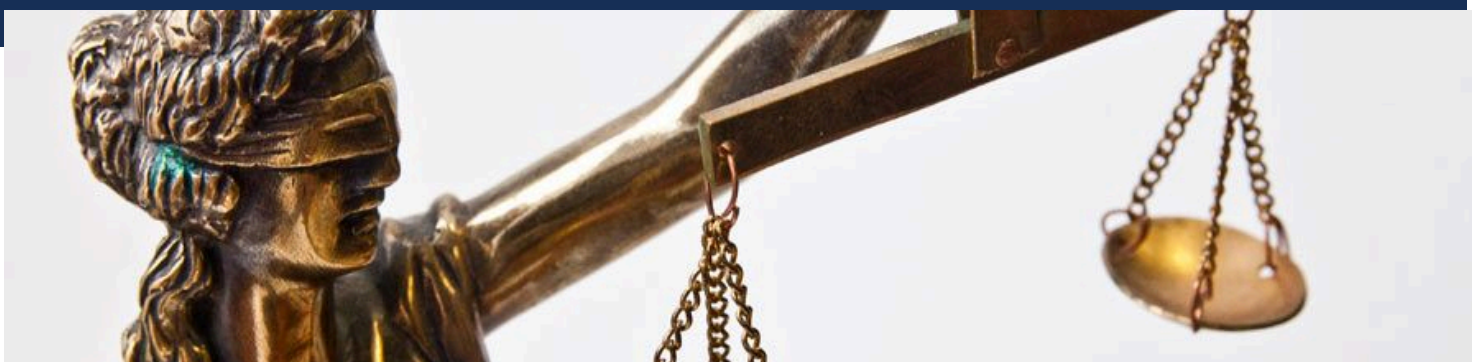
Supreme Court Holds Extinguished Dues Cannot Be “Resurrected” To Disqualify A Resolution Applicant

The Supreme Court of India (Cosmic CRF Limited v. Myotic Trading Private Limited & Ors., Civil Appeal Nos. 4266–4267/2026, June 2026) set aside orders that had declared Cosmic CRF Ltd. ineligible to participate in the corporate insolvency resolution process of Amzen Transportation Industries Pvt. Ltd. The Court held that once a company stands resolved under an approved resolution plan and all remaining dues are extinguished, those dues cannot be revived a year later to assess a prospective resolution applicant's eligibility.

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Key Points

- The Court reaffirmed that an approved resolution plan brings finality to a corporate debtor's past liabilities, consistent with the “clean slate” principle underlying the IBC.
- Dues that stood extinguished under a concluded CIRP cannot be revived to question an applicant's eligibility in a separate, later insolvency process.
- The ruling protects bidders and resolution applicants from being penalised for historical, already-settled obligations, improving certainty for prospective acquirers.



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Key Points

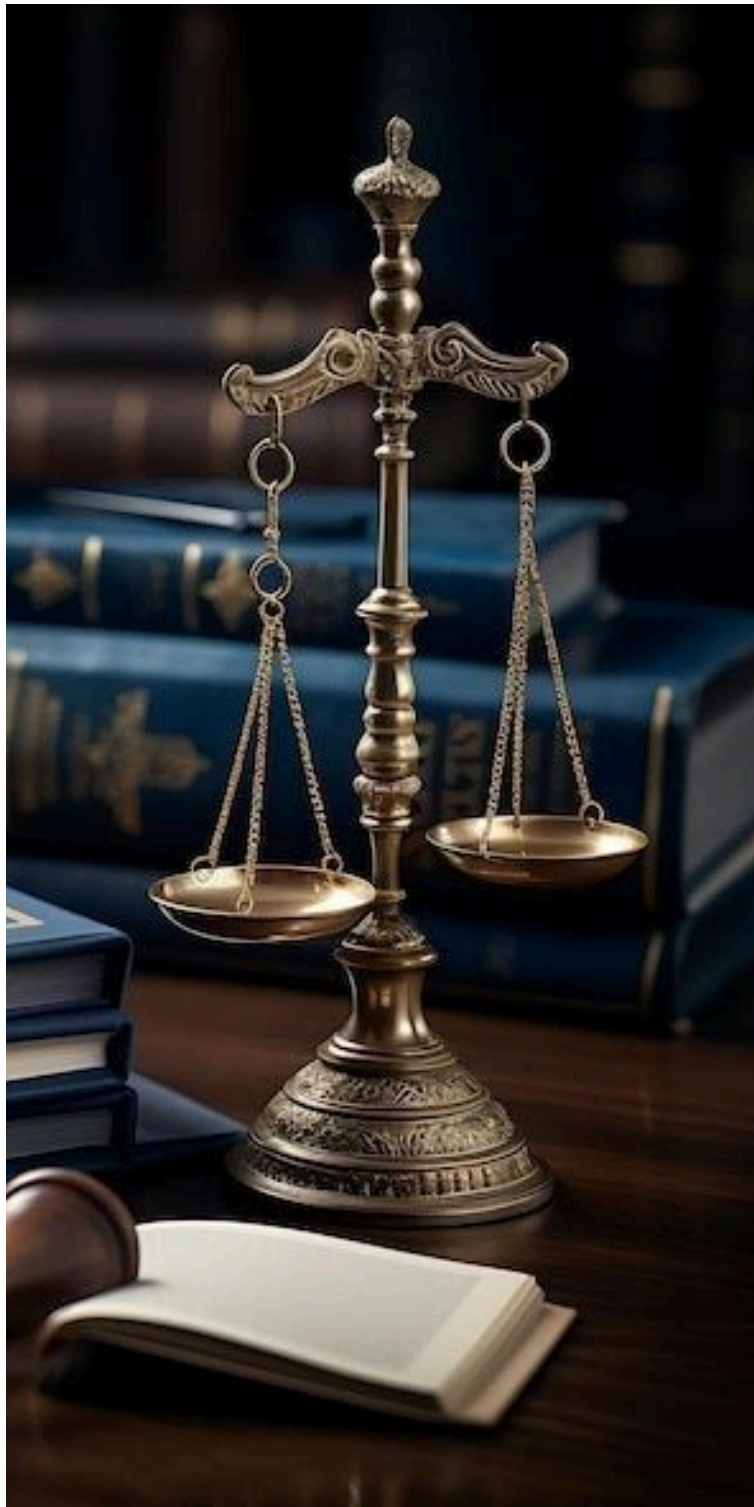
- Bathla Teletech's claims relating to unsold iPhone 8 inventory and backend discounts were found not to constitute a genuine pre-existing dispute capable of defeating the insolvency application.
- The Court reiterated that it will not interfere with concurrent findings of fact by the NCLT and NCLAT absent a substantial question of law.

Supreme Court Upholds Admission of Insolvency Plea against Bathla Teletech Filed By Ingram Micro

The Supreme Court of India (Bathla Teletech Private Limited v. Ingram Micro India Private Limited, Civil Appeal No(s). 8188/2026, June 2026) dismissed an appeal by Bathla Teletech, holding that no substantial question of law arose from the NCLAT's judgment. The Bench of Justices Dipankar Datta and Satish Chandra Sharma left intact insolvency proceedings initiated by Ingram Micro against the electronics reseller.



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Supreme Court Refuses To Condone 166-Day Refiling Delay In IBC Appeal, Calls Explanation A 'Lame Excuse'

The Supreme Court of India (Thrani Industries Ltd. v. KNK Management, Diary No(s). 61278/2025, June 2026) refused to entertain an appeal against insolvency proceedings initiated against Thrani Industries, holding that the company's explanation for a 166-day refiling delay was unsatisfactory.



Key Points

- The Court reiterated that IBC timelines are to be strictly construed, and inadequate or vague explanations for delay will not be condoned.
- Litigants must maintain meticulous, well-documented justification for any delay in refiling appeals before appellate forums under the Code.

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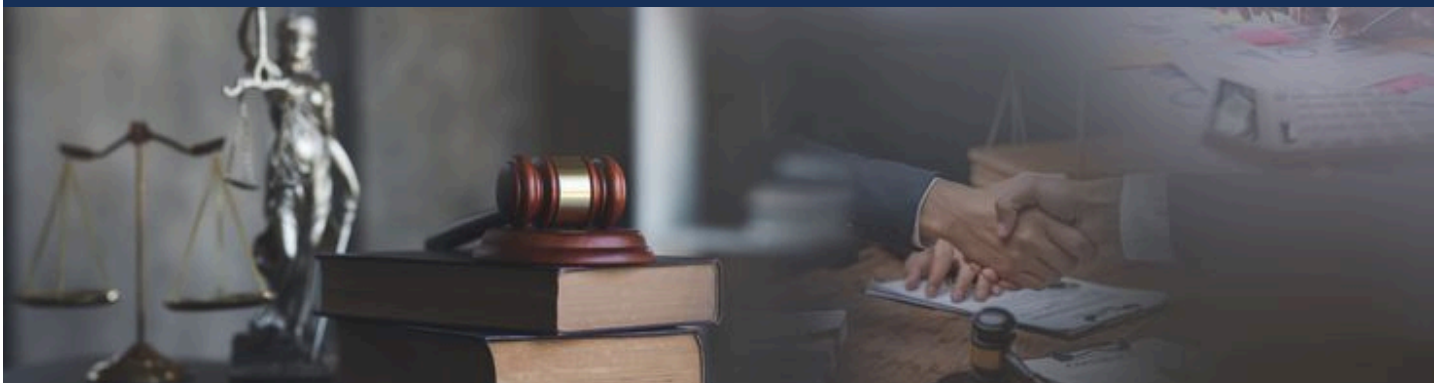
Delhi High Court Holds Resolution Plan Acceptance Amounts To 'Settlement' Under The Court Fees Act

The Delhi High Court (Sainik Industries Pvt. Ltd. v. Indian Sugar Manufacturing Company Limited, June 1, 2026, Justice Subramonium Prasad) held that acceptance of claims under a resolution plan in insolvency proceedings amounts to a "settlement" within the meaning of Section 16 of the Court Fees Act, 1870, entitling a plaintiff to a refund of court fee upon withdrawal of a related suit.



Key Points

- The Court allowed Sainik Industries to withdraw its recovery suit and directed refund of the entire court fee paid.
- Creditors whose claims are subsumed into an approved resolution plan may now rely on this ruling to recover court fees paid on parallel civil recovery suits.



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NCLAT Delhi Orders Fresh e-Auction After Finding Bidder Wrongfully Excluded Due To Platform Glitch

The NCLAT, New Delhi (In re: JFC Finance (India) Ltd., May 29, 2026) allowed an appeal filed by JFC Finance, holding that the bidder had been wrongfully excluded from an e-auction process due to a possible technical glitch on the BAANKNET platform, and directed a fresh auction with a reserve price of ₹54 crore.

Key Points

The Tribunal held that a bidder cannot be penalised for exclusion caused by a platform-side technical failure beyond its control.

A fresh e-auction was ordered at the same reserve price to ensure fairness and maximise asset value for stakeholders



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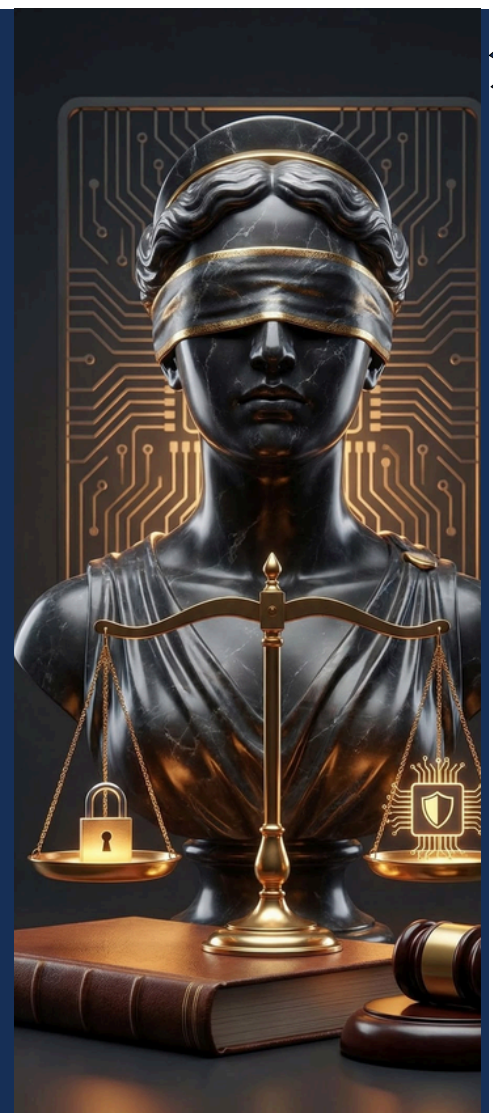
IBBI Notifies Amended Personal Guarantor Insolvency Regulations, Mandates Comprehensive Asset Disclosure

The Insolvency and Bankruptcy Board of India has amended the insolvency resolution and bankruptcy frameworks governing personal guarantors to corporate debtors, through the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2026 and the IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) (Second Amendment) Regulations, 2026, both effective June 1, 2026.

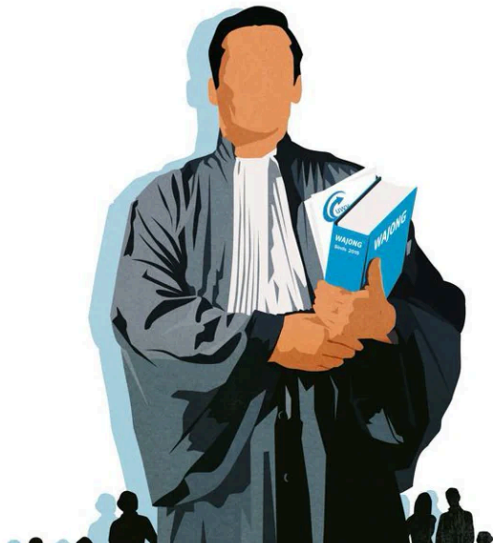
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Key Points

- Personal guarantors are now required to make comprehensive disclosure of assets at the outset of the resolution or bankruptcy process.
- The amendments lay down a structured mechanism to facilitate transfer of a guarantor's assets in related corporate insolvency proceedings, reducing scope for concealment or delay.



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Supreme Court Sets Aside NCLT Insolvency Order Over AI-Hallucinated Fake Judgments

The Supreme Court of India (Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. & Ors., July 2, 2026) set aside orders of the NCLT and NCLAT admitting Essel Infraprojects Limited into insolvency after finding that the NCLT's judgment relied on non-existent, AI-generated case citations. The Bench of Justice P.S. Narasimha and Justice Alok Aradhe directed the tribunals to re-decide the matter afresh on verified facts and genuine legal authorities.

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Key Points

- The Court held that if even a single fabricated citation enters a judicial decision, the order must be set aside, without inquiring whether the hallucinated material was material to the outcome.
- The Bench compared AI-hallucinated legal material to a toxic chemical release, describing it as invisible, insidious and catastrophic to the integrity of adjudication.
- The Court directed the BCI to constitute a committee to frame guidelines and disciplinary norms addressing the submission of AI-generated fabricated material by members of the Bar.



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NCLAT Rules IBC Cannot Shield Tainted Assets from PMLA Action

The National Company Law Appellate Tribunal (Value Wise Consultancy Pvt. Ltd. v. Deputy Director, Enforcement Directorate, July 1, 2026) held that the Insolvency and Bankruptcy Code cannot be used as a “holy Ganges” to wash away corporate criminality or shield tainted assets from action under the Prevention of Money Laundering Act.

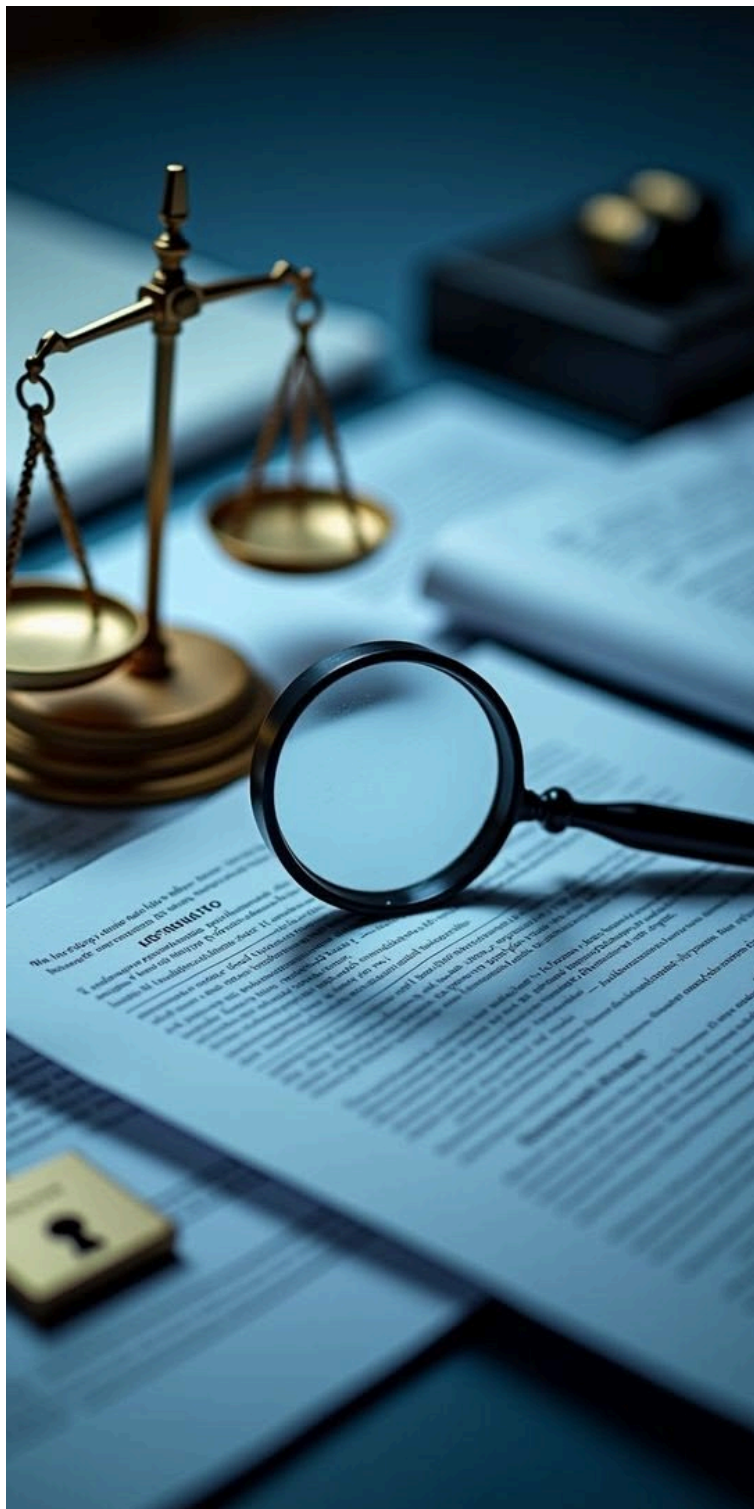


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Key Points

- The Tribunal held that the moratorium under Section 14 of the IBC protects only the legitimate, legally acquired assets of a corporate debtor and extends no shelter to wealth derived from statutory offences.
- NCLT and NCLAT, being creatures of the IBC, were held to have no power to sit in judgment over the validity, legality, or proportionality of an Enforcement Directorate attachment; such challenges must be pursued under the PMLA itself.
- The Tribunal cautioned that accepting the liquidator's argument would turn the IBC into a strategic shield for fraudulent promoters seeking to place tainted wealth beyond the reach of criminal investigation.

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Supreme Court Upholds Rejection of ₹85-Crore Insolvency Plea Against Essar Power Gujarat

The Supreme Court (Narayani Resources Pvt. Ltd. v. Essar Power Gujarat Ltd., July 8, 2026) declined to interfere with an NCLAT order rejecting a Section 9 insolvency petition over an alleged ₹85-crore coal-supply debt, holding that a genuine pre-existing dispute barred admission. The Bench of Justice Nongmeikapam Kotiswar Singh and Justice K. Vinod Chandran affirmed that operational creditors cannot use the IBC as a debt-recovery shortcut.

Key Points

- The parties had entered into a settlement in January 2025 for approximately ₹107 crore, and disputes over reconciliation and the balance amount were already the subject of consent arbitration referred by the Bombay High Court.
- The Court reiterated that Section 9 proceedings cannot be invoked where the underlying debt is bona fide disputed, and that such disputes must not be patently feeble or unsupported by evidence to defeat admission.
- Finding no error in the NCLAT's view that the dispute predated the statutory demand notice, the Supreme Court dismissed the operational creditor's appeal.

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Supreme Court Urges IBC Amendment to Protect MSME Operational Creditors

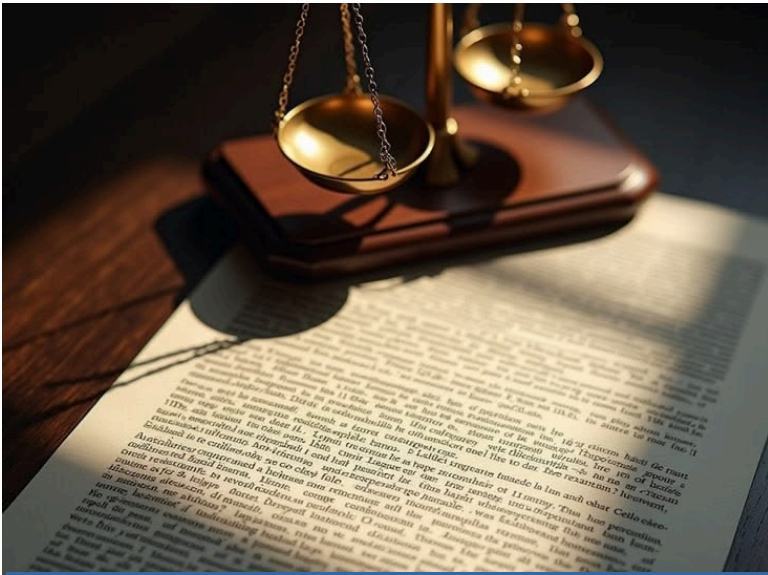
The Supreme Court (M/s Tata Steel Ltd. v. Varsha & Anr., July 2026) reaffirmed the “clean slate” principle under Section 31 of the IBC while calling on the Law Commission and Parliament to examine amendments giving small operational creditors, including MSMEs, fairer treatment in the resolution process. The Bench of Justice Manoj Misra and Justice Manmohan allowed Tata Steel's appeals arising from the Bhushan Steel insolvency.

Key Points

- Once a resolution plan is approved, all claims not forming part of the plan stand extinguished; operational creditors cannot continue civil suits or arbitration for dues that had not become determinable and quantifiable before approval.
- The Court observed that small operational creditors and statutory local bodies are placed at the bottom of the repayment waterfall and are ill-equipped to absorb even minor financial losses.
- The Bench urged the Law Commission and Parliament to examine a fairer repayment mechanism for such creditors without compromising the efficiency and commercial certainty of the insolvency process.



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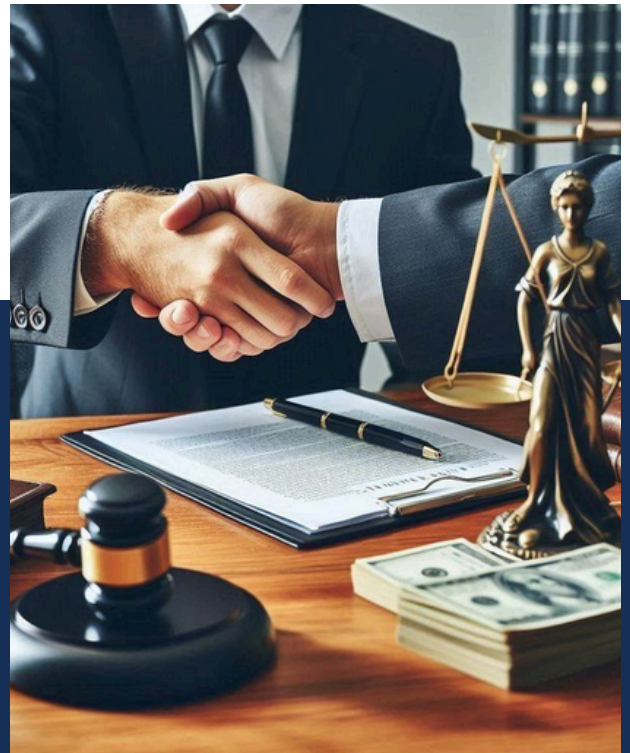
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Key Points

- Section 19(22-A) of the RDB Act, inserted in 2016, deems a DRT recovery certificate to be a decree of a civil court, but the Court held this fiction operates only prospectively and cannot revive a pre-amendment recovery certificate.
- Relying on *Paramjeet Singh Patheja v. ICDS Ltd.*, the Court held that the 1909 Act carries grave civil consequences and that "decree or order" refers only to decrees under the Code of Civil Procedure emanating from a regularly constituted court.
- The Court affirmed the Bombay High Court's quashing of the insolvency notice issued against the personal guarantor, leaving the bank free to pursue other lawful remedies.

Supreme Court: Pre-2016 DRT Recovery Certificates Cannot Trigger Insolvency Notices

The Supreme Court (*HDFC Bank Ltd. v. Kishore K. Mehta (Dead) Thr. LR.*, July 13, 2026) held that a recovery certificate issued by a Debts Recovery Tribunal before the 2016 amendment to the Recovery of Debts and Bankruptcy Act cannot be treated as a "decree or order" for initiating insolvency proceedings under Section 9(2) of the Presidency Towns Insolvency Act, 1909. The Bench of Justice Dipankar Datta and Justice Satish Chandra Sharma dismissed HDFC Bank's appeal.



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NCLAT Stays IBBI Order Barring Insolvency Professional From Other CIRPs

The NCLAT, Principal Bench (Sachin Naveen Sinha v. The Insolvency and Bankruptcy Board of India, July 23, 2026) stayed an IBBI order that had barred an insolvency professional from continuing in his other ongoing CIRP assignments, while leaving undisturbed his removal from the CIRP in which the alleged misconduct occurred. The Bench of Justice N. Seshasayee and Technical Member Barun Mitra granted interim relief pending the appeal.

Key Points

- The Tribunal held that although the IBBI has disciplinary authority over insolvency professionals, its exercise must comply with the rule of audi alteram partem, regardless of the seniority of the authority concerned.
- The IBBI had suspended the professional's registration for three years, effective July 8, 2026, based on a finding of misconduct in one CIRP.
- The stay permits the professional to continue in his other, unrelated assignments while the appeal against the suspension remains pending adjudication.



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