

## IBC News

### Corporate Ministry Seeks Cabinet Approval For 50 More NCLT Courts

The Corporate Affairs Ministry has sought Cabinet approval to set up 50 additional NCLT courts and two more NCLAT benches to address delays in insolvency proceedings. It also plans to frame regulations under the Adjudicating Authority Rules to ensure timelines are met, along with infrastructure and administrative strengthening.

Despite adequate sanctioned strength, insolvency applications take over a year to be admitted against the 14-day mandate due to capacity and infrastructure constraints. The committee and stakeholders stressed expanding benches, improving infrastructure, and fixing a three-month timeline for NCLAT appeals. IBBI data shows CIRPs continue to face prolonged timelines, weakening the IBC's timebound framework.

**Source:** *Business Standard, December 18, 2025.*

[https://www.business-standard.com/industry/news/mca-seeks-to-add-50-nclt-courts-and-two-nclat-benches-panel-report-125121800739\\_1.html](https://www.business-standard.com/industry/news/mca-seeks-to-add-50-nclt-courts-and-two-nclat-benches-panel-report-125121800739_1.html)

### With Mounting Pendency, Infra Woes, NCLT Struggles As Insolvency Cases Surge Beyond Capacity

In 2025, the Insolvency and Bankruptcy Code framework faced mounting stress as insolvency cases increasingly exceeded statutory timelines due to capacity constraints and systemic delays at the NCLT, despite efforts to manage the workload. Nearly 10,000 cases remain stuck at the admission stage, with over ₹10 lakh crore locked in distressed assets, while many NCLT benches operated on half-day schedules amid infrastructure and staffing shortages. Delays were driven by repeated adjournments, contested defaults, and excessive litigation. Although thousands of CIRPs have been admitted, resolved, withdrawn, or settled since 2016, the average resolution time rose sharply to 688 days by September 2025, far exceeding prescribed limits. Experts noted that while new appointments were



made and landmark judgments reinforced the primacy of commercial wisdom, structural issues, regulatory overlaps, and procedural inefficiencies continued to undermine timely resolution under the IBC.

**Source:** *The Economic Times, December 31, 2025.*  
<https://economictimes.indiatimes.com/news/company/corporate-trends/with-mounting-pendency-infra-woes-nclt-struggles-as-insolvency-cases-surge-beyond-capacity/articleshow/126267043.cms?from=mdr>

### Continuous insolvency and bankruptcy are essential for building a risk-taking and dynamic economy: Sanjeev Sanyal

Shri Sanyal, Member of Economic Advisory Council to the Prime Minister (EAC-PM), reportedly said to media that healthy economic system must allow for "continuous churn", where old companies shut down, and new ones emerge to take their place. He stressed that constant change is necessary for long-term economic strength. He further added that allowing large companies to fail is sometimes unavoidable. Referring to 2017, he recalled that Indian banks were under severe stress, following which the government allowed some of the country's biggest companies to go bankrupt. "This did not make the corporate sector weaker. In fact, it came back much stronger after the cleanup," he added.

**Source:** *The Times of India, December 27, 2025.*  
<https://timesofindia.indiatimes.com/business/india-business/india-must-allow-insolvency-and-bankruptcy-to-build-dynamic-risk-taking-economy-pms-economic-advisory-council-member-sanjeev-sanyal/articleshow/126205203.cms>

## **Committee of Creditors (CoC) cannot alter resolution plan after approval, rules NCLAT**

Dismissing an appeal filed by Bank of Baroda (BOB) in the matter of Reliance Communications Infrastructure Ltd (RCIL), a two-member bench of the NCLAT held that assenting members of the CoC cannot alter the financial allocation of a resolution plan once the bids have been approved.

“It is true that the CoC with commercial wisdom can take a decision regarding different aspects of the plan, including manner of distribution, but once the commercial wisdom has been exercised by approving the resolution plan in meeting, the modification of the said distribution mechanism, which is impermissible, cannot be saved in the name of commercial wisdom of the CoC,” said NCLAT. The Resolution Plan in the present case was approved by the CoC with a 67.97 per cent vote share on August 5, 2021. The BOB voted in favour of the Plan, while IDBI Bank, State Bank of India (SBI), and certain other financial institutions dissented. The Plan was thereafter submitted to the NCLT, Mumbai for approval. Subsequently, BOB moved an application before the NCLT seeking directions to the CoC to convene a meeting to consider reallocation of proceeds under the resolution plan, particularly in respect of the loan to Reliance Bhutan. Pursuant to the NCLT’s directions, the CoC met on October 27, 2023, and approved the proposal for reallocation and reassignment relating to Reliance Bhutan, despite objections raised by IDBI Bank and SBI.

**Source:** *The Hindu Businessline.com, December 26, 2025.*  
<https://www.thehindubusinessline.com/money-and-banking/coc-cannot-alter-resolution-plan-after-approval-says-nclat/article70440744.ece>

## **Supreme Court invoked Article 142 to appoint a panel to oversee insolvency process of Supertech Realtors**

The three-member committee will reportedly oversee the CIRP of real estate major M/s Supertech Realtors Pvt. Ltd., which is embroiled in multiple litigations by homebuyers and others concerning its ambitious

Supernova project in Sector 94, Noida. The committee will also discharge the functions of the company’s Board of Directors. As per media reports, the committee has been directed to appoint a new developer after inviting proposals and conducting due diligence, with due regard to timelines, track record, experience, and financial viability. The Bench categorically clarified that any developer associated with or related to the corporate debtor or its erstwhile management shall not be permitted to participate in the process.

**Source:** *Indianexpress.com, December 24, 2025.*  
<https://indianexpress.com/article/legal-news/member-panel-oversee-insolvency-process-supertech-realtors-completion-supernova-project-10436195/>

## **Statutory dues for periods before the approval of a resolution plan under the IBC stand extinguished: Delhi High Court**

Quashing demand cum show cause notices and consequential orders issued by the Goods and Services Tax (GST) Department against the Applicant, the Court upheld that after a resolution plan is approved by the NCLT, no new demands could be raised for pre resolution periods, as creditors, along with government authorities, are bound by the plan. In this case, the Resolution Plan submitted by S.A. Infrastructure Consultants Pvt. Ltd for ERA Infra Engineering Ltd. (Corporate Debtor) was approved by the NCLT on June 11, 2024. During the insolvency process the GST Department submitted a claim of ₹4.02 crore, which was reduced to ₹1.94 crore. However, after approval of the Plan, GST department raised demands for FY 2017-18, FY 2018-19, and FY 2019-20.

**Source:** *SAGinfotech.com, December 22, 2025.*  
<https://blog.saginfotech.com/delhi-hc-gst-demand-notices-pre-ibc-statutory-dues-stand-extinguished#>

## **Parliamentary Panel recommended dedicated fast-track insolvency benches**

The Parliamentary Standing Committee on Finance has reportedly recommended exploring the creation of dedicated fast-track insolvency benches and increasing the number of NCLT benches to manage the growing caseload under the IBC.

The Committee has warned that persistent delays discourage serious resolution applicants and push stressed firms toward liquidation. It also cited the Reserve Bank of India's view that admission-stage delays could be reduced by mandating timelines and introducing a binding creditor code of conduct to prevent disputes from stalling resolution processes.

**Source:** *KNN.co.in, December 20, 2025.*

<https://knnindia.co.in/news/newsdetails/sectors/legal/parliamentary-committee-calls-for-more-nclt-benches-to-speed-up-ibc-cases>

### Select Committee Recommends ThreeMonth Time Limit for Insolvency Appeals

The Select Committee of the Lok Sabha on IBC (Amendment) Bill has reportedly submitted its report to the Lok Sabha. According to media reports, the Committee has proposed fixing a three-month time limit for Appellate Tribunal (NCLAT) to decide insolvency appeals.

Besides, it has been recommended that the definition of the term 'service provider' be suitably modified to include 'registered valuer' to the list of entities that are provided under the IBC. The Committee also suggested that to maintain coherence, appropriate references to 'registered valuer' be included where the term service provider is used in the Bill and at all relevant places.

**Source:** *Newsair.gov.in, December 18, 2025.*

<https://www.newsair.gov.in/ibc-amendment-bill-2025-select-committee-submits-report-to-lok-sabha/>

### NCLT Approval Not Needed to Appoint Head of Monitoring Committee

The National Company Law Tribunal (NCLT), Mumbai, has recently held that both the Insolvency and Bankruptcy Code, 2016 (IBC) and the CIRP Regulations mandate tribunal approval for the appointment of the chairperson of a monitoring committee. The Tribunal clarified that its role is confined to ensuring that a monitoring committee is constituted for implementation of an approved Resolution Plan. A monitoring committee is typically formed to supervise compliance with and

execution of the Resolution Plan by the successful resolution applicant and other stakeholders.

**Source:** *LiveLaw, December 15, 2025.*

<https://www.livelaw.in/ibc-cases/approval-of-tribunal-not-required-to-appoint-monitoring-committee-chair-under-ibc-nclt-mumbai-513270>

### Time is a Crucial Facet of the IBC Scheme, Reiterates Supreme Court

Dismissing the appeal in M/s. Shri Karshni Alloys Private Limited v. Ramakrishnan Sadasivan (2025), the Supreme Court noted that the appellant had consistently sought adjournments and contributed to delays in the proceedings. The Court observed that the appellant itself had sought an extension of time until 31 May 2022 in its interlocutory application. Since the NCLT passed its order on 29 June 2022, it merely acted in accordance with the appellant's own proposed timeline by directing payment of ₹34.60 crore along with 12% interest from 15 April 2022 by 30 June 2022. It was also observed that the Appellant was engaged in forum shopping by challenging the same order in the NCLAT as well as High Court.

**Source:** *Verdictum, December 11, 2025.*

<https://www.verdictum.in/court-updates/supreme-court/shri-karshni-alloys-private-limited-v-ramakrishnan-sadasivan-2025-insc-1411-ibc-proceedings-1600869>

### Proceedings under the IBC Cannot be Defeated by a Corporate Debtor's Moonshine Defense, said Supreme Court

The Supreme Court in a recent judgment in M/s. Saraswati Wire and Cable Industries v. Mohammad Moinuddin Khan (2025), made strong observations where a suspended director of the Corporate Debtor (CD) claimed a pre-existing dispute in response to a supplier's demand notice and initially obtained relief from the Appellate Tribunal.

After going through the records, the two judges Bench of the Supreme Court reportedly observed that the defense of pre-existing disputes sought to be raised by the CD was mere moonshine and had no credible basis or foundation. It was observed that at the time

the Technical Director of the CD furnished a reply to the firm's demand notice, a CIRP against the CD had already commenced, and an Interim Resolution Professional (IRP) had assumed management of the company. The Bench also observed that, in such circumstances, the suspended Technical Director had no authority to respond on behalf of the CD. Moreover, it was an admitted fact that even after the firm issued the demand notice under Section 8 of the IBC, the CD continued to make payments, said the Court. "There was no dispute worth the name in existence as on the date of issuance of the demand notice by the firm that could warrant the withholding of the operational debt due and payable by the CD," the Court said. The appeal of the Operational Creditor was allowed.

**Source:** *Verdictum, December 11, 2025.*

[https://www.verdictum.in/court-updates/supreme-court/ms-saraswati-wire-and-cable-industries-v-mohammad-moinuddin-khan-2025-insc-1410-adjudicating-authority-financial-creditor-sec7-ibc-corporate-debtor-1600833\\_](https://www.verdictum.in/court-updates/supreme-court-ms-saraswati-wire-and-cable-industries-v-mohammad-moinuddin-khan-2025-insc-1410-adjudicating-authority-financial-creditor-sec7-ibc-corporate-debtor-1600833_)

### **UP RERA issued advisory to homebuyers after NCLT admitted 129 projects into CIRP**

According to media reports, 129 projects belonging to 14 real-estate developers under Uttar Pradesh Real Estate Regulatory Authority (UP-RERA) have entered the CIRP between January 2024 and now. With these projects now under the jurisdiction of the NCLT, the UP-RERA has advised homebuyers that the Resolution Professional (RP) is now the only authority through which they can pursue their claims. It has urged all affected allottees to urgently file their claims with the designated IRPs. Once CIRP begins, a moratorium under the IBC comes into force, halting all regulatory, legal, and recovery proceedings. As a result, UP-RERA cannot take up or continue any complaints, enforcement orders, or hearings related to these projects until the moratorium is lifted.

**Source:** *Z Business, December 05, 2025.*

<https://www.zeebiz.com/real-estate/news-up-rera-issues-advisory-for-homebuyers-as-129-projects-move-to-nclt-irps-now-the-only-route-3848721>

### **Delays are mainly due to litigation, the Ministry of Finance stated in a written reply in the Lok Sabha**

According to media reports, the Ministry of Finance has informed the Lok Sabha in a written reply that corporate insolvency cases under the Insolvency and Bankruptcy Code, 2016 (IBC) are now taking over 500 days on average, with delays largely driven by litigation in the adjudicatory process. As of end-September 2025, about 1,300 Corporate Insolvency Resolution Processes (CIRPs) that culminated in approved resolution plans took an average of 603 days, excluding time condoned by the Adjudicating Authority. Another 2,896 CIRPs that ended in liquidation required an average of 518 days to conclude. Separately, 1,529 liquidation processes that have closed with the submission of final reports took an average of 668 days, making liquidation the longest stage in the IBC lifecycle. The Finance Ministry attributed these delays primarily to litigation, noting that the IBC is an adjudicatory framework where court challenges frequently extend case timelines. "Delays are mainly on account of litigation," the Ministry stated. The government also highlighted that public sector banks (PSBs) have significantly strengthened their balance sheets, becoming profitable and relying on internal accruals and market capital rather than state-led recapitalization. No capital infusion has been made into PSBs since FY23, said the media report.

**Source:** *CNBC TV, December 08, 2025.*

[https://www.business-standard.com/finance/news/limited-nclt-benches-stall-ibc-cases-delays-threaten-insolvency-resolution-125092201028\\_1.html](https://www.business-standard.com/finance/news/limited-nclt-benches-stall-ibc-cases-delays-threaten-insolvency-resolution-125092201028_1.html)

### **India's Insolvency Regime Upgraded to Group B**

According to media reports, S&P Global Ratings has upgraded India's insolvency regime to Group B from Group C, reflecting improved creditor-friendliness and stronger outcomes under the Insolvency and Bankruptcy Code (IBC). The agency reportedly noted that the IBC has significantly strengthened credit discipline by shifting resolution power toward creditors, with promoters now facing the risk of

losing control of their businesses, unlike under earlier regimes. S&P highlighted India's continuing record of successful creditor-led resolutions, which has improved both timeliness and recovery rates. Average recoveries have risen to over 30%, compared with 15–20% under the previous framework, while average resolution time for bad loans has fallen to about two years, down from six to eight.

**Source:** *Financial Express, December 04, 2025.*

<https://www.financialexpress.com/business/industry-sampp-upgrades-indias-insolvency-regime-to-group-b-on-stronger-creditor-protection-under-ibc-4065696/>

### Parliamentary Finance Panel Calls for Immediate, Targeted Measures to Improve IBC Efficiency

The Parliamentary Standing Committee on Finance has noted that systemic challenges continue to limit the IBC's potential. In a report tabled in the Lok Sabha on Tuesday, the committee, observed that despite strengthening creditor confidence and boosting domestic and foreign investment, the IBC still faces persistent bottlenecks that demand urgent intervention. According to media reports, the key issues flagged include delays caused by a shortage of judges, uncertainty regarding the finality of resolution plans, and insufficient accountability of resolution professionals managing distressed companies. To address these gaps, the committee recommended expanding judicial capacity through additional NCLT benches, strengthening oversight of the RPs by empowering the CoC and streamlining disciplinary mechanisms, and ensuring finality of approved plans through clear legislative amendments. It also emphasized the need to remove procedural ambiguities via detailed rules and guidelines. The report urged the Ministry of Corporate Affairs to implement these reforms swiftly, leveraging the IBC Amendment Bill, 2025 to maximize enterprise value, safeguard stakeholder interests, promote financial stability, and reinforce India's position as an attractive business destination. The recommendations come as the government works on overhauling the IBC; a revised bill, currently under review by a Lok Sabha select committee, is expected in the ongoing winter session.

Experts noted that the committee's findings highlight the need for stronger practical implementation.

**Source:** *Livemint, December 02, 2025.*

<https://www.livemint.com/news/india/targeted-steps-needed-to-step-up-ibc-efficiency-parliamentary-panel-11764690350330.html>

### Husband cannot use CIRP to evade Maintenance: HC

The Bombay High Court has ruled that a husband cannot seek the shield of insolvency proceedings to escape his legally mandated obligation to pay maintenance to his wife. The court held that maintenance payments arise from a moral and personal duty and are not a debt that can be dissolved by bankruptcy law. The court dismissed an insolvency petition filed by a Mumbai-based man, Mehul Jagdish Trivedi, who sought to be declared insolvent after failing to pay a monthly maintenance of ₹25,000 to his wife.

**Source:** *Hindustan Times, November 21, 2025.*

<https://www.hindustantimes.com/cities/mumbai-news/husband-cannot-use-insolvency-proceedings-to-evade-paying-maintenance-hc-101763666003252.html>

### Supreme Court Dismisses Avantha Holdings' Appeal, Clears NTPC's Takeover of Jhabua Power

The Supreme Court has dismissed Avantha Holdings' appeal challenging NTPC's approved resolution plan for the takeover of Jhabua Power, affirming the NCLAT's earlier ruling. The tribunal had held that a promoter group responsible for pushing a company into insolvency cannot indirectly route a competing plan through another entity. NTPC's ₹925-crore proposal for the 600 MW thermal power plant was endorsed by the Committee of Creditors as the only feasible option. With the Supreme Court's refusal to interfere, NTPC's acquisition now stands fully cleared, providing long-awaited certainty for lenders and operational continuity for the distressed asset.

**Source:** *Economic Times, November 18, 2025.*

<https://economictimes.indiatimes.com/news/india/sc-dismisses-avantha-holdingss-appeal-against-ntpc-s-resolution-plan-for-takeover-of-jhabua-power/articleshow/125415852.cms?from=mdr>

## **Vedanta and Adani in Race to Acquire JAL Under IBC Resolution**

Five resolution plans have been submitted for the debt laden Jaiprakash Associates Ltd (JAL), with proposals from Vedanta Group, Adani Group, Dalmia Bharat Group, Jindal Power, and PNC Infratech currently under consideration by the CoC. According to media reports, Vedanta has submitted the highest overall offer of around ₹16,000 crore, including ₹3,770 crore upfront and the remainder payable over five years. Adani Group has proposed a bid of about ₹13,500 crore, offering a significantly higher upfront payment of ₹6,005 crore, with the balance due after two years. In net present value (NPV) terms, Vedanta leads slightly at ₹12,505 crore compared to Adani's ₹12,050 crore. While Vedanta's total offer is higher, Adani's stronger upfront component may attract lenders seeking quicker recovery.

**Source:** *CNBC TV, November 11, 2025.*

<https://www.cnbcv18.com/market/voting-underway-5-resolution-plans-jaiprakash-associates-adani-offers-more-money-upfront-ws-l-19754884.htm>

## **Justice Ashok Bhushan Re-appointed as NCLAT Chairperson till July 2026**

The Central government has approved the reappointment of former Supreme Court judge Justice Ashok Bhushan as Chairperson of the National Company Law Appellate Tribunal (NCLAT), said media reports. According to an order issued on November 7 by the Ministry of Personnel, Public Grievances and Pensions, the Appointments Committee of the Cabinet approved the Ministry of Corporate Affairs' proposal for Justice Bhushan's re-appointment till he attains the age of 70 years on July 4, 2026. He was elevated to the Supreme Court of India on May 13, 2016, and retired on July 4, 2021. Justice Bhushan then assumed charge as Chairperson of the NCLAT on November 8, 2021, where he has presided over key matters involving corporate law, insolvency, and competition. He will now continue in the role until July 2026.

**Source:** *Bar and Bench, November 07, 2025.*

<https://www.barandbench.com/news/justice-ashok-bhushan-re-appointed-nclat-chairperson-till-july-2026>

## **Government should assess how the Insolvency and Bankruptcy Code has actually worked in 10 years, said the Supreme Court**

According to media reports, during the Aircel-RCom spectrum dispute hearing, the Supreme Court urged the Central Government to reassess whether the Insolvency and Bankruptcy Code meets its objectives as arguments concluded. "How IBC has worked — that assessment. One is that we didn't call it an impact assessment. You have said statute audit. So, you audit the performance of a statute and take a call to what extent it serves the purpose and object of its making," the Supreme Court said. The Court was hearing a dispute regarding the treatment of telecom spectrum held by Aircel and Reliance Communications (RCom) during their insolvency process and has now reserved its judgment. The controversy stems from separate petitions filed by State Bank of India (SBI) and the two bankrupt telecom operators challenging a 2021 decision of the NCLAT. In that ruling, the NCLAT had held that spectrum could only be transferred or sold under a resolution plan after the clearance of all dues owed to the Government, thereby restricting lenders' ability to recover outstanding debts. During the proceedings, the Government opposed the inclusion of spectrum in the insolvency estate, asserting that spectrum is a national asset that remains under state ownership, with telecom operators merely possessing limited rights to use it under license. The Court remarked that if the government believed spectrum could not form part of the insolvency estate, it ought to have cancelled the licences of companies undergoing insolvency, rather than simultaneously filing claims as an operational creditor under the IBC.

**Source:** *Business Standard, November 13, 2025.*

[https://www.business-standard.com/india-news/supreme-court-ibc-assessment-aircel-rcom-spectrum-case-12511302010\\_1.html](https://www.business-standard.com/india-news/supreme-court-ibc-assessment-aircel-rcom-spectrum-case-12511302010_1.html)

## **ICAI Submits Recommendations to Parliamentary Panel on IBC Amendment Bill, 2025**

An expert committee under the Insolvency and Bankruptcy Board of India (IBBI) has reportedly recommended new rules to prevent duplicate

disciplinary actions against insolvency professionals (IPs). The committee highlighted that both the IBBI and insolvency professional agencies (IPAs) sometimes initiate parallel proceedings for the same violations. To address this, it proposed regular data sharing and periodic review meetings between the IBBI and IPAs to ensure coordinated action and avoid redundancy.

The new norms are expected to make the disciplinary process fairer and more transparent, potentially serving as a model for collaborative regulation within the insolvency ecosystem, said a media report. Currently, both the IBBI and IPAs can initiate disciplinary action against IPs.

**Source:** *Economic Times, November 06, 2025.*

<https://economictimes.indiatimes.com/news/economy/policy/ibbi-submits-suggestions-on-insolvency-law-amendments-to-parliament/articleshow/125137007.cms?from=mdr>

### Karnataka High Court Upholds Employee Rights, Orders ₹13 Lakh Back Wages Despite Employer's Insolvency

The Karnataka High Court has directed a liquidated employer to pay ₹13 lakh plus accrued interest to a dismissed employee, rejecting the employer's liquidation defense. The order emphasizes the employee's right to back wages crystallized with a 2017 tribunal award, preceding the insolvency process. The reinstatement component was dropped as the company no longer functioned, but payment of dues was held unaffected by the employer's insolvency.

**Source:** *BWP People, October 27, 2025.*

<https://www.bwpeople.in/article/karnataka-hc-orders-payment-of-back-wages-despite-employer-s-insolvency-577094>

### NCLAT Allows Inclusion of Late-Filed Homebuyers' Claims in Resolution Plan

The National Company Law Appellate Tribunal (NCLAT) has directed that 20 homebuyers who submitted their claims late in the insolvency proceedings of Today Homes Noida be included in the resolution plan. The tribunal overturned the earlier decision of the

NCLT, which had dismissed the claims as "time-barred." The NCLAT ordered the successful resolution applicant to issue an addendum within 30 days and to treat these homebuyers on par with other allottees in the same class. The Ridge Residency project, developed by Today Homes in Noida's Sector 135, remains incomplete. The tribunal emphasized that the Committee of Creditors' (CoC) approval cannot override genuine buyer claims merely because they were filed belatedly.

**Source:** *Times of India, October 25, 2025.*

<https://timesofindia.indiatimes.com/city/noida/nclat-includes-late-buyers-claims-in-today-homes-plan/articleshow/124793722.cms>

### Bombay High Court Clarifies: Courts Cannot Compel Banks to Alter Loan Terms or Offer One-Time Settlement Benefits

In a significant judgment reaffirming the commercial autonomy of financial institutions, the Nagpur Bench of the Bombay High Court held that courts cannot compel banks or financial institutions to alter the terms of a loan agreement or grant One-Time Settlement (OTS) benefits to borrowers or guarantors. The ruling stemmed from a petition filed by a director and guarantor of a company that had availed a ₹62-crore loan, wherein the petitioner sought judicial intervention after the bank declined to extend OTS relief. The Court categorically observed that such reliefs lie strictly within the domain of the bank's commercial discretion and cannot be mandated through a writ of mandamus under Article 226 of the Constitution. Financial institutions, the bench noted, function within established regulatory frameworks, and their decisions are informed by policy considerations, risk assessments, and contractual commitments. Judicial intervention in these matters, it cautioned, would disrupt financial discipline and introduce uncertainty into credit markets. The judgment further emphasized that the contractual relationship between lenders and borrowers cannot be rewritten by judicial order unless there is clear evidence of mala fides, procedural irregularity, or violation of statutory provisions. It warned that allowing courts to compel OTS concessions would set

a dangerous precedent, encourage strategic defaults and undermine the stability of the banking system. The ruling thus reaffirms banks' commercial autonomy in recovery and settlement decisions.

**Source:** *Times of India, October 23, 2025.*

<https://timesofindia.indiatimes.com/city/nagpur/courts-can-force-banks-to-alter-loan-terms-or-grant-ots-benefits-bombay-hc/articleshow/124747273.cms>

### Government to Introduce Dedicated Insolvency Framework for Urban Local Bodies and Municipal Corporations

The government is preparing a dedicated insolvency framework for urban local bodies (ULBs) and municipal corporations as part of broader reforms under the Insolvency and Bankruptcy Board of India (IBBI) amendments. The new law aims to give lenders clearer confidence and encourage financing for city infrastructure by creating a structured debt-resolution process tailored for municipalities. Many ULBs face weak revenues and high administrative costs, making access to capital markets difficult. A bespoke insolvency mechanism is expected to unlock funding, improve fiscal discipline and support capital investment in urban services.

**Source:** *Financial Express, October 21, 2025.*

<https://www.financialexpress.com/india-news/insolvency-law-for-urban-bodies-in-the-works/4017457/>

### NCLAT Recognizes Kolkata Municipal Corporation as Secured Creditor, Allows Recovery of ₹51.72 L Property-Tax Dues

The National Company Law Appellate Tribunal (NCLAT) has ruled in favour of the Kolkata Municipal Corporation (KMC), declaring that its claim for unpaid property tax of ₹51.72 lakh against Talwalkars Better Value Fitness Ltd must be treated as a secured debt. The bench held that the statutory charge constitutes a "security interest" under the Insolvency and Bankruptcy Code, 2016 (IBC), and thus KMC qualifies as a secured creditor, rather than being relegated to the status of a government-dues operational creditor. The decision amended a previous order by the National Company

Law Tribunal (NCLT), and as a result, KMC may recover its dues from the corporate debtor's property located within its municipal limits.

**Source:** *Millennium Post, October 27, 2025.*

<https://www.millenniumpost.in/bengal/nclat-allows-kmc-to-recover-rs-52l-property-tax-dues-632823>

### NCLT Approves Reliance Retail's Resolution Plan for Future Supply Chain Solutions

Marking another milestone in the retail insolvency landscape, the National Company Law Tribunal (NCLT), Mumbai Bench, has approved the Resolution Plan submitted by Reliance Retail Ventures Ltd (RRVL) for the acquisition of Future Supply Chain Solutions Ltd (FSCSL) under the Insolvency and Bankruptcy Code, 2016. The Tribunal noted that the plan met all the requirements under Section 30(2) of the Code and had received overwhelming approval from the Committee of Creditors (CoC).

The approved Plan provides for the takeover of FSCSL as a going concern, ensuring continuity of business operations and better realization for creditors compared to liquidation. As per the details presented by the Resolution Professional, financial creditors are expected to recover around 25–30% of their admitted claims, while operational creditors will receive payouts in accordance with the statutory priority waterfall. The total admitted claims stood at ₹155.16 crore, with the liquidation value estimated at ₹133.35 crore and the approved plan valued at ₹171.38 crore.

The NCLT's decision underscores the Code's emphasis on value maximization through competitive bidding and going-concern sales, reflecting a maturing insolvency ecosystem.

**Source:** *Business Standard, October 19, 2025.*

[https://www.business-standard.com/industry/news/nclt-clears-reliance-retail-s-takeover-plan-for-future-supply-chain-125101900640\\_1.html](https://www.business-standard.com/industry/news/nclt-clears-reliance-retail-s-takeover-plan-for-future-supply-chain-125101900640_1.html)