



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter



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NCLAT Dismissed Rolta Employees' Appeal against Resolution Plan

The Appellate Tribunal observed that the resolution plan earmarked ₹1 crore for employee dues. Since the liquidation value for operational creditors was nil, the payout under the Plan satisfied the requirement under Section 30(2)(b) of the IBC. It noted that employees were receiving more than unsecured financial creditors. The court further examined the financial structure of the Plan, noting that the total plan value was ₹900 crore, while the admitted claims of secured financial creditors exceeded this amount, leaving no liquidation value available for operational creditors, including employees.

For More Details, Please Visit:

<https://www.bwlegalworld.com/article/nclat-dismisses-rolta-employees-challenge-to-resolution-plan-596121>

News Update

**For Internal Circulation Only
Knowledge SBU Initiative

Primacy of the CoC's Commercial Wisdom under the IBC Cannot be Supplanted by Judicial Review: Supreme Court

The Supreme Court has emphasized that the commercial decisions of the Committee of Creditors (CoC) cannot be interfered with by the National Company Law Tribunal (NCLT), the National Company Law Appellate Tribunal (NCLAT), or even by the Supreme Court itself. The Bench clarified that judicial intervention cannot extend beyond the narrow statutory confines of the Code, as doing so would undermine both predictability and finality in the insolvency resolution process.

“The IBC deliberately confines judicial review to strict statutory compliance. Respecting these limits will preserve the economic sense of the IBC and ensure that insolvency remains a predictable, time-bound, and market-driven process,” said the Court. In the case, the Court noted that the resolution plan concerning the corporate debtor had already been approved by both the NCLT and the NCLAT and had since been implemented, leaving absolutely no scope for intervention by the Supreme Court. Accordingly, the appeal filed by Torrent Power Ltd. and others was dismissed. “The appeals before us typify the growing strategic use of the judicial system by unsuccessful resolution applicants, who seek to reopen almost every commercial decision under the guise of procedural impropriety,” added the Court. The Court observed that the IBC marks a shift from a court-centric insolvency framework to a creditor-driven process, with the doctrine of commercial wisdom vesting decisive authority in the CoC.

For More Details, Please Visit: <https://www.deccanherald.com/india/commercial-wisdom-of-coc-cant-be-supplanted-by-judicial-review-sc-3919860>

News Roundup

IBC does not require the NCLT to determine netting-off of counter claims at admission stage: NCLT

NCLT Jaipur has held that Section 7 proceedings should not be converted into a forum for adjudicating damages or counterclaims, and the IBC does not require the Adjudicating Authority to determine netting-off of counterclaims at the admission stage. In *Canara Bank v. Prayag Polytech Pvt. Ltd.* (2026), the Court observed that the petition includes a statement of account, asserts an outstanding amount exceeding the prescribed threshold, and pleads NPA and default. The CD's defense raised issues relating to discharge, appropriation, and the bank's conduct, which do not negate default for admission under Section 7. Admitting the CIRP application, the court held that balance sheets and acknowledgements/letters may amount to acknowledgement of debt.

For More Details, Please Visit: <https://ibclaw.in/canara-bank-vs-prayag-polytech-pvt-ltd-nclt-jaipur-bench/>

NCLT Mumbai Initiates CIRP Against Baggit India Over ₹1.11 Crore Operational Debt

The CIRP application against handbag brand Baggit India was filed by supplier Sunrise Global Tradelinks, alleging unpaid operational dues exceeding ₹1.11 crore. The NCLT rejected Baggit's claim of a pre-existing dispute, terming it a "moonshine defence." The tribunal observed, "In our view, the present application is complete in all respects. The applicant has proved that an operational debt exceeding ₹1 crore is due and payable by the corporate debtor (Baggit) to the operational creditor and that there has been a default in payment of the same." The dispute is related to the supply of PVC leathercloth, embroidery strips, metal chains, magnetic buttons etc.

For More Details, Please Visit: <https://www.freepressjournal.in/mumbai/mumbai-news-nclt-admits-insolvency-plea-against-baggit-india-over-111-crore-operational-debt>

US Radio Broadcaster 'Cumulus Media' files for Bankruptcy to Reduce \$600 Million Debt

Cumulus Media, an audio entertainment company that owns 394 radio stations, along with a radio syndication business and a podcast network, has filed for bankruptcy protection in Texas with a restructuring deal that would eliminate most of its \$697 million debt. In a media statement, the company reportedly said that its debt had become unsustainable due to persistent challenges such as increasing competition from digital audio and streaming platforms, changes in the advertising market, and recurring annual declines in radio audiences. Cumulus reported \$553.6 million in net revenue for the nine months ended September 30, 2025, with a net loss of \$65.6 million during that period.

For More Details, Please Visit: <https://www.reuters.com/legal/litigation/radio-station-owner-cumulus-media-files-bankruptcy-cut-600-mln-debt-2026-03-05/>



IBBI introduced standardized forms for Resolution Professionals to monitor Personal Guarantors' Insolvency

These standardized Forms will replace the previous system under which the Resolution Professional (RP) used to submit periodic information regarding the insolvency resolution process to the IBBI through emails, which was time-consuming and inefficient.

"The key benefits of these forms include allowing resolution professionals to easily access and submit forms online, reducing delays and improving efficiency and minimizing the likelihood of errors and omissions, ensuring more accurate and reliable information," said the Circular issued by the IBBI. In order to facilitate IPs to familiarize themselves with these forms and resolve technical issue(s) that may arise, if any, penalties shall be levied for delayed submission or modification only after June 30, 2026, said the Circular. The IBBI has also prescribed timelines for these 7 forms.

For More Details, Please Visit: <https://ibbi.gov.in/uploads/legalframwork/f73276817fff35018bb10b0d19df023.pdf>

EVENT PHOTOGRAPH



Webinars on ‘Recent Landmark Judgement’ and ‘Successful Resolution – Strategies and Case Study’

This webinar will be held on 20 March (Friday) on the topic “Recent Landmark Judgement.” The session will be conducted from 3:00 PM to 6:00 PM and will carry 2 CPE hours for Insolvency Professionals (IPs) and 3 CPE hours for Registered Valuers (RVs).

The next webinar will be held on 27 March (Friday) on the topic “Successful Resolution – Strategies and Case Study.” The session will take place from 3:00 PM to 6:00 PM and will carry 2 CPE hours for Insolvency Professionals (IPs) and 3 CPE hours for Registered Valuers (RVs).

For More Details, Please Visit: <https://www.iipicai.in/wp-content/uploads/2026/02/Flyer-march-webinars.pdf>

Webinar on “Liquidation – Best Practices and Case Study” conducted by IIPPI on March 06, 2025.