



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IIPI Newsletter



May 11, 2026

IIPI Newsletter No. 370

CONTENTS

News Update

News Roundup

Upcoming Events

Event Photograph

SC Revives Alpha Corp's Resolution Plan for Earth Infrastructures

With this legal victory, Alpha Corp has emerged as the Successful Resolution Applicant (SRA) for executing and completing three real estate projects - Earth TechOne and Earth Sapphire Court in Greater Noida, and Earth Copia in Gurugram.

The ruling is expected to benefit nearly 3,000 homebuyers and commercial space buyers. The Court granted Alpha Corp 24 months to clear GNIDA dues and expressly directed that no financial burden on this account be passed on to homebuyers.

For More Details, Please Visit:

https://insolvencytracker.in/2026/05/06/sc-restores-alpha-corps-resolution-plan-for-earth-infrastructures-ending-decade-long-wait-for-3000-buyers/#google_vignette

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Supreme Court: IBC Cannot Be Invoked as a Coercive Recovery Tool in Individual Contractual Property Dispute Pending before DRT

Since the matter was already pending before the DRT, the competent forum for recovery, and ₹1.50 crores had been deposited pursuant to its order, the Supreme Court held that invoking the IBC in such circumstances would impermissibly convert insolvency proceedings into a coercive recovery mechanism.

The Court reiterated that the existence of a “financial debt” and a “default” in repayment are essential preconditions for invoking Section 7 of the IBC. Referring to *Innoventive Industries Ltd. v. ICICI Bank* (2018) and *Pioneer Urban Land & Infrastructure Ltd. v. Union of India* (2019), the Court observed that the IBC is designed to trigger insolvency resolution where a debt has become due and remains unpaid, and that it serves as a collective insolvency resolution mechanism rather than a forum for adjudicating individual contractual disputes. Consequently, using the IBC for such purposes would amount to an abuse of process. The Court also relied on *Glas Trust Co. LLC v. BYJU Raveendran* (2025) and *Anjani Technoplast Ltd. v. Shubh Gautam* (2026), reiterating that the IBC cannot be employed as a tool for coercion or debt recovery by individual creditors. Upon examining the relevant provisions of the IBC, the Court concluded that the dispute between the parties was predominantly contractual in nature, involving competing claims concerning transfer of property and related obligations.

For More Details, Please Visit: <https://www.scconline.com/blog/post/2026/05/11/sc-ibc-not-for-adjudicating-individual-contractual-disputes/>

News Roundup

Commercial Decisions of the CoC are Binding and Beyond Judicial review under the IBC: Supreme Court

Emphasizing the primacy of the commercial wisdom of the Committee of Creditors (CoC) under the IBC, the Court reportedly clarified that decisions of the CoC cannot be overridden by the NCLT, the NCLAT, or even the Supreme Court in judicial review. The Court further underlined that when a Resolution Professional acts on the instructions of the CoC, such conduct cannot be termed a “material irregularity” under Section 61(3)(ii) of the IBC. It observed that holding otherwise would blur the distinct roles of the Resolution Professional and the CoC, and indirectly subject CoC decisions to judicial review, contrary to the scheme of the IBC. The Court stressed that predictability and finality are essential to maintaining a robust insolvency framework.

For More Details, Please Visit: <https://lawbeat.in/supreme-court-judgments/coc-commercial-wisdom-final-courts-cannot-interfere-under-ibc-supreme-court-1588503>

Mumbai Based Prime Focus Admitted To Insolvency Over ₹353.79 Crore Default

The Mumbai Bench of the NCLT has admitted an insolvency petition against Prime Focus Ltd. filed by Reliance Alpha Services Pvt. Ltd. under the IBC. Prime Focus has disputed the claim, contending that no amount was ever disbursed under the 2019 loan agreement relied upon by the petitioner and, therefore, Reliance Alpha cannot be treated as a financial creditor under the IBC. Challenging the NCLT order, the company has reportedly approached the NCLAT seeking relief. Prime Focus further stated that its business operations, including its global VFX and post-production services, continue unaffected. The dispute is linked to a 2014 Business Transfer Agreement.

For More Details, Please Visit:

<https://www.cnbctv18.com/market/nclt-admits-insolvency-plea-against-prime-focus-over-rs353-79-crore-debt-company-moves-nclat-ws-l-19901132.htm>

USA’s Prison Healthcare Co. YesCare Files for Bankruptcy

This bankruptcy filing follows an earlier bankruptcy of a YesCare subsidiary that failed to fully shield the parent company from lawsuits alleging harm to prisoners caused by substandard medical care. According to media reports, YesCare’s Chapter 11 petition filed in a Florida court reveals that the company has liabilities ranging between \$100 million to \$500 million, and assets between \$50 million to \$100 million. YesCare is the successor to Corizon Health, which adopted the “Texas two-step” legal strategy to split into two entities after facing nearly 200 lawsuits alleging substandard medical care that resulted in injuries and deaths across 50 detention facilities in 27 states.

For More Details, Please Visit: <https://www.reuters.com/legal/litigation/prison-health-company-yescare-files-bankruptcy-2026-05-08/>



Moratorium u/ 14(1)(A) Of IBC Bars Execution Or Continuation Of An Arbitral Award In Any Form: NCLT

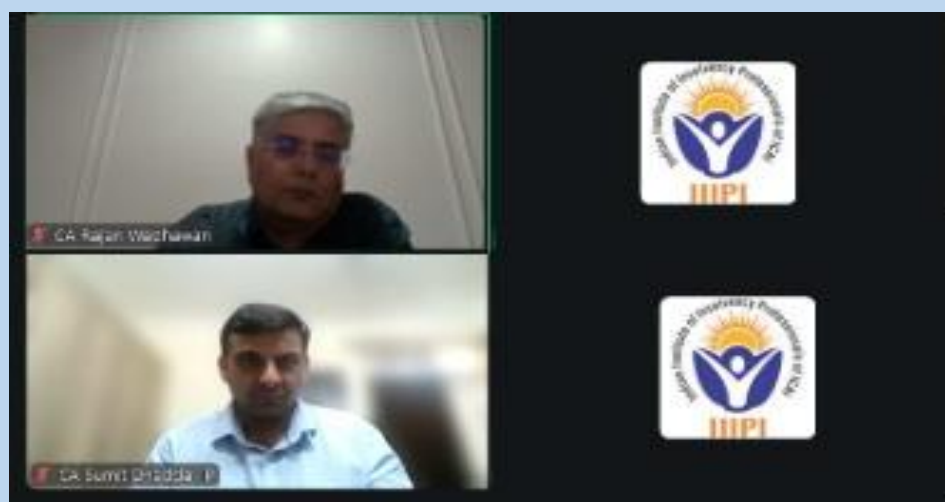
The Chandigarh Bench of the NCLT, reportedly observed that, in terms of Sec. 14(1)(a) of the IBC, the institution or continuation of proceedings against the Corporate Debtor (CD), including execution of any judgment, decree, or order of any court, tribunal, or arbitral authority, stands expressly prohibited. Thus, execution of the arbitral award, in any form, is clearly barred during the subsistence of the moratorium.

It further observed that the principle underlying Sec. 14 of the IBC, which seeks to preserve and maximize the value of the assets of the CD, squarely applies in the present case. “Any rights claimed by the Respondents flowing from the arbitral award cannot be enforced in a manner that affects the asset pool of the CD or interferes with the CIRP,” said the NCLT.

For More Details, Please Visit:

<https://ibclaw.in/parvinder-sing-rp-vs-neel-rattan-enterprises-pvt-ltd-and-ors-nclt-chandigarh-bench/>

EVENT PHOTOGRAPH



Webinar on “Valuation Under IBC strategies” organized by IIPI in association with ICAI RVO on May 08, 2026.

LIE Preparatory Classroom (Virtual) Program – Weekday Batch

Indian Institute of Insolvency Professionals of ICAI (IIPI) will be organizing a Limited Insolvency Examination (LIE) Preparatory Classroom (Virtual) Program for the weekday batch from 18th to 22nd May 2026, from 10:00 AM to 6:00 PM. The program will be of 40 hours and aims to provide participants with a thorough understanding of the IBC and its processes.

Online study material will be provided. Registration will remain open till one day prior to the commencement of the batch. Seats are limited. The training will cover key concepts, practical aspects, and the procedural framework of insolvency law.

For More Details, Please Visit: <https://www.iipicai.in/wp-content/uploads/2026/04/Flyer-May-LIE.pdf>