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# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"It does not matter how slowly you go as long as you do not stop."*

## ➤ Extinguished Dues Cannot Be 'Resurrected' To Disqualify Resolution Applicant Under IBC: Supreme Court

The Supreme Court has recently held that once a company has been resolved under an approved insolvency resolution plan and all remaining dues stand extinguished, those dues cannot be "resurrected" to assess the eligibility of a prospective resolution applicant a year later. It set aside orders that had declared Cosmic CRF Ltd ineligible to participate in the corporate insolvency resolution process of Amzen Transportation Industries Pvt. Ltd.

A Bench of Justices J.B. Pardiwala and Ujjal Bhuyan allowed appeals filed by Cosmic CRF Ltd. The Court set aside two orders of the National Company Law Appellate Tribunal (NCLAT) that had held the company ineligible and directed continuation of the insolvency resolution process from the stage of issuance of a fresh Form-G.

Observing that dues and claims extinguished under an approved resolution plan could not be revived for assessing eligibility, the Court held,

"All parties are bound by the terms of the plan and there are no outstanding dues or claims remaining in terms of Section 31 of the IBC, 2016. Since all remaining dues stand extinguished and the company operates on a clean slate, there is no question of such unpaid dues being 'resurrected' for the purposes of gauging eligibility in terms of Section 29A."

The dispute arose from the corporate insolvency resolution process of Amzen Transportation Industries Pvt Ltd. Cosmic CRF Ltd submitted its resolution plan on June 28, 2024. The NCLAT subsequently held the company ineligible. It reasoned that Cosmic CRF's Managing Director, Aditya Vikram Birla, was connected with Cosmic Ferro Alloys Ltd. (CFAL), whose account had been classified as a non-performing asset and which had undergone insolvency proceedings.

**Source: Live Law Biz**

**Read Full news:** [Extinguished Dues Cannot Be 'Resurrected' To Disqualify Resolution Applicant Under IBC: Supreme Court](#)

## ➤ **Supreme Court Upholds NCLAT's Decision Setting Aside Malafide Insolvency Proceedings Against KLSR Infratech**

The Supreme Court in a significant relief to KLSR Infratech Limited and its Director Mr. A.S. Reddy, a leading Indian infrastructure construction and engineering company headquartered in Hyderabad, Telangana has upheld the directions and findings of the NCLAT, New Delhi that had set aside the malafide insolvency proceedings initiated against the company by A.S. Met Corp Pvt. Ltd. A Bench of Justice JB Pardiwala and Justice KV Vishwanathan has upheld the order passed in favour of KLSR which primarily undertakes civil contracts, water supply systems, and urban infrastructure projects for government entities across several.

The NCLAT, vide its detailed judgment in March 2026, had held that there existed a genuine and pre-existing dispute between the parties, making the initiation of CIRP proceedings unsustainable in law. A similar SLP filed by one of the other operational creditors [Bengal Cold Rollers Pvt. Ltd.] of the company, challenging the NCLAT order was also dismissed today vide the same order.

**Source: Law Beat**

**Read Full news:** <https://lawbeat.in/top-stories/supreme-court-upholds-nclats-decision-setting-aside-malafide-insolvency-proceedings-against-kslr-infratech-1596832>

## ➤ **NCLT Upholds IndusInd Bank's Rights In Precision Realty Insolvency Case, Orders ₹19.59 Crore Payout**

Mumbai, June 2: The National Company Law Tribunal (NCLT), in its recent order passed in the insolvency case of Precision Realty Developers Pvt Ltd, has held that a dissenting secured financial creditor cannot be deprived of the minimum liquidation value attached to its exclusive security interest.

The tribunal thus ruled in favour of IndusInd Bank. Thane-based Precision Realty Developers Pvt Ltd has entered the Corporate Insolvency Resolution Process (CIRP). The tribunal, in its order, directed that the bank be paid at least Rs 19.59 crore, representing the liquidation value of its secured asset.

**Source: Free Press Journal**

**Read Full news:** [Mumbai: NCLT Upholds IndusInd Bank's Rights In Precision Realty Insolvency Case, Orders ₹19.59 Crore Payout](#)



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