INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The beautiful thing about learning is that nobody can take it away from you."

CIRP Not Maintainable Against Company Struck Off From Register: NCLT Mumbai

The Mumbai Bench of the National Company Law Tribunal (NCLT) has reiterated that a Corporate Insolvency Resolution Process (CIRP) cannot be initiated against a company whose name has already been struck off from the register of companies.

It observed that once the company's certificate of incorporation is cancelled, it no longer remains a "corporate person" under the Insolvency and Bankruptcy Code.

A bench of Judicial Member Nilesh Sharma and Technical Member Sameer Kakar dismissed Adamji Investments Pvt Ltd's application under Section 7 of the Insolvency and Bankruptcy Code seeking initiation of CIRP against M Cons Media Marketing Pvt Ltd.

"In such circumstances, this Tribunal is of the considered view that once the certificate of incorporation of the company is cancelled by operation of Section 250, the entity ceases to remain a corporate person within the meaning of Section 3(7) of the Code. Thus, continuance of the status of a "corporate person" is foundational to the initiation of CIRP under the Code. Resultantly, an application for initiation of CIRP against a struck-off company is not maintainable in law.", the tribunal ruled.

Adamji Investments claimed that it had extended financial assistance to M Cons Media Marketing under a Memorandum of Understanding dated February 27, 2014. Alleging a default from February 26, 2020, Adamji Investments filed the insolvency application on August 29, 2024, claiming a default of ₹11.73 crore. The financial creditor argued that the application remained maintainable even though the company had been struck off on April 7, 2022. It contended that the Companies Act preserves certain rights and liabilities of struck-off companies and that the appearance of the company's directors through counsel cured any defect in service.

Source: Live Law Biz
Read Full News: *CIRP Not Maintainable Against Company Struck Off From Register: NCLT Mumbai*

- ## Pre-2016 DRT Recovery Certificate Cannot Trigger Insolvency Under Presidency Towns Insolvency Act: Supreme Court

The Supreme Court on Monday held that a recovery certificate issued by a Debt Recovery Tribunal (DRT) 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 the Bombay's Presidency Towns Insolvency Act, 1909.

Dismissing HDFC Bank's appeal, the court observed that Parliament recognised such equivalence only through the 2016 amendment. A bench of Justices Dipankar Datta and Satish Chandra Sharma upheld the Bombay High Court's decision quashing an insolvency notice issued against personal guarantor Kishore K. Mehta. The notice had been issued on the basis of a DRT recovery certificate.

Source: Live Law Biz
Read Full News**:** *Pre-2016 DRT Recovery Certificate Cannot Trigger Insolvency Under Presidency Towns Insolvency Act: Supreme Court*

- ## IBBI Extended PGIRP Forms Filing Deadline to 30th September 2026

The Insolvency and Bankruptcy Board of India (IBBI), through Circular No. IBBI/II/104/2026 dated 09 July 2026, has extended the deadline for filing electronic Forms PGIRP-1 to PGIRP-6 for monitoring insolvency resolution processes of personal guarantors to corporate debtors under the Insolvency and Bankruptcy Code, 2016.

The forms, originally mandated by Circular No. IBBI/II/92/2026 dated 06 March 2026 with filing timelines ending on 30 June 2026, may now be submitted up to 30 September 2026 following representations from Insolvency Professionals (IPs) and Insolvency Professional Agencies (IPAs) citing technical difficulties, practical issues and the need for additional time to familiarise themselves with the electronic platform. Correspondingly, penalties for delayed submission or modification of PGIRP forms will be levied only after 30 September 2026.

Source: IBBI
Read Full News**:** *Circular - Extension of time for filing Forms to monitor insolvency resolution processes for Personal Guarantors to Corporate Debtors. (367.5 KB)*