



INSOLVENCY PROFESSIONAL AGENCY
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IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"It always seems impossible until it's done."

➤ NCLT Kochi Recalls Oral Order Minutes After Pronouncement Over Undisclosed Facts

The National Company Law Tribunal (NCLT) at Kochi recently recalled its oral order allowing withdrawal of the corporate insolvency resolution process (CIRP) against Air Travel Enterprises India Limited.

The tribunal did so within five minutes of pronouncing the order, after the Resolution Professional (RP) brought to its notice material facts regarding the Committee of Creditors (CoC) that had not been disclosed earlier.

A bench of Judicial Member Vinay Goel and Technical Member Ravichandran Ramasamy was hearing an application filed under Rule 11 of the NCLT Rules. The application sought withdrawal of the insolvency proceedings after the account was closed under a One-Time Settlement (OTS).

The tribunal recorded the respondent's submission that dues of ₹6.95 crore payable to the financial creditor had been paid under the OTS. It also noted that the appeal pending before the National Company Law Appellate Tribunal (NCLAT) had been withdrawn.

Recording these submissions, the bench observed: *"We find no legal impediment to allow withdrawal of this application. Applicant is directed to pay the fee of RP along with all the expenses if any, already not paid. The Applicant shall file a compliance memo before the Registry within seven (7) days."*

Within five minutes, counsel appearing for the Resolution Professional informed the Nench that the withdrawal application had been filed by Union Bank of India, one of the financial creditors, without consensus of other financial creditors.

Source: Live Law Biz

Read Full News: [NCLT Kochi Recalls Oral Order Minutes After Pronouncement Over Undisclosed Facts](#)

➤ Dismissal of DRT Recovery Case for Default Does Not Bar Insolvency Proceedings Against Personal Guarantor: NCLAT

The National Company Law Appellate Tribunal (NCLAT) in Delhi has held that the dismissal of a debt recovery case for default does not wipe out the underlying debt or prevent insolvency proceedings against a personal guarantor.

It dismissed an appeal filed by a personal guarantor challenging the National Company Law Tribunal's (NCLT) order admitting the Bank of Maharashtra's application.

A bench of Judicial Member Justice N. Seshasayee and Technical Member Indevvar Pandey observed: *"Dismissal of a recovery proceeding for default does not extinguish the debt, nor does it render a proceeding under Section 95 of the Code non-maintainable."*

Source: *Live Law Biz*

Read Full News: [Dismissal of DRT Recovery Case for Default Does Not Bar Insolvency Proceedings Against Personal Guarantor: NCLAT](#)

➤ Small Operational Creditors Are 'Significantly Disenfranchised': Supreme Court Urges Review of IBC Framework

The Supreme Court on Friday observed that small operational creditors, including MSMEs and statutory local bodies, remain "significantly disenfranchised" under the Insolvency and Bankruptcy Code (IBC) by being placed at the bottom of the repayment waterfall.

Observing that the issue falls within the legislative domain, the court urged the Law Commission of India and the legislature to examine whether a fairer repayment mechanism could be devised without compromising the efficiency and commercial certainty of the insolvency resolution process.

Source: *Live Law Biz*

Read Full News: [Small Operational Creditors Are 'Significantly Disenfranchised': Supreme Court Urges Review of IBC Framework](#)



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