



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
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IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

When values are clear, decisions are easy.

➤ **IBC Mechanism Not Substitute For Decree Execution Or Recovery Proceedings : Supreme Court**

The Supreme Court on Thursday (April 23) reiterated that the Corporate Insolvency Resolution Process cannot be invoked as a substitute for executing a money decree, especially against a solvent and functioning company.

A bench of **Justice Pamidighantam Sri Narasimha and Justice Alok Aradhe** was hearing an appeal filed by the corporate debtor against the NCLAT's decision to allow the admission of CIRP against it.

At the heart of the dispute was whether a decree-holder creditor could trigger the Corporate Insolvency Resolution Process (CIRP) merely to recover dues under a civil court decree, particularly when the debtor company remained financially sound, and the debt quantum was contested.

Setting aside the NCLAT's ruling, the Court restored the NCLAT's order dismissing the creditor's Section 7 application, holding that the mere existence of a money decree does not entitle a creditor to initiate CIRP, and reiterating that the IBC cannot be invoked as a mechanism for debt recovery. The dispute traces back to 2010, when the respondent advanced short-term loans totaling ₹4.5 crore to the appellant company. After cheque dishonour proceedings under the Negotiable Instruments Act, 1881, the parties entered into multiple settlement agreements.

Despite payments exceeding ₹3.5 crore by 2014, litigation continued. A summary suit before the Delhi High Court culminated in a decree dated January 11, 2018 for ₹4.38 crore with 24% interest. The decree attained finality after dismissal of appeals up to the Supreme Court.

Source: Live Law

Read Full news: [IBC Mechanism Not Substitute For Decree Execution Or Recovery Proceedings : Supreme Court](#)

➤ **Lavasa homebuyers file plea at NCLT against resolution**

Mumbai: Homebuyers in the hill town built by Lavasa Corp have filed a fresh appeal in the case seeking the appellate tribunal's intervention in what they alleged are serious infirmities in the resolution plan.

In their appeal homebuyers have alleged discriminatory treatment, arbitrary financial burdens, absence of transparency in the insolvency process and prospective alteration of material terms of the approved plan by the Welspun Group-Ashdan Properties consortium. In a 99-page appeal, homebuyers sought a stay on the NCLT order in the case and also pleaded the appellate tribunal to direct the NCLT to hear and decide the previous pending applications filed by the homebuyers and other stakeholders, before taking up any application for approval of the resolution plan.

Source: *The Economic Times*

Read Full news: [Lavasa homebuyers file plea at NCLT against resolution - The Economic Times](#)

➤ **Future Consumer Gets More Time to Respond in SBI Insolvency Case**

Future Consumer Limited disclosed a procedural update in the insolvency case filed against it by State Bank of India before the National Company Law Tribunal in Mumbai. The company's counsel argued that SBI missed the deadline to amend its filing and served the revised petition only recently, prompting a request for additional time to respond.

SBI's counsel attributed the delay to year-end closing and audit constraints, and the tribunal has granted Future Consumer one week to submit its reply to the amended petition. The matter has been adjourned to 4 June 2026, and the company has committed to continue informing exchanges about further developments, underscoring the ongoing uncertainty around its financial restructuring and creditor negotiations.

Source: *Tip Ranks*

Read Full news: [Future Consumer Gets More Time to Respond in SBI Insolvency Case - TipRanks.com](#)



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