



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

The cost for the good life is giving up comfort.

➤ **NCLAT Directs NCLT to Hear RP Replacement Plea Before Resolution Plan in Nimitaya Hotel CIRP**

The National Company Law Appellate Tribunal (NCLAT) at Delhi has directed the NCLT to first consider Indian Bank's application seeking replacement of the Resolution Professional (RP) in the insolvency proceedings of Nimitaya Hotel & Resorts Ltd. before taking up the Bank's applications seeking dismissal of the existing resolution plan and permission to issue a fresh Form-G. (expression of interest)

The bench of Officiating Chairperson Justice Yogesh Khanna and Technical Members Barun Mitra and Ajai Das Mehrotra passed the order. The insolvency proceedings against Nimitaya Hotel & Resorts Ltd. began after the NCLT admitted Indian Bank's Section 7 application on December 24, 2021. The CoC approved a resolution plan on January 8, 2023, and an application seeking its approval was filed before the NCLT on January 19, 2023. It remained pending for more than two years.

Indian Bank subsequently sought dismissal of the plan and permission to issue a fresh Form-G. The Bank later sought replacement of the RP after the CoC expressed loss of confidence in him. The NCLT questioned the Bank's Deputy General Manager about the reasons for the proposed replacement. The officer cited "loss of trust" but was unable to elaborate further. The NCLT also issued notice to the RP after he opposed his removal and attributed mala fide objectives to the move.

Indian Bank argued before the NCLAT that Section 27 of the Insolvency and Bankruptcy Code (IBC) does not require the NCLT to seek reasons from the Bank for replacing an RP or issue notice to the existing RP. Section 27 permits the CoC to replace an RP at any time during the insolvency process.

The replacement requires a resolution supported by at least 66% of the voting shares and written consent from the proposed RP.

Source: Live Law Biz

Read Full News : [NCLAT Directs NCLT To Hear RP Replacement Plea Before Resolution Plan in Nimitaya Hotel CIRP](#)

➤ **IBBI Clarifies Cessation of Interim Moratorium for Personal Guarantors to Corporate Debtors**

The Insolvency and Bankruptcy Board of India (IBBI), vide Circular No. IBBI/II/106/2026 dated 21 September 2026, has clarified the effect of the Insolvency and Bankruptcy Code (Amendment) Act, 2026, which inserted sub-section (4) in Sections 96 and 124. Accordingly, the interim moratorium in respect of personal guarantors to corporate debtors does not apply with effect from 26 May 2026.

The clarification follows judgments of the Hon'ble Bombay High Court in Tata Capital Financial Services Ltd. v. Neel Motors LLP & Ors. and the Hon'ble Delhi High Court in IDBI Trusteeship Services Ltd. v. Manish Jain & Ors. Both judgments recognise the applicability of the amended provision to pending applications. Accordingly, the interim moratorium under Sections 96 and 124 has ceased to operate from 26 May 2026 in respect of applications pending before the Adjudicating Authority as on that date.

Source: IBBI

Read Full News: <https://ibbi.gov.in/uploads/whatsnew/778e13b82df050c20c0c13dfa3e8ea16.pdf>

➤ **Secured Creditors Cannot Avoid Liquidation Costs Over Unfinalised Expenses: NCLT Chennai**

The National Company Law Tribunal (NCLT) at Chennai has ruled that a secured creditor that chooses to realise its security under Section 52 of the Insolvency and Bankruptcy Code (IBC) cannot avoid its obligation to contribute towards liquidation costs merely because the expenses have not been finally determined.

“Regulation 21A(2) requires a secured creditor who proceeds to realise its security interest to pay to the Liquidator the amount which it would have shared had it relinquished the security interest to the liquidation estate, within the period prescribed therein. Significantly, the proviso to Regulation 21A(2)(a) empowers the Liquidator to estimate the amount payable where the actual amount is not ascertainable on the date on which such payment becomes due. Therefore, the Respondent cannot avoid its statutory obligation merely on the ground that the liquidation expenses were not finally crystallised at the relevant point of time” the tribunal observed.

Source: Live Law Biz

Read Full News: [Secured Creditors Cannot Avoid Liquidation Costs Over Unfinalised Expenses: NCLT Chennai](#)



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INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
(A Section 8 Company registered under Companies Act, 2013)
Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi -110003
Noida Office: CMA Bhawan, C-42 Sector 62 Noida, Uttar Pradesh - 201309