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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Once you choose hope, anything's possible."

➤ **Title Disputes Over Mortgaged Property Do Not Bar Personal Guarantor Insolvency: NCLT Guwahati**

The National Company Law Tribunal (NCLT) at Guwahati has recently held that pending title disputes over mortgaged property do not bar insolvency proceedings against a personal guarantor, since such proceedings turn on the existence of debt and default rather than adjudication of property rights.

A bench of Judicial Member Rammurti Kushawaha and Technical Member Yogendra Kumar Singh passed the ruling while admitting Canara Bank's insolvency petition against Keishing James Lalrongbawl, personal guarantor to North East Region Finservices Limited.

"Insolvency proceedings against a Personal Guarantor under Part III of the Code are not confined to enforcement against a specific secured asset. The pendency of a title dispute or status quo order in respect of a mortgaged property does not bar initiation of insolvency proceedings against a Personal Guarantor.", the tribunal ruled. Canara Bank told the tribunal that the corporate debtor had availed multiple credit facilities beginning in 2013, backed by personal guarantees executed by the respondent in 2013, 2014 and 2015. The loan accounts were classified as non-performing assets on September 29, 2016, following repeated repayment defaults.

The bank said it issued recall notices, initiated proceedings under the SARFAESI Act, and pursued recovery before the Debt Recovery Tribunal, Guwahati. A recovery certificate was issued on October 17, 2023, against both the corporate debtor and the personal guarantor. The tribunal held that insolvency proceedings against a personal guarantor are not tied to enforcement of a particular secured asset. It said disputes over title or proprietary rights must be decided by competent civil courts or High Courts and cannot defeat insolvency proceedings once debt and default are established.

Source: Live Law Biz

Read Full news: [Title Disputes Over Mortgaged Property Do Not Bar Personal Guarantor Insolvency: NCLT Guwahati](#)

➤ **NCLT Hyderabad Approves Beaufond's ₹70.11 Crore Resolution Plan for KOBO Biotech With Restructuring Plan**

The Hyderabad bench of the National Company Law Tribunal has approved Beaufond Industries Ltd's ₹70.11 crore resolution plan for KOBO Biotech Ltd. The plan provides for a composite restructuring. Beaufond will merge into KOBO Biotech, the API business will be demerged into a separate entity, and the surviving company will be renamed Beaufond Ltd.

The coram of Judicial Member Rajeev Bhardwaj and Technical Member Sanjay Puri clarified that while approval of the resolution plan would suffice to implement the restructuring for KOBO Biotech, other entities involved in the scheme would still need to follow the prescribed Companies Act process.

Source: *Live Law Biz*

Read Full news: [NCLT Hyderabad Approves Beaufond's ₹70.11 Crore Resolution Plan for KOBO Biotech With Restructuring Plan](#)

➤ **NCLT Delhi Directs Restoration Of Power To Ansal's Sushant Golf City Golf Course, Subject To Dues Payment**

The National Company Law Tribunal (NCLT) at New Delhi Bench has directed restoration of electricity supply to the golf course at Ansal Properties and Infrastructure Ltd's Sushant Golf City project in Lucknow. The relief is subject to the operator paying ₹2 lakh within three days and the balance ₹33.75 lakh within two months, while the Tribunal adjudicates a dispute over termination of its operating agreement during the company's insolvency proceedings.

A bench of Judicial Member Ashok Kumar Bhardwaj and Technical Member Atul Chaturvedi prima facie held that where the resolution professional terminates the agreement, the challenge would lie before the Tribunal.

Source: *Live Law Biz*

Read Full news: [NCLT Delhi Directs Restoration Of Power To Ansal's Sushant Golf City Golf Course, Subject To Dues Payment](#)



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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, 201309