



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

26 | October | 2026

IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The only way to do great work is to love what you do."

➤ NCLT President Calls For Raising IBC Insolvency Threshold From ₹1 Crore

The President of the National Company Law Tribunal (NCLT), Justice Anupinder Singh Grewal, has called for raising the ₹1 crore threshold for initiating insolvency proceedings under the Insolvency and Bankruptcy Code (IBC), observing that some creditors are using the law primarily to recover debts rather than resolve insolvency.

Speaking at the 'IBC Turns 10' conference at the Chandigarh Judicial Academy on Saturday, Justice Grewal suggested increasing the threshold to ₹2 crore, ₹5 crore or ₹10 crore.

"Many cases that they file for the sake to recover their dues and not meant for resolution. So, they are just crossing the threshold of ₹1 crore... so I suggest that needs to be increased to ₹2 crores, ₹5 crores or ₹10 crores," he said.

The threshold for initiating insolvency proceedings was initially fixed at ₹1 lakh when the IBC was enacted in 2016. It was increased to ₹1 crore in 2020. Justice Grewal also highlighted the NCLT's work in resolving insolvency cases, stating that the Tribunal had approved 1,748 resolution plans under the IBC, involving approximately ₹4.90 lakh crore. The value of plans approved so far in the current financial year stood at approximately ₹17,000 crore.

He also stressed the need to explore mediation to resolve disputes. Acknowledging that timelines prescribed by the Supreme Court posed challenges to referring matters for mediation, he said the NCLT had begun calling parties for discussions during court proceedings to facilitate settlements. "Mediation can play wonders," he said, adding that the Tribunal had resolved 25 matters through mediation at the pre-CIRP stage.

Justice Grewal also highlighted the role of insolvency professionals in facilitating resolution, describing them as the foundation of the process. He said their work was essential to the effective implementation of the IBC and the wider goal of strengthening the country's economy.

Source: Live Law Biz

Read Full News: <https://www.livelawbiz.com/ibc/nclt-president-calls-for-raising-ibc-insolvency-threshold-from-1-crore-justice-anupinder-singh-grewal-justice-rajesh-bansal-555823>

➤ **Accounting Entry Alone Cannot Make Share Purchase Payment A Financial Debt Under IBC: NCLAT**

The National Company Law Appellate Tribunal (NCLAT) at Delhi has recently ruled that ₹1.39 crore paid towards a share purchase cannot be treated as a financial debt merely because the company later recorded it as an unsecured loan. It upheld the dismissal of an insolvency plea against the company.

“That an acknowledgment shows only, that some money is owed. But that itself does not show that the money is a “financial debt” as defined in Section 5(8). The Respondent is right in saying that merely showing an amount as an unsecured loan does not by itself create the relationship of Financial Creditor and Corporate Debtor,” the bench of Judicial Member Justice Sharad Kumar Sharma and Technical Members Indevan Pandey and Arun Baroka observed.

Source: Live Law Biz

Read Full News: <https://www.livelawbiz.com/ibc/accounting-entry-alone-cannot-make-share-purchase-payment-a-financial-debt-under-ibc-nclat-555825>

➤ **Suspended Director Cannot Cure Incompetent Appeal Through Belated Amendment: NCLAT**

The National Company Law Appellate Tribunal (NCLAT), Delhi, has held that a suspended director cannot cure an incompetent appeal filed in a company's name after insolvency proceedings begin by subsequently amending it to pursue the appeal in his individual capacity after the limitation period expires.

“Decisions concerning procedural defects, including cases where a competent appeal suffered from an irregularity in its presentation or authorisation, cannot be applied to a case where the person instituting the appeal in the name of the Corporate Debtor lacked authority to do so after commencement of CIRP,” the tribunal held.

Source: Live Law Biz

Read Full News: <https://www.livelawbiz.com/ibc/suspended-director-cannot-cure-incompetent-appeal-through-belated-amendment-nclat-555834>



**INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**
PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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