



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"If the path is crowded, differentiate. If the path is empty, validate."

➤ **Government Operationalises Amended Insolvency Law, Sets 14-Day Admission Deadline For NCLT**

The corporate affairs ministry has notified May 26 as the date for operationalising dozens of sections and clauses of the amended insolvency law, putting into effect timelines for adjudicating and appellate authorities for handling cases and the 'clean slate' provision for new buyers of bankrupt firms, among others.

The notification also brought into force the provision dealing with government dues, which would get lower priority than secured creditors, and a streamlined liquidation process.

The Insolvency and Bankruptcy Code (Amendment) Act, 2026, was notified on April 6 after parliamentary clearance to the relevant bill and presidential assent. The amendments aimed to expedite the resolution of bankrupt firms and prevent erosion of stressed asset value. The amendments, the first since 2021 and the seventh since the law's inception in 2016, introduce new concepts and streamline existing processes to reduce delays in resolving insolvent companies that erode asset value, experts said.

Srinivasa Rao, senior partner-risk advisory services at Nangia Global, said under the amended law, lenders hold the highest priority when it comes to cash distribution. "If the corporate entity's assets are liquidated, banks are legally entitled to be cleared first from the proceeds of the sale because they hold a registered charge on the land or structure," he said. As per the amended law, the National Company Law Tribunal (NCLT) will admit an insolvency resolution case in 14 days, failing which it has to formally state the reasons. Just proof of default would be enough to admit a case and the NCLT need not delve into supplementary issues. The National Company Law Appellate Tribunal (NCLAT) will dispose of appeals within three months.

Source: *The Economic Times*

Read Full news: [Government operationalises amended insolvency law, sets 14-day admission deadline for NCLT - The Economic Times](#)

➤ **'Wafer-Thin Majority' Alone No Ground To Reject Insolvency Resolution Plan: NCLAT**

The National Company Law Appellate Tribunal (NCLAT) at Delhi has held that a resolution plan cannot be rejected merely because it was approved by a “wafer-thin majority,” setting aside the NCLT’s rejection of Express Resorts and Hotels Ltd’s plan for Neesa Leisure Ltd. A bench of Judicial Member Justice Yogesh Khanna and Technical Member Ajai Das Mehrotra said the Ahmedabad bench of the NCLT had rejected the plan on legally unsustainable grounds despite it securing the requisite creditor approval.

A plan cannot be rejected on the ground that it has been approved by a wafer-thin majority if it meets the statutory requirement of vote in favour of 66% of voting share of CoC members,” the tribunal observed. The appellate tribunal also said the NCLT had failed to identify any actual legal infirmity in the resolution plan. “We find that the Ld. NCLT has not given any specific finding on contravention of any provision of Section 30(2) of the IBC, 2016.

Source: Live Law Biz

Read Full news: ['Wafer-Thin Majority' Alone No Ground To Reject Insolvency Resolution Plan: NCLAT](#)

➤ **NCLAT Sets Aside Order Initiating Insolvency Against Naxnova After NeSL Marks Debt 'Disputed'**

The National Company Law Appellate Tribunal (NCLAT) at Delhi has set aside the admission of Lintec India's insolvency plea against Naxnova after finding that the corporate debtor had raised a pre-existing dispute and that the alleged default was also marked as “disputed” on the National E-Governance Services Ltd. (NeSL) information utility portal. A bench of Chairperson Justice Ashok Bhushan and Technical Member Barun Mitra passed the order on Monday (May 25)

Source: Live Law Biz

Read Full news: [NCLAT Sets Aside Order Initiating Insolvency Against Naxnova After NeSL Marks Debt 'Disputed'](#)



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