



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

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Fall seven times, stand up eight"

➤ **NCLT Delhi Rejects Elite Design's ₹1.43 Cr Insolvency Plea Against Colorbar Over Pre-Existing Dispute**

The New Delhi National Company Law Tribunal (NCLT) on 21 July held that an insolvency petition cannot be admitted when the Corporate Debtor establishes a genuine pre-existing dispute supported by substantial material.

A Bench comprising Judicial Member Ashok Kumar Bhardwaj and Technical Member Banwari Lal Meena dismissed the insolvency petition filed by Elite Design Private Limited against Colorbar Cosmetics Private Limited, holding that the dispute raised by the latter was not a sham defence. It held:

"On perusal of the record, we are satisfied that the pre-existing dispute alleged by the CD is not a moon shine defense but is based on substantial material."

The petitioner, Elite Design, which manufactures merchandising counters and provides maintenance, services, and promotional support for display counters, claimed that Colorbar Cosmetics failed to pay outstanding dues of Rs. 1.43 crore. The parties had entered into an arrangement under which Elite Design would supply articles to Colorbar Cosmetics as per its requirements.

Elite Design claimed that it supplied articles under 109 invoices between March 2025 and January 2026, which Colorbar received but failed to pay. It issued a demand notice under Section 8 of the Insolvency and Bankruptcy Code, 2016 (which allows an operational creditor to demand payment before initiating insolvency proceedings) on 16 April 2026, claiming that the debt was undisputed and payable. It also argued that payments were required to be made within 30 days from the date of invoice issuance and that Colorbar failed to clear the outstanding amount despite repeated reminders.

Source: Live Law Biz

Read Full News: [NCLT Delhi Rejects Elite Design's ₹1.43 Cr Insolvency Plea Against Colorbar Over Pre-Existing Dispute](#)

➤ **IBC Moratorium Applies Only to Corporate Debtor, Not Directors or Promoters: Supreme Court**

The Supreme Court on Monday held that the moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016, operates only against the corporate debtor. It ruled that courts or adjudicating authorities cannot enlarge its scope to cover directors, promoters, subsidiary companies, personal guarantors or any other persons unless the statute expressly provides so.

The court observed that the scope of the moratorium is statutory and must remain confined to what Section 14 contemplates.

A bench of Justices Vikram Nath and Sandeep Mehta allowed appeals filed by homebuyers of the Mantri Manyata Energia project and set aside the NCDRC's order of 20 January 2025 refusing to proceed with the consumer complaint against respondents other than the corporate debtor on account of the Section 14 IBC moratorium.

Source: Live Law Biz

Read Full News: [IBC Moratorium Applies Only to Corporate Debtor, Not Directors or Promoters: Supreme Court](#)

➤ **NCLT Ahmedabad Dismisses Jindal's Insolvency Plea Against Kunal Structure For Failing IBC Threshold**

The Ahmedabad Bench of the National Company Law Tribunal (NCLT) on 17 July dismissed the insolvency application filed by Jindal (India) Limited against Kunal Structure (India) Private Limited, holding that disputes regarding short-weight and LC charges reduced the undisputed claim below the statutory threshold of 1 crore.

A Bench comprising Judicial Member Chithra Hankare and Technical Member Dr VG Venkata Chalapathy held: *"The matter of dispute being marginal, it falls below the threshold limit, and crosses Rs 1 crore only by the stated LC charges, which apparently seems to have not been claimed. There are marginal weight disputes of around Rs.3.82 lakhs and the LC debit note for Rs. 2,54,735/- is for the usance period after invoice is issued for which LC seems to have not been paid and the claim made before us."*

Source: Live Law Biz

Read Full News: [NCLT Ahmedabad Dismisses Jindal's Insolvency Plea Against Kunal Structure for Failing IBC Threshold](#)



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