



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

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Look deep into nature, and then you will start to understand everything better."

➤ **Corporate Debtor's Sub-Threshold Default Does Not Bar Personal Guarantor Insolvency: NCLT Chennai**

The National Company Law Tribunal (NCLT) at Chennai on 15 September held that insolvency resolution proceedings can be initiated against a personal guarantor even when the corporate debtor's default is below the statutory threshold for initiating the Corporate Insolvency Resolution Process (CIRP).

A Bench comprising Judicial Member Jyoti Kumar Tripathi and Technical Member Ravichandran Ramasamy observed: *"The default of the Corporate debtor is below the threshold prescribed for initiation of the Corporate Insolvency Resolution Process under Section 4 of the IBC. However, the absence of a qualifying default for initiation of CIRP against the Corporate Debtor does not, by itself, bar the initiation of individual insolvency resolution proceedings against the Personal Guarantor under the applicable provisions of the IBC."*

V. Lakshmi, a personal guarantor for Vahanashree Marketing Services Private Limited, filed an application under Section 94(1) of the Insolvency and Bankruptcy Code (IBC) seeking initiation of insolvency resolution proceedings against herself. She had also furnished personal guarantees for credit facilities availed from Tamilnad Mercantile Bank (TMB) by Shree Varsha Papers and Valarthiru Print Packs. After the accounts turned into non-performing assets, TMB issued demand notices under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act. The application disclosed a default of Rs. 1,13,52,633.58 owed to TMB and Rs. 53,75,428 owed to M. Ramachandran in connection with Vahanashree Marketing Services.

The Tribunal had appointed Prabhu S as Resolution Professional pursuant to an interim order dated 30 September 2025. After examining the loan documents, recall notices, bank statements and SARFAESI records, he confirmed the default and recommended admission of the application.

Source: Live Law Biz

Read Full News: [Corporate Debtor's Sub-Threshold Default Does Not Bar Personal Guarantor Insolvency: NCLT Chennai](#)

➤ **NCLT Seeks Power of Attorney, RP Consent Before Orders on Byju's-Aakash Settlement in Rights Issue Dispute**

The National Company Law Tribunal at Bengaluru on Thursday deferred orders on the settlement between Byju's parent Think & Learn Private Limited and Aakash Educational Services Limited over Aakash's rights issue, directing the parties to first comply with several requirements.

The order was passed by Judicial Member Sunil Kumar Aggarwal and Technical Member Radhakrishna Sreepada. The parties had filed joint applications seeking to place on record the Compromise Memorandum and dispose of the proceedings in terms of the compromise arrived between the parties.

However, the Tribunal noted that the application filed on behalf of the Resolution Professional (RP) of Think & Learn had been signed and filed by his attorney pursuant to a Specific Power of Attorney. The Tribunal directed the parties to produce the original Specific Power of Attorney, proof of payment of stamp duty and the attorney's identity document. It also sought a document showing that the joint application had been vetted and consented to by the RP.

The Tribunal further directed the filing of a memo recording non-pursuance or withdrawal of the petition against the other respondents. Observing that several agreements, inter-se obligations, appeals and other proceedings were pending before superior forums, the Tribunal also directed the RP to file an affidavit assuring that the settlement terms do not violate any orders passed in those proceedings or any existing contractual obligations.

Source: Live Law Biz

Read Full News: [NCLT Seeks Power of Attorney, RP Consent Before Orders on Byju's-Aakash Settlement in Rights Issue Dispute](#)

➤ **IBBI Issues Fifth Amendment to Liquidation Process Regulations, 2026**

The Insolvency and Bankruptcy Board of India (IBBI) has notified the “Insolvency and Bankruptcy Board of India (Liquidation Process) (Fifth Amendment) Regulations, 2026” on 22 September 2026. The amendment modifies Regulation 31 of the Liquidation Process Regulations, 2016 concerning the list of stakeholders.

Under the amended provision, where a liquidator receives additional information warranting a modification in an entry in the list of stakeholders, the liquidator may make such modification and shall intimate the Adjudicating Authority within 30 days of such modification.

Source: IBBI

Read Full News : <https://ibbi.gov.in/uploads/legalframework/c2021ea672482d462f94d71b8fb29338.pdf>

➤ **IBBI Introduces Fee for Delayed Filing of Liquidation Forms**

The Insolvency and Bankruptcy Board of India (IBBI), through Circular No. IBBI/LIQ/107/2026 dated 24 September 2026, has announced the commencement of levy of fees for delayed filing of forms under Regulation 47B of the IBBI (Liquidation Process) Regulations, 2016. The circular applies to all Registered Insolvency Professionals, Recognised Insolvency Professional Entities and Registered Insolvency Professional Agencies.

Forms that are due on or before **30 September 2026** and are filed after the prescribed due date, whether through correction, updation or otherwise, will attract a **fee of ₹500 per month plus applicable GST** for the period of delay. The measure is intended to ensure timely filing and compliance with the prescribed liquidation reporting requirements.

Source: IBBI

Read Full News: <https://ibbi.gov.in/uploads/whatsnew/a207bc1032e33472c1175e676e204742.pdf>

➤ **IBBI Further Extends Deadline for Filing PGIRP Forms**

The Insolvency and Bankruptcy Board of India (IBBI), through Circular No. IBBI/II/108/2026 dated 24 September 2026, has further extended the timeline for filing electronic PGIRP-1 to PGIRP-6 forms for monitoring insolvency resolution processes concerning Personal Guarantors to Corporate Debtors. The extension has been provided considering the practical difficulties faced by stakeholders and the transitional time required for compliance.

The last date for submission of all applicable PGIRP forms has been extended from 30 September 2026 to 31 December 2026. Accordingly, penalties for delayed submission or modification of these forms will be levied only after 31 December 2026.

Source: IBBI

Read Full News: [Further Extension of time for filing Forms to monitor insolvency resolution processes for Personal Guarantors to Corporate Debtors. PDF \(212.88 KB\)](#)



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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