



INSOLVENCY PROFESSIONAL AGENCY
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IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The two most important days in your life are the day you are born and the day you find out why."

➤ **Application Under Provincial Insolvency Act Cannot Be Dismissed For Lack of Verification In Affidavit: Andhra Pradesh High Court**

The Andhra Pradesh High Court has recently held that the mere non-mention of solemn verification in an affidavit, despite the presence of solemn affirmation, ipso facto does not warrant rejection of an application as such a defect is curable.

In view of this, the court set aside an order of the insolvency court dismissing an application seeking to set aside an allegedly fraudulent property transaction on the ground that the supporting affidavit was defective.

Instead of dismissing the application on this ground, the insolvency court could have returned it with a direction to cure the defect, the High Court observed, reiterating that *"rules of procedure are made to further the cause of justice and not to prove a hindrance thereto."*

Under Section 12 of the Provincial Insolvency Act, 1920, an insolvency petition must be signed and verified in the manner prescribed by the Code of Civil Procedure, 1908, for signing and verifying plaints. Order VI Rule 15 of the CPC requires verification to specify which statements are based on personal knowledge and which are based on information received and believed to be true.

Source: Live Law

Read Full News: <https://www.livelaw.in/high-court/andhra-pradesh-high-court/ap-high-court-mere-non-mention-solemn-verification-affidavit-ipso-facto-warrant-rejection-556463>

➤ **NCLAT Sets Aside Insolvency Proceedings Against Polycab India**

The National Company Law Appellate Tribunal (NCLAT) at Delhi on Friday set aside the Insolvency Proceedings initiated against Polycab India Limited on a plea filed by operational creditor Asier Metals Pvt. Ltd. The order was passed by the bench of Officiating Chairperson Justice Yogesh Khanna and Technical Members Ajai Das Mehrotra and Barun Mitra.

The Bench observed, "We allow the appeal, set aside the impugned order. The orders passed by the adjudicating authority initiating CIRP with the Corporate Debtor and all other orders pursuant to the impugned orders are also set aside. The Corporate Debtor company is released from the rigours of CIRP and is allowed to function independently through its board of directors"

The appeal was filed by Bharat Ajay Jaisinghani, suspended director of Polycab against an order dated 7 October 2026 of the National Company Law Tribunal, Ahmedabad (NCLT), which had admitted the operational creditor's application filed under Section 9 of the Code. The NCLAT had earlier stayed the impugned order on 9 October.

Source: Live Law Biz

Read Full News: <https://www.livelawbiz.com/ibc/nclat-sets-aside-cirp-admission-against-polycab-india-556588>

➤ **Related-Party Nature of Original Transaction Does Not Invalidate Independent Personal Guarantee: NCLT Indore**

The National Company Law Tribunal (NCLT), Mumbai Bench, has held that allottees of commercial property can qualify as Financial Creditors under the Insolvency and Bankruptcy Code, 2016 (IBC). The Tribunal observed that the law does not restrict this status to buyers of residential units.

The Bench of Judicial Member Vinay Goel and Technical Member Charanjeet Singh Gulati observed, "Upon a plain reading of Section 5(8)(f) of the Code, it is clear that when funds are obtained from an allottee in a real estate project, having the commercial effect of a borrowing, and disbursed against the consideration for the time value of money, it constitutes a Financial Debt."

Source: Live Law Biz

Read Full News: <https://www.livelawbiz.com/ibc/related-party-nature-of-original-transaction-does-not-invalidate-personal-guarantee-nclt-indore-556503>



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