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**IBC NEWSLETTER
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INDIA

1.NCLAT holds that an approved resolution plan cannot be modified post-approval; CoC cannot reallocate distribution to dissenting financial creditors¹

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) dismissed an appeal filed by Bank of Baroda, an assenting financial creditor, and upheld the order of the NCLT, Mumbai Bench, which had set aside a post-approval reallocation of resolution proceeds in the CIRP of Reliance Communications Infrastructure Limited.

The resolution plan, approved by the Committee of Creditors (CoC) in August 2021 and later by the NCLT in December 2023, expressly provided that the Reliance Bhutan Loan was to be assigned to the approving financial creditors. Subsequent to plan approval, Bank of Baroda sought a CoC meeting to reallocate the said loan to dissenting financial creditors. Acting on this, the CoC passed a resolution in October 2023 reallocating the loan, despite objections from IDBI Bank and SBI.

The NCLAT held that once a resolution plan is approved by the CoC under Section 30(4) of the IBC, the plan attains finality and becomes binding on all stakeholders, including the CoC itself. Any post-approval modification of the financial layout or distribution mechanism is impermissible, even if supported by a CoC majority.

Interpreting Clause 3.3.20 of the resolution plan, the Tribunal clarified that the expression “such other entity” could not be read to include dissenting financial creditors. The clause merely allowed approving financial creditors to identify an alternative vehicle (such as a trust or nominee) for assignment, not to substitute the entitlement of dissenting creditors under the approved plan.

The Tribunal further rejected the plea that the CoC’s commercial wisdom insulated the reallocation decision from judicial scrutiny, holding that commercial wisdom applies at the stage of plan approval and cannot be invoked to justify post-approval alterations. Accordingly, the NCLAT affirmed that dissenting financial creditors are entitled only to the payments stipulated in the approved resolution plan and cannot be compelled to accept reassigned assets contrary to its terms. The appeal was dismissed.

2.NCLAT holds that acknowledgment by principal borrower extends limitation against corporate guarantor²

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) allowed two appeals

filed by UCO Bank and set aside the orders of the NCLT, Kolkata Bench, which had dismissed Section 7 applications against corporate guarantors on the ground of limitation.

The NCLT had held that since the corporate guarantees were invoked and recovery proceedings were initiated in 2019, the Section 7 applications filed in 2023 were time-barred. Reversing this view, the NCLAT observed that the principal borrower had repeatedly acknowledged its liability through revival letters, part-payments, and disclosures in audited balance sheets up to FY 2021–22.

Relying on settled law, including *Laxmi Pat Surana v. Union Bank of India* and *Asset Reconstruction Co. v. Bishal Jaiswal*, the Tribunal held that acknowledgment of debt by the principal borrower amounts to acknowledgment by the corporate guarantor, given the co-extensive nature of their liability. Such acknowledgment validly extends the period of limitation under Section 18 of the Limitation Act.

The NCLAT further noted that the exclusion of limitation during the COVID-19 period, as directed by the Supreme Court, had not been considered by the NCLT. Holding that the Section 7 applications were filed within limitation, the impugned orders were set aside and the matters were remanded for fresh adjudication.

3.Personal guarantors cannot invoke Section 10A or Section 14 to resist proceedings under Section 95 of IBC³

The Hon’ble National Company Law Appellate Tribunal (NCLAT) dismissed three appeals filed by personal guarantors and upheld the admission of Section 95 applications initiating personal insolvency resolution proceedings against them. The appeals arose from a common order of the NCLT, New Delhi Bench, admitting insolvency applications filed by the financial creditor after invocation of personal guarantees. The appellants contended that (i) loan recall notices issued after commencement of CIRP against the corporate debtor were barred by the moratorium under Section 14, (ii) the alleged default fell within the Section 10A protected period, and (iii) the amount claimed from personal guarantors exceeded the debt admitted in the CIRP of the corporate debtor.

Rejecting these contentions, the NCLAT held that initiation of CIRP against the corporate debtor and the moratorium under Section 14 do not bar proceedings against personal guarantors under Part III of the IBC. The Tribunal further clarified that Section 10A applies only to proceedings under Sections 7, 9, and 10 against

[1] Bank of Baroda v. IDBI Bank Ltd., Company Appeal (AT) (Ins.) No. 1708 of 2025 (NCLAT), decided on 23.12.2025.

[2] UCO Bank v. Poddar Mech Tech Services Pvt. Ltd., CA (AT) (Ins) Nos. 2157–2158 of 2024 (NCLAT), decided on 23.12.2025.

[3] Neeta Shah vs. Asset Care & Reconstruction Enterprises Ltd., Company Appeal (AT) (Insolvency) No. 61 of 2025, decided on 19 December 2025 (NCLAT, Principal Bench, New Delhi)

corporate debtors and does not restrict proceedings under Section 95 against personal guarantors.

On the issue of quantum of debt, the NCLAT held that disputes regarding the exact amount payable, including adjustments arising from recoveries from co-guarantors, cannot defeat admission of a Section 95 application as long as the default exceeds the statutory threshold. Such issues are to be addressed at the stage of submission of the repayment plan. Finding no illegality in the admission order, the appeals were dismissed.

4.Suspended director cannot dispute limitation of debt after invoking Section 10 on the same liability⁴

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) dismissed a batch of appeals filed by the suspended director of the corporate debtor challenging rejection of his application seeking rejection of State Bank of India's claim on the ground of limitation.

The corporate debtor had itself initiated CIRP under Section 10 of the IBC in 2025, expressly admitting default of over ₹116 crore owed to State Bank of India. After admission of CIRP, the suspended director sought to contend that SBI's claim was time-barred and ought not to have been admitted by the IRP.

Rejecting this contention, the NCLAT held that once the corporate debtor voluntarily invokes Section 10 on the basis of a stated financial debt, it is not open to the suspended management to subsequently deny the existence or enforceability of that very debt on grounds of limitation. The Tribunal further noted that a decree had been passed by the DRT in 2023 against entities for which the corporate debtor was a guarantor, which independently defeated any plea of limitation. Accordingly, the NCLAT found no infirmity in the admission of SBI's claim or in the rejection of the appellant's application, and dismissed all appeals.

5.Delay in filing avoidance applications under IBC can be condoned as the Regulation 35A timelines are directory⁵

The Chennai Bench of the National Company Law Appellate Tribunal (NCLAT) dismissed an appeal filed by the nominal directors of the corporate debtor challenging the maintainability of an avoidance application filed by the Resolution Professional on the ground of limitation. The Resolution Professional had filed an application under Sections 43, 44, 66 and 69 of the IBC seeking contribution from the appellants for

fraudulent and wrongful trading, pursuant to liberty granted by the NCLT in earlier proceedings. The appellants contended that the application was barred by limitation as it was filed beyond the timelines prescribed under Regulation 35A of the CIRP Regulations and without a separate application for condonation of delay.

Rejecting this contention, the NCLAT held that the timelines under Regulation 35A are directory and not mandatory. The Tribunal observed that no separate application for condonation of delay is required if sufficient cause is discernible from the record. Reliance was placed on the Supreme Court's ruling in *Sesh Nath Singh v. Baidyabati Sheoraphuli Co-operative Bank Ltd.*, holding that delay can be condoned even in the absence of a formal application.

The Tribunal further noted that the avoidance application was filed pursuant to liberty granted by the Adjudicating Authority, giving rise to a fresh cause of action, and that the period of limitation stood extended by the Supreme Court's suo motu COVID-19 orders. Accordingly, the NCLAT upheld the order permitting the avoidance application to be heard on merits and dismissed the appeal.

6.NCLAT upholds amendment of date of default in Section 7 application where default occurred prior to Section 10A period⁶

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) dismissed an appeal filed by a suspended director challenging the NCLT's order permitting amendment of the date of default in a Section 7 application filed by the financial creditor.

The financial creditor had advanced an inter-corporate deposit of ₹10 crore to the corporate debtor for a short tenure of 15 days under a deed of indemnity and guarantee dated 14 December 2015. Upon failure to repay the amount on maturity, the corporate debtor issued successive post-dated cheques acknowledging liability, including penal interest, up to December 2019. In the Section 7 application, the date of default was initially mentioned as 20 March 2020, corresponding to dishonour of the last post-dated cheque. Subsequently, the financial creditor sought amendment of the date of default to 29 December 2015, being the original date of non-payment on maturity.

The suspended director contended that permitting such amendment would defeat the bar under Section 10A of the IBC and amount to withdrawal of a categorical admission. Rejecting this contention, the NCLAT held that issuance of recall or demand notices does not give

[4] Rakeshkumar Hariram Agarwal v. State Bank of India & Ors., Comp. App. (AT) (Ins) Nos. 1992, 1914 & 1915 of 2025, decided on 16.12.2025, National Company Law Appellate Tribunal (Principal Bench, New Delhi)

[5] Ajay Kumar Bhuwalka & Anr. v. Bhuwalka Steel Industries Ltd., Company Appeal (AT) (CH) (Insolvency) No. 508 of 2025, decided on 16.12.2025, National Company Law Appellate Tribunal, Chennai Bench.

[6] Chikali Nagaraju v. Ispat Corp Ltd., Company Appeal (AT) (Insolvency) No. 1594 of 2025, decided on 15.12.2025, National Company Law Appellate Tribunal, Principal Bench, New Delhi.

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rise to a fresh default; rather, default occurs when payment first becomes due and is not made. The Tribunal observed that continuous issuance of post-dated cheques constituted acknowledgment of debt and continuance of default, and that sufficient material on record demonstrated default well prior to the Section 10A protected period.

The NCLAT further held that amendment of pleadings in a Section 7 application is permissible where it clarifies or explains the true date of default already supported by the record and does not amount to withdrawal of an admission. Since the default had occurred in December 2015, Section 10A was held to be inapplicable. Accordingly, the appeal was dismissed, with clarification that the amendment order would not prejudice adjudication of the Section 7 application on merits.

7.NCLAT sets aside remand of CoC-approved resolution plan; holds that CoC cannot withdraw or reconsider an approved plan⁷

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) allowed the appeal filed by the successful resolution applicant and set aside the order of the NCLT which had remanded the resolution plan to the Committee of Creditors (CoC) for reconsideration. The resolution plan submitted by the appellant had been approved unanimously by the CoC in October 2019, and a plan approval application under Section 30(6) had been filed before the NCLT in January 2020. During the pendency of the approval application, claims of certain creditors were admitted pursuant to judicial orders, leading to reconstitution of the CoC in 2024. Thereafter, the reconstituted CoC passed resolutions seeking withdrawal of the plan approval application and cancellation of the Letter of Intent issued to the successful resolution applicant.

The NCLAT held that once a resolution plan is approved by the CoC and submitted to the Adjudicating Authority, it becomes binding on the CoC and the successful resolution applicant and cannot be withdrawn or reconsidered. Relying on the Supreme Court's decisions in *Ebix Singapore* and *Murari Lal Jalan*, the Tribunal reiterated that the insolvency framework does not permit a CoC to resile from an approved plan pending adjudication. The Tribunal further held that subsequent reconstitution of the CoC does not invalidate decisions taken earlier, in view of Regulation 12(3) of the CIRP Regulations. It was also held that Regulation 18(2) restricts the CoC from taking decisions affecting a resolution plan already submitted for approval, and the resolutions cancelling the Letter of Intent and seeking withdrawal of the plan were without jurisdiction.

On merits, the NCLAT found that the resolution plan adequately addressed the claims of creditors and did not violate Section 30(2) of the IBC. The reasons relied upon by the NCLT for remanding the plan, relating to treatment of secured creditors, reconstitution of the CoC, and alleged procedural irregularities, were held to be unsustainable. Accordingly, the impugned order was set aside and the plan could not be remanded for reconsideration.

[7] *Mehar Bhoomi Bhawan Pvt. Ltd. (formerly Mehar Footwear Pvt. Ltd.) v. Shashi Bhushan Prasad, RP of Angad Infrastructure Pvt. Ltd. & Ors., Company Appeal (AT) (Insolvency) No. 1876 of 2025*, decided on 22.12.2025, National Company Law Appellate Tribunal, Principal Bench, New Delhi.

FIRM HIGHLIGHTS



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TMT : MEDIA & ENTERTAINMENT

The graphic features a dark blue background with white and gold text. At the bottom, there is a decorative border with icons of film reels, a clapperboard, and a VHS tape.

ANM Global has been recognised in the Chambers and Partners Asia-Pacific Rankings 2026 for our Intellectual Property and Media & Entertainment practice areas, along with individual rankings.

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ASIA-PACIFIC 2026 RANKINGS

RANKED PRACTICE AREAS **RANKED PRACTITIONERS**

INTELLECTUAL PROPERTY **RAHUL DHOTE**
INTELLECTUAL PROPERTY

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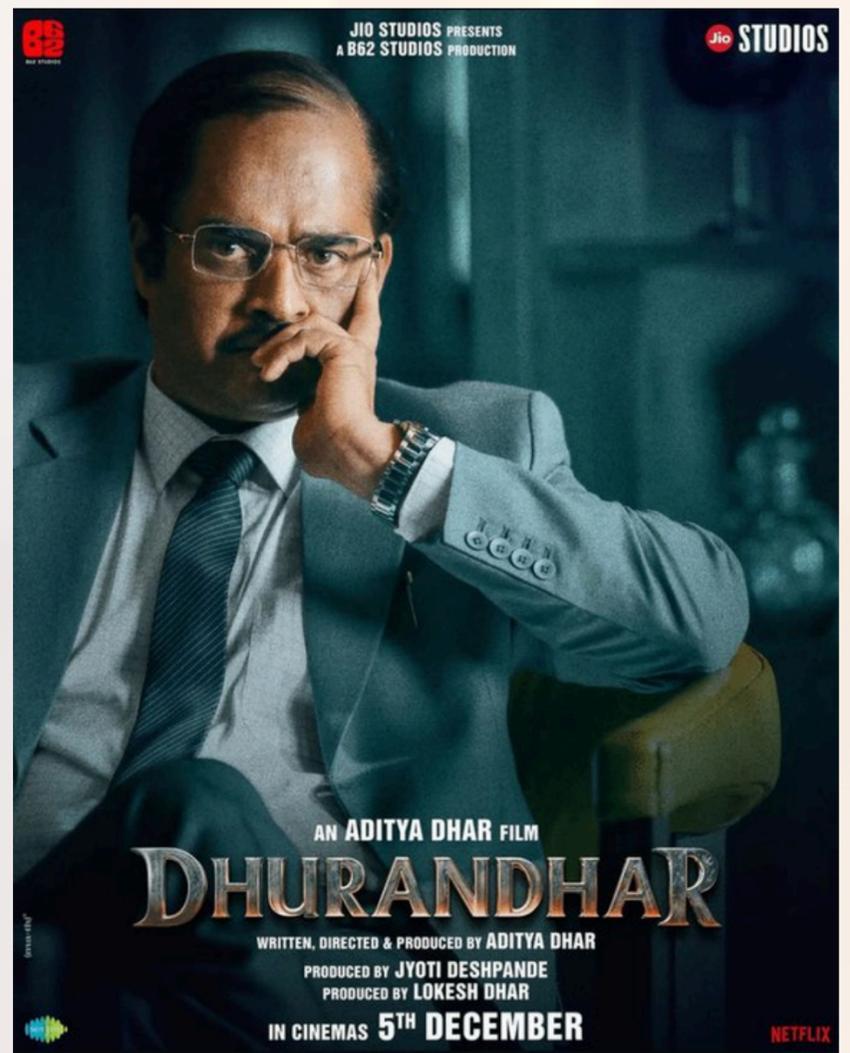
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Saali Mohabbat, a gripping Hindi film, released on 12th December, 2025, on Zee5.

ANM Global is proud to have successfully represented Stage5 Production, providing end-to-end legal assistance and advisory support for the film comprehensively, including towards the development, production and execution of the project, as well as agreements with the platform and the cast and crew of the project.

ANM Global is proud to have represented R. Madhavan in connection with negotiating and finalizing the artist agreement for the upcoming project "Dhurandhar", produced by B62 Studios Private Limited in association with Jio Studios.



Mrs. Deshpande, a gripping Hindi thriller series, is premiered on 19th December 2025 on JioHotstar.



ANM Global is proud to have advised Applause Entertainment Private Limited, providing comprehensive legal support on the project, including advisory, transactional assistance, format acquisition, revenue agreements as well as conducting script and content S&P for the project.

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