

AIPE Newsletter

June 24 – July 1, 2025

Insolvency & Bankruptcy Newsletter

WEEKLY HIGHLIGHTS AT A GLANCE

Welcome to THE weekly snapshot of the most significant legal, regulatory, and transactional developments under India's Insolvency and Bankruptcy Code (IBC). This issue features rulings from NCLT, NCLAT, and the Supreme Court, alongside key policy trends that impact insolvency practice and corporate restructuring.

KEY JUDICIAL RULINGS

1. NCLAT Upholds MCA Exemption on CCI Approval

Case: *Independent Sugar Corporation Ltd. v. Girish Sriram Juneja*

Despite a prior Supreme Court mandate for CCI approvals pre-CoC clearance, the NCLAT validated the MCA's 2024 Notification exempting certain combinations from CCI scrutiny, streamlining resolution timelines.

2. Liquidation Ordered for Non-Compliance with RBI Approval Timeline

Case: *Taguda Pte Ltd. v. SBI*

Liquidation of Ushdev International Ltd. was upheld due to failure to obtain RBI clearance within the mandatory one-year period. Reinforces strict adherence to Section 31(4).

3. Govt. Dues Can't Be Ignored in Resolution Plans

Case: *Twenty-First Century Castings Pvt. Ltd.*

Plan quashed for omitting statutory dues under the GVAT Act. NCLAT emphasizes priority of government dues as secured creditors under Section 30(2).

4. No Personal Insolvency for Replaced Guarantee

Case: *MBL Infrastructure Ltd.*

NCLAT denied Indian Bank's personal insolvency petition, ruling the director's obligations were extinguished by a new personal guarantee under the approved resolution plan.

5. Section 9 Insolvency Plea Revived

Case: *BGM Telecommunications Pvt. Ltd.*

NCLAT criticized the NCLT's mechanical dismissal, remanding the matter for independent fact-based adjudication.

6. Homebuyer-CoC Plan with Building Contingencies Approved

Case: *Anuj Gaur & Ors. v. Rabindra Kumar Mintri*

NCLAT upheld a CoC-approved plan with contingencies for Som Resorts Pvt. Ltd., citing no conflict or regulatory violation.



7. NCLT Cannot Restrain Voluntary Liquidator Replacement

NCLAT has ruled that shareholders can replace a liquidator and NCLT lacks authority to impose a status quo in such cases.

8. IBC vs PMLA Jurisdiction Resolved

Case: *Kalyani Transco v. Bhushan Power and Steel Ltd. (Judg. dated - May 2, 2025)*

The Hon'ble Supreme Court clarified that NCLT/NCLAT cannot invalidate ED's attachments under PMLA, limiting IBC's jurisdiction over criminal/public law matters.

9. Advance Payment = Operational Debt

NCLT Indore admitted CIRP based on non-refunded purchase advance, widening Section 5(21)'s scope of "operational debt."

RESOLUTION PLANS AND TRANSACTIONS

1. RECORD APPROVALS IN FY 2024-25

NCLT approved 284 resolution plans worth ₹67,176 crore, up 42% from the prior fiscal. Enhanced capacity and streamlined processes are driving results, though 78% of CIRPs still cross 270 days.

2. SUPREME COURT ORDERS LIQUIDATION OF BHUSHAN STEEL

Case: *JSW Steel Resolution Plan*

SC cancelled JSW Steel's plan for Bhushan Power and Steel Ltd. for non-implementation over two years. Criticized lax scrutiny by the RP, CoC, and NCLT; ordered liquidation under Section 33(1). (Note - This Judgment is dated May 2, 2025)



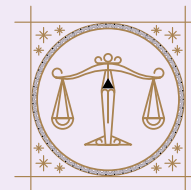
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KEY TRENDS & INSIGHTS

- **Enforcing Compliance Culture:** *The* judiciary reinforces timelines, RBI/CCI approvals, and government dues in IBC processes.
- **Jurisdiction Demarcation:** SC asserts that public law matters (e.g., PMLA) are outside NCLT/NCLAT purview.
- **Improved Efficiency:** *Surge* in approvals of resolutions points to improved institutional capacity.
- **Risk in Plan Scrutiny:** *The* Bhushan Steel & Power case warns against lax oversight by CoCs and professionals.

CONCLUSION

This week underlines the judiciary's focus on reinforcing the rule-based structure of the IBC, especially regarding timelines and statutory obligations. As India's insolvency framework evolves, professionals must stay vigilant of jurisdictional limits, compliance obligations, and institutional responsibilities.



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