INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI
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IIIPI Newsletter

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NCLAT Rejects Insolvency Plea against PepsiCo Over Interest Claim

NCLAT has dismissed SNJ Synthetics' insolvency petition against PepsiCo, stating IBC cannot be used to recover disputed interest. The tribunal upheld NCLT's order, noting the principal amount was settled and only ₹1.05 crore interest remained, which was below the ₹1 crore threshold.

The NCLT also found the supply agreement unsigned, and the dispute dated before PepsiCo's business transfer to Varun Beverages. The ruling reinforces that IBC is for genuine insolvency cases, not debt recovery.

For More Details, Please Visit:
https://www.outlookbusiness.com/news/nclat-dismisses-insolvency-plea-against-pepsico-india

News Update

**For Internal Circulation Only*
**Knowledge SBU Initiative*

IBC Strengthens Creditor Rights, Revives Defunct Firms: IBBI Official

The Insolvency and Bankruptcy Code (IBC) has reshaped India's credit system by shifting power from willful defaulters to creditors and investors, said Shri Jithesh John, Executive Director of IBBI, at the IBC Conclave organized by Confideration of Industries (CII).

He said that till March 2025, 1,194 CIRPs concluded with resolution plans, enabling creditors to realize ₹3.89 trillion, which has been 32% of claims of creditors, 170.02% of liquidation value and 93.36% of fair value. These figures exclude recoveries from guarantors, avoidance transactions, and future value additions such as equity gains and capital infusion. About 40% of resolved CIRPs involved defunct companies, which Shri John termed the "real success" of the IBC, noting their revival led to operational continuity and job creation.

"Even defunct companies have been made operational through this process leading to job creation in the market," he added. He also highlighted improved credit discipline, with 30,310 cases settled before admission involving ₹13.78 trillion in defaults till December 2024. RBI data for FY24 showed ₹46,340 crore of ₹96,325 crore bank recoveries came through IBC, making it the most effective recovery channel. Further, citing an IIM Ahmedabad study, Shri John said resolved firms saw a 76% rise in sales and reached operational breakeven in three years. Besides, employee costs rose 50%, indicating higher job intensity, alongside gains in profitability, asset growth, and market value.

For More Details, Please Visit: *https://www.business-standard.com/finance/news/ibc-has-shifted-balance-of-power-in-favour-of-creditors-investors-ibbi-ed-125051000935_1.html*

News Roundup

NCLT Defers BPSL Liquidation Case to May 30

The NCLT has postponed the Bhushan Power & Steel Ltd (BPSL) case to May 30 after former promoter Sanjay Singal sought enforcement of the Supreme Court's order quashing JSW Steel's ₹19,700 crore Resolution Plan and directing liquidation. Solicitor General Tushar Mehta requested a delay in issuing notices until all necessary parties are impleaded. NCLT agreed and directed Singal to update list of stakeholders. Mehta hinted at seeking a fresh CIRP to avoid liquidation and raised concerns about ED-attached assets post the SC ruling. Singal's counsel also urged that an official be appointed to protect BPSL's assets. The SC verdict requires banks to return ₹19,350 crore to JSW, with liquidation expected to yield far lower recoveries. The Court directed Singal's counsel to implead all relevant stakeholders before the next hearing.

For More Details, Please Visit: *https://www.livemint.com/companies/news/nclt-defers-bhushan-power-steel-insolvency-matter-to-30-may-11747124893202.html*

NCLT Rejects Adani Ports' Late Bid for Tuticorin Coal Terminal

The NCLT has dismissed Adani Ports and SEZ's request to submit a delayed resolution plan for Tuticorin Coal Terminal, directing the CIRP to proceed with Seapol Port's bid or by inviting new bidders. Tuticorin Coal Terminal entered insolvency in 2020 over ₹90 crore in dues, with liabilities now exceeding ₹479 crore. The tribunal noted over four years had passed since the initial EoI, and lenders had already spent considerable time exploring revival options. Though Adani was listed as an eligible bidder and argued its entry would encourage value maximization, the NCLT refused to allow its late participation. The CoC had expressed willingness to consider Adani's Plan if permitted. In July 2024, it was handed over to JSW for redevelopment under a 30-year DBFOT model.

For More Details, Please Visit: *https://www.business-standard.com/companies/news/nclt-rejects-adani-ports-bid-tuticorin-coal-terminal-seapol-125051300166_1.html*

Germany Records Highest Corporate Insolvencies in 20 Years: IWH Report

Germany saw 1,626 corporate and partnership insolvencies in April, the highest in 20 years, according to the Halle Institute for Economic Research (IWH). This marks an 11% rise from March and 21% from April 2024, surpassing even the 2008–09 financial crisis levels. IWH attributed the surge to an unusually high number of small insolvency cases. While a decline is expected if this trend normalizes, IWH's Steffen Müller emphasised that corporate insolvencies will likely remain higher than last year in the near term. The institute uses early indicators, analysing insolvency announcements and linking them to company balance sheets for monthly tracking.

For More Details, Please Visit: *https://globalinsolvency.com/headlines/germany-sees-highest-*

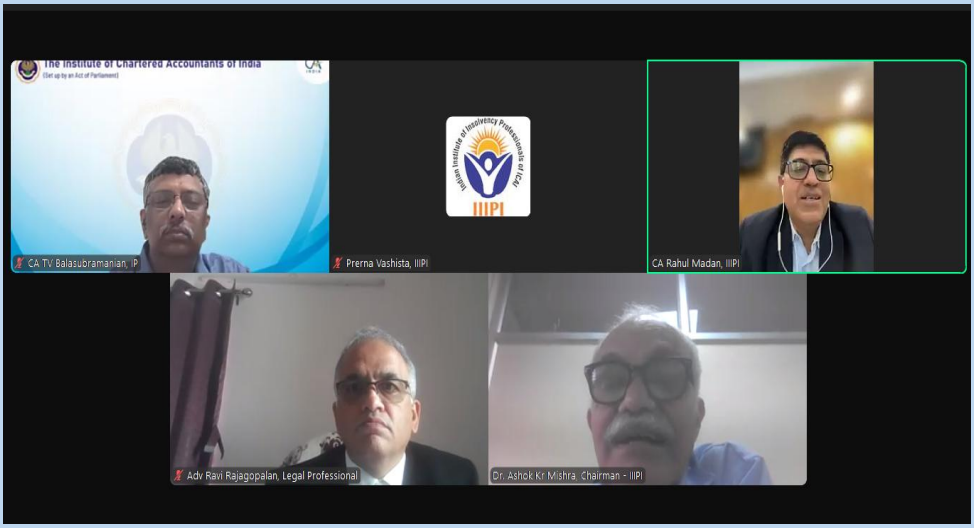
ICAI Recommends Reforms to enhance IBC Efficiency, Calls for Timely Resolutions

The ICAI has proposed key reforms to strengthen the IBC 2016, urging stricter adherence to the 330-day resolution timeline and better value realization in CIRPs.

ICAI's study revealed that as of September 2024, only 13.3% of CIRPs ended with resolution plans, while 32.9% resulted in liquidation often after significant delays. It highlighted that such delays erode asset values and stakeholders' confidence. The recommendations include enforcing timelines, creating a centralized digital repository, incentivizing timely claim filings, and introducing fast-track CIRPs for defunct companies. ICAI also stressed improved coordination among stakeholders and emphasized that timely resolutions are critical to maximizing value and maintaining trust in the IBC framework.

For More Details, Please Visit: *https://insolvencytracker.in/2025/05/13/icai-suggests-key-reforms-to-improve-ibc-effectiveness/*

EVENT PHOTOGRAPHS



IIIPI organizes Webinar on "Valuation under IBC- Best Practices" on May 09, 2025

IIIPI to Organize 13th batch Executive Development Program (For IPs)

Indian Institute of Insolvency Professionals of ICAI (IIIPI) is organizing the 13th batch of the Executive Development Programme on Mastering Legal Skills, Pleadings, and Court Processes under IBC from 28th May to 31st May 2025 through online mode. The total duration of the program will be 24 hours spread over 4 days.

The last date for registration is 27th May 2025, by 5:00 PM. The programme will offer 14 CPE hours for Insolvency Professionals.

For More Details, Please Visit: *https://www.iiipicai.in/wp-content/uploads/2025/05/13th-EDP-Legal-FLYER-1.pdf*