



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter



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### IREDA Files Insolvency Plea Against Gensol Over ₹510 Crore Default

The Indian Renewable Energy Development Agency (IREDA) has filed an insolvency petition against Gensol Engineering Ltd. under Section 7 of the IBC for defaulting on a ₹510-crore loan. The move follows allegations that Gensol's promoters diluted their shareholding without lender approval.

The NCLT Ahmedabad has issued a notice and set the next hearing for June 3, 2025. Meanwhile, SEBI has barred Gensol's promoters from the securities market over fund diversion allegations, intensifying the company's legal troubles despite recent stock gains.

**For More Details, Please Visit:** [https://www.business-standard.com/companies/news/ire-da-files-insolvency-petition-against-gensol-over-rs-510-cr-default-125051401595\\_1.html](https://www.business-standard.com/companies/news/ire-da-files-insolvency-petition-against-gensol-over-rs-510-cr-default-125051401595_1.html)

## News Update

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

### Supreme Court Upholds Investor Protection Over Secured Creditors in NSEL Scam Case

In a landmark judgment dated May 15, 2025, the Supreme Court of India ruled that secured creditors can not claim priority over properties attached under the Maharashtra Protection of Interest of Depositors (MPID) Act in the National Spot Exchange Ltd. (NSEL) case. The verdict affirms the orders passed by the Supreme Court Committee on August 10, 2023, and January 8, 2024, which held that such attached properties would be available for executing investor decrees despite moratorium provisions under the Insolvency and Bankruptcy Code (IBC).

The Court concluded that assets attached under the MPID Act and Prevention of Money Laundering Act (PMLA) are beyond the reach of secured creditors, even under provisions of the SARFAESI Act and the RDB Act. It also found no inconsistency between the MPID Act and the IBC, thereby rejecting the applicability of Section 238 of the IBC in this context. Notably, the Apex Court clarified that federal legislative powers allow the State-enacted MPID Act to prevail in such matters within its domain.

The ruling stems from efforts to recover 5,600 crores defrauded from over 13,000 investors due to the NSEL scam. The judgment reaffirms the Supreme Court's commitment to investor protection and provides clarity on the balance between insolvency law and state-enforced depositor safeguard mechanisms.

**For More Details, Please Visit:** <https://ibclaw.in/national-spot-exchange-ltd-vs-union-of-india-and-ors-supreme-court/>

## News Roundup

### NCLT Chairperson Urges Legal Discipline in BPSL Liquidation Case

NCLT Chairperson Justice R. Sudhakar has emphasized that the tribunal must act strictly within the limits of the Insolvency and Bankruptcy Code (IBC) and Companies Act in the Bhushan Power and Steel Ltd. (BPSL) case. His remarks follow the Supreme Court's May 2, 2025, order, which invalidated JSW Steel's Resolution Plan and directed BPSL's liquidation. Justice Sudhakar warned against judicial overreach and highlighted the tribunal's limited capacity to reopen complex, long-settled insolvency cases. He suggested forming a special bench to handle the influx of applications and urged Parliament to increase the number of NCLT members to manage the growing caseload effectively.

**For More Details, Please Visit:** [https://www.business-standard.com/industry/news/nclt-chairperson-says-tribunal-should-stick-to-statute-in-bpsl-case-125051501630\\_1.html](https://www.business-standard.com/industry/news/nclt-chairperson-says-tribunal-should-stick-to-statute-in-bpsl-case-125051501630_1.html)

### Vodafone Idea Warns of Possible Insolvency by FY26 Without Govt Support

Vodafone Idea (Vi) has cautioned the Department of Telecommunications that it may not survive beyond FY2025–26 without government intervention on its ₹30,000 crore AGR dues. In a letter dated April 17, 2025, CEO Akshaya Moondra highlighted that funding from banks hinges on this relief. The Supreme Court will hear Vi's plea for AGR relief on May 19. The company warned that failure to secure support could trigger insolvency under NCLT, affecting 200 million subscribers and halting critical investments. Despite the government holding a 48.99% stake, Vi's financial strain remains severe.

**For More Details, Please Visit:** <https://timesofindia.indiatimes.com/business/india-business/will-not-be-able-to-operate-beyond-fy26-vodafone-ideas-insolvency-warning-without-government-support-on-agr-dues/articleshow/121216831.cms>

### Belgium Records Over 10,000 Job Losses Due to Bankruptcies in Early 2025

In the first four months of 2025, Belgium recorded 10,936 job losses due to 3,968 company bankruptcies, according to data from the national statistics agency, Statbel. April alone witnessed 982 bankruptcies a 6.2% increase from the same month last year marking the highest April figure since 2013. The hospitality sector was the hardest hit, with 2,396 jobs lost, followed by construction (1,816) and transport (1,198). Although the overall job losses are slightly lower than the 11,520 recorded during the same period in 2024, that year included the collapse of major bus manufacturer Van Hool, which accounted for over 1,500 jobs. The data highlights persistent economic stress across key industries, signaling the urgent need for policy measures to support struggling sectors.

**For More Details, Please Visit:** <https://globalinsolvency.com/headlines/germany-sees-highest-spike-bankruptcies-20-years>



### NCLAT Upholds Approval of OCL's Resolution Plan for Helios Photovoltaic

The NCLAT has dismissed Gateway Investment Management's appeal against the NCLT order approving OCL Iron & Steel Ltd.'s Resolution Plan for Helios Photovoltaic Ltd.

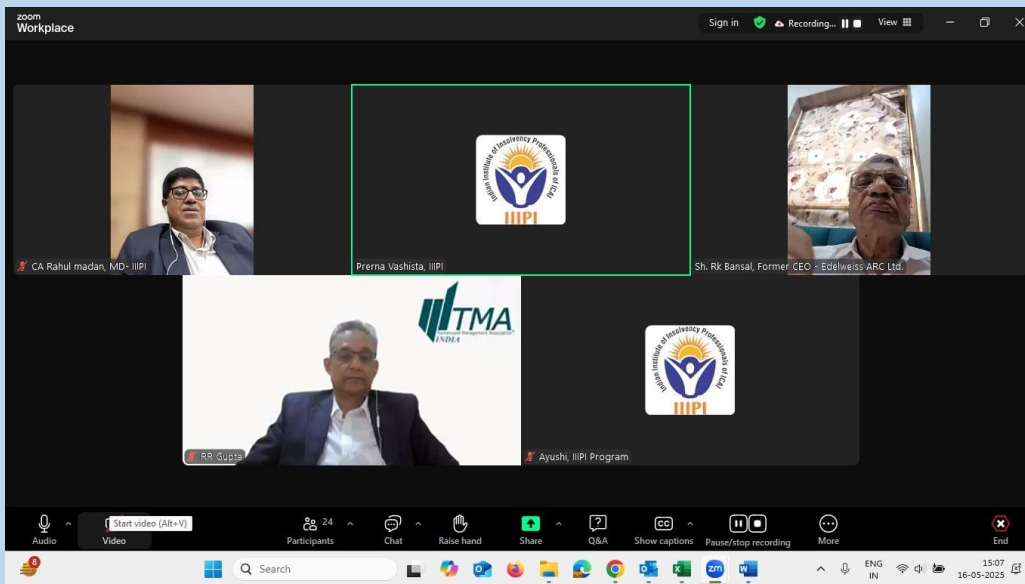
Gateway had challenged the CoC's decision, arguing its revised offer submitted after voting was started, offered better value. However, the Tribunal held that the offer violated the RFRP, which bars modifications post-deadline.

OCL's plan, approved by 73.38% CoC vote and scoring higher on the evaluation matrix, was upheld. The NCLAT ruled that the CoC's commercial wisdom and due process under the IBC were properly followed.

**For More Details, Please Visit:**

<https://ibclaw.in/gateway-investment-management-services-ltd-vs-asc-insolvency-services-llp-and-ors-nclat-new-delhi/>

## EVENT PHOTOGRAPH



*IIPI organizes Webinar on “Role of IPs in Restructuring and Turnaround” on May 16, 2025*

### **IIPI to Organize Virtual workshop Program (For IPs & RVs)**

The Indian Institute of Insolvency Professionals of ICAI (IIPI) is organizing the One- Day Virtual workshop on the topic “Managing Corporate Debtors as Going Concern Under CIRP” on 24<sup>th</sup> of May 2025 from 10:30 AM to 04:30 PM through online mode.

The last date for registration is 23<sup>rd</sup> May 2025 and the fee is 1000 + GST.

The programme will offer 4 CPE hours for Insolvency Professionals.

***For More Details, Please Visit:***  
<https://www.iiipicai.in/wp-content/uploads/2025/05/WORKSHOP-FLYER-24th-May-25.pdf>