



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter



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NCLAT Rejects Morex's Insolvency Plea against Jindal Poly Films

The NCLAT has upheld the NCLT's dismissal of an insolvency application filed by Morex Corporation against Jindal Poly Films, citing a genuine pre-existing dispute over a failed export deal during the COVID-19 lockdown.

Morex sought ₹3 crore refund for goods undelivered due to a government ban, but Jindal argued the goods were ready and shipment was halted on request. The tribunal, citing the *Mobilox* judgment, ruled that insolvency cannot be used to recover disputed dues and directed Morex to pursue its claim in civil court. Since Jindal is solvent and the dispute is contractual, the appeal was dismissed.

For More Details, Please Visit:

<https://www.taxscan.in/top-stories/nclat-dismisses-insolvency-plea-over-export-dispute-cites-pre-existing-contractual-issues-1429448>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Supreme Court Recalls Order Liquidating Bhushan Power & Steel, Reopens JSW Steel Resolution Plan

The Supreme Court has recalled its May 2 judgment ordering the liquidation of Bhushan Power & Steel Ltd (BPSL) and invalidating JSW Steel's ₹19,800 crore Resolution Plan. A special bench led by Chief Justice of India (CJI) B. R. Gavai and Justice Satish Chandra Sharma has referred the matter back to the NCLT for fresh hearing.

On May 2, 2025, a bench of the Supreme Court invoked Article 142 of the Constitution and ordered the liquidation of BPSL for an alleged failure of the Successful Resolution Applicant (SRA) to implement the Resolution Plan. The CJI-led bench, however, highlighted the human and economic impact of reviving BPSL, noting that over 25,000 jobs were at stake and JSW Steel had already infused ₹30,000 crore into it.

JSW Steel's counsel informed the Court that the Resolution Plan had been fully executed, creditors repaid, and operations revived. He urged the Court not to send the company for liquidation. It was also submitted that the Enforcement Directorate's actions came post-approval and were being misused by former promoters to derail proceedings. The Resolution Plan was approved by 97.75% of BPSL's financial creditors and upheld by both the NCLT and NCLAT.

This judgment has reportedly reopened the door for JSW Steel and the CoC to defend the Resolution Plan afresh, potentially restoring the revival of Bhushan Power and Steel under the IBC framework.

For More Details, Please Visit: <https://insolvencytracker.in/2025/07/31/bhushan-power-liquidation/>

News Roundup

BluSmart Mobility Admitted to Insolvency over Loan Defaults

The NCLT Ahmedabad has admitted BluSmart Mobility into CIRP over a default of ₹1.28 crore on non-convertible debentures issued in April 2023. The case was filed by Catalyst Trusteeship Ltd, the debenture trustee, after BluSmart failed to repay instalments due in early 2025. The tribunal rejected BluSmart's objections, citing a clear admission of default by co-founder Anmol Singh Jaggi. This comes amid a larger financial crisis within the Gensol Group, with Gensol Engineering and Gensol EV leasing already under CIRP and facing SEBI scrutiny for fund diversion. Experts say the case may set a precedent for Group Insolvency in India, given the financial links among the entities. The dispute with the financial creditor began after BluSmart Mobility raised ₹15 crore through 15 non-convertible debentures on 20 April 2023, with Catalyst Trusteeship as the debenture trustee. BluSmart was to start repaying the principal from 30 April 2023 but unilaterally deferred it to 31 May.

For More Details, Please Visit: <https://www.livemint.com/news/blusmart-follows-gensol-group-firms-into-insolvency-after-1-28-cr-default-moratorium-sebi-notice-nclt-videocon-11753793467639.html>

NCLT Orders Liquidation of Venus Garments

The Chandigarh Bench of NCLT has ordered liquidation of Venus Garments (India) Ltd (VGIL), ending its Corporate Insolvency Resolution Process (CIRP) initiated by the State Bank of India (SBI) in 2022 over ₹284.59 crore dues. The PNB had additional claims of ₹5.58 crore. The July 22, 2025 order of NCLT followed CoC's unanimous vote after no resolution plan was received. Promoter Anil Kumar Jain's plea to republish Form G was rejected, with the tribunal noting such matters fall under CoC's commercial wisdom. Jain failed to submit an EOI and allegedly influenced the process. The NCLT concluded that liquidation was justified, finding that VGIL had ceased operations and was not a "going concern". The CoC's 100% vote for liquidation was deemed non-judicial under Supreme Court precedents, observed the NCLT.

For More Details, Please Visit: <https://insolvencytracker.in/2025/07/30/nclt-orders-liquidation-of-venus-garments-rejects-promoters-revival-bid/>

Vertical Future Up for Sale Amid Insolvency

UK-based vertical farming startup "Vertical Future" is up for sale after posting over £10 million in pre-tax losses. Despite raising £37 million and earning accolades like being named the top CEA company by FoodTech500, the company struggled to secure fresh funding. Known for its in-house automation systems and a £1.5 million UK Space Agency grant, Vertical Future cited a tough capital environment for its downfall. It now joins other failed indoor agri-startups like InFarm and Freight Farms, though some players like Oishii and Grow Up Farms continue to thrive in the sector.

For More Details, Please Visit: <https://www.verticalfarmdaily.com/article/9754495/vertical-future-posts-ps10m-loss-seeks-buyer-as-insolvency-looms/>



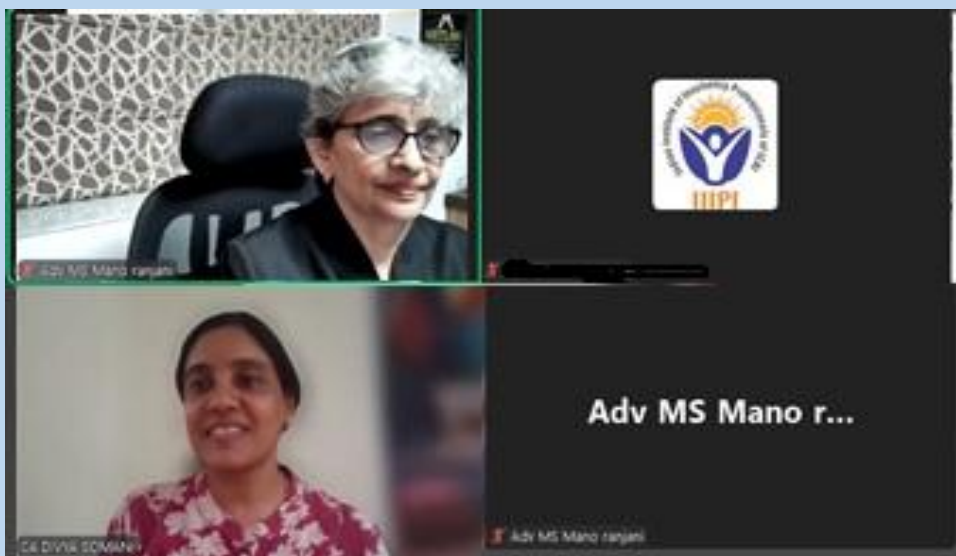
SC Restores IFIN's CIRP Plea, Validates Balance Sheet as Debt Acknowledgment

The Supreme Court has reinstated IL&FS Financial Services Ltd.'s (IFIN) insolvency plea against Adhunik Meghalaya Steels, overturning NCLT and NCLAT orders.

A bench of Justices Manoj Misra and K.V. Viswanathan held that the debtor's FY 2019–20 balance sheet constituted a legally valid acknowledgment of debt under Section 18 of the Limitation Act, even though the name of creditor was not there. With COVID-19 exclusion orders, IFIN's January 2024 filing was deemed within limitation. The court observed that the financial debt was established with entries in previous balance sheets. The case has been remanded to NCLT for fresh adjudication.

For More Details, Please Visit: <https://www.sconline.com/blog/post/2025/08/04/supreme-court-ifin-insolvency-plea-acknowledgment-of-debt-limitation/>

EVENT PHOTOGRAPHS



IIPI Conducted a webinar on "Value Maximization under CIRP and Liquidation" on 1st August 2025.



16th Batch of EDP (For IPs) on Mastering "Avoidance/PUFE Forensics" Under IBC (Online) organised by from 29th July 2025 to 31st July 2025.

IIPI to Host Virtual Workshop on PUFE Forensics under IBC on August 23

IIPI is organizing a one-day virtual workshop on "Avoidance/PUFE Forensics under IBC" on Saturday, August 23, 2025, from 10:30 AM to 4:30 PM. for IP's & RV's, the workshop will focus on forensic aspects related to Preferential, Undervalued, Fraudulent, and Extortionate (PUFE) transactions under the IBC.

Participants can earn 4 CPE hours, and the Registration Fee is ₹1000 + GST. The last date for registration is August 22, 2025, by 5:00 PM. Interested professionals can register at: <https://app.iiipicai.in/regpayments/>.

For More Details, Please Visit:
<https://www.iiipicai.in/wp-content/uploads/2025/07/WORKSHOP-FLYER-23rd-Aug-25.pdf>