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NCLT Mumbai Admits Kishore Biyani-Led Future Consumer into CIRP Over ₹263.77 Crore Default

The Mumbai Bench of the National Company Law Tribunal on Wednesday admitted Kishore Biyani-led Future Consumer Ltd into the Corporate Insolvency Resolution Process (CIRP) on a petition filed by Resurgent India Special Situations Fund. The tribunal found that the company had defaulted on a financial debt, with acknowledged outstanding dues of ₹263.77 crore.

A bench of Judicial Member Nilesh Sharma and Technical Member Sameer Kakar held that the requirements for initiating CIRP had been satisfied and the application deserved admission.

The tribunal observed, "Thus, it is clear from perusal of the record that an amount of more than the threshold limit of Rs.1 Crore under Section 4 of the Code, was due and payable by the CD to the Applicant. Hence, we find that the Applicant has been able to substantiate the existence of a financial debt due and payable by the CD, which remained unpaid. The debt so owed by the CD to the Applicant falls within the definition of "financial debt" under Section 5(8) of the Code."

The proceedings arose from non-convertible debentures worth ₹200 crore issued by Future Consumer in 2018. Despite receiving several waivers, extensions, and restructuring accommodations, the company failed to honour its repayment obligations. The Debenture Trustee consequently issued acceleration notices in March and April 2024, declaring the outstanding dues immediately payable.

Resurgent India Special Situations Fund acquired the debentures in March 2025 along with the associated rights and security interests. It issued a demand notice in July 2025 seeking immediate payment. Future Consumer later acknowledged outstanding dues of ₹263.77 crore. The fund subsequently filed the insolvency petition.

Source: Live Law Biz
Read Full News: *NCLT Mumbai Admits Kishore Biyani-Led Future Consumer into CIRP Over ₹263.77 Crore Default*

NCLT Kochi Rejects Insolvency Plea Against BPL, Finds It Was Attempt to Recover Arbitral Award Dues

The National Company Law Tribunal (NCLT) at Kochi has recently dismissed an insolvency plea against consumer electronics company BPL Limited. It held that the Insolvency and Bankruptcy Code (IBC) cannot be invoked as an additional or parallel mechanism to recover the balance amount under an arbitral award after a creditor has already pursued execution proceedings.

The tribunal observed, "the present proceedings are essentially an attempt to recover the balance amount claimed under the Award after having pursued arbitration, appellate proceedings and execution remedies for several years. Such use of the insolvency process is not in consonance with the object and scheme of the Code."

Source: Live Law Biz
Read Full News*: *NCLT Kochi Rejects Insolvency Plea Against BPL, Finds It Was Attempt to Recover Arbitral Award Dues

Supreme Court Upholds Rejection of Operational Creditor's Insolvency Plea Against Essar Power Gujarat

The Supreme Court on Wednesday (July 8) refused to interfere with the National Company Law Appellate Tribunal (NCLAT) order rejecting an ₹85-crore insolvency petition against Essar Power Gujarat Ltd. on the ground that a pre-existing dispute exists between the parties. A partial court working days bench of **Justice Nongmeikapam Kotiswar Singh and Justice K. Vinod Chandran** dismissed the appeal against the NCLAT judgment, stressing that insolvency proceedings by an operational creditor under the Insolvency and Bankruptcy Code (IBC) cannot be invoked as a debt recovery mechanism where a genuine pre-existing dispute exists between the parties.

The Appellant-operational creditor claimed that Essar Power Gujarat owed it approximately ₹85 crore towards the supply of coal and initiated corporate insolvency resolution proceedings under Section 9 of the Insolvency and Bankruptcy Code.

Source: Live Law
Read Full News*: *Supreme Court Upholds Rejection of Operational Creditor's Insolvency Plea Against Essar Power Gujarat

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