



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"Happiness is a journey, not a destination."*

## ➤ **Vague Allegations of Defective Goods Not a Pre-Existing Dispute: NCLT Accepts Insolvency Petition and CIRP Initiated [Read Order]**

The Mumbai Bench of the National Company Law Tribunal (NCLT) admitted a Section 9 application after finding that vague allegations of defective goods did not amount to a pre-existing dispute and the operational debt was clearly established above the statutory threshold. Rashtriya Polymers & Solvent, the operational creditor, filed the petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of CIRP for recovery of dues arising from supply of solvents and chemicals.

The operational creditor supplied bulk quantities of acetone and iso propyl alcohol under three invoices dated 26 November 2023, 9 January 2024, and 8 June 2024, totaling Rs. 1.30 crore. Interest at 24% per annum was also claimed, bringing the total to Rs. 1.45 crore.

Despite repeated reminders and a demand notice under Section 8 of the Code, the corporate debtor failed to make payment. In its reply to the demand notice, the corporate debtor admitted financial difficulty and sought time to repay but did not raise any quality dispute.

The corporate debtor later argued in reply to the petition that there was a pre-existing dispute over the quality of goods, that the claim was inflated, and that the interest charged at 24% was arbitrary and unenforceable. It also argued that the petition was filed with mala fide intent to misuse insolvency proceedings for recovery of a disputed debt.

**Source: Taxscan**

**Read Full news:** [Vague Allegations of Defective Goods Not a Pre-Existing Dispute: NCLT Accepts Insolvency Petition and CIRP Initiated \[Read Order\]](#)

## ➤ **NCLAT upholds Nuvoco's buyout of Vadraj Cement**

The appellate tribunal NCLAT has dismissed the plea against the acquisition of Vadraj Cement by Nirma group cement business Nuvoco Vistas Corp during an insolvency resolution process.

The Delhi-based principal bench of NCLAT has upheld the previous order passed by the Mumbai bench of the National Company Law Tribunal (NCLT), which has on April 1, 2025 approved Nuvoco Vistas's plan for Vadraj Cement, which includes an upfront payment of ₹1,800 crore. A two-member NCLAT bench comprising chairperson Justice Ashok Bhushan and member (technical) Barun Mitra rejected an appeal filed by an employee and authorised representative of employees of Vadraj Cement against the approval of the Nuvoco Vistas' bid over their payout regarding their gratuity dues.

**Source:** *The Economic Times*

**Read Full news:** [NCLAT Affirms Nuvoco Vistas' Acquisition of Vadraj Cement Amid Insolvency Resolution, ETInfra](#)

## ➤ **Documentary Evidence like Court of Board Nominees Order, Bank statements Other than IU Records Sufficient to Establish Default Date: NCLT**

The Ahmedabad Bench of the National Company Law Tribunal (NCLT) clarified that the date of default can be established by placing reliance on documentary evidence other than a record of default with an Information Utility (IU). The tribunal admitted a Section 7 application filed by CFM Asset Reconstruction Private Limited and initiated the Corporate Insolvency Resolution Process (CIRP) against Bhagirath Construction Company Private Limited, after finding that the financial default was proved and the petition was filed within the limitation.

**Source:** *Taxscan*

**Read Full news:** [Documentary Evidence like Court of Board Nominees Order, Bank statements Other than IU Records Sufficient to Establish Default Date: NCLT \[Read Order\]](#)

