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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

Action is the foundational key to all success.

➤ JSW Energy to await CCI clearances before acquiring KSK Mahanadi Power following SC ruling

JSW Energy will wait for all regulatory clearances before committing acquisition funds for KSK Mahanadi Power and is seeking legal opinion on the subject as it awaits the anti-trust watchdog's nod for its debt resolution roadmap. The National Company Law Tribunal (NCLT) has already given its approval to the JSW bid. "JSW is likely to wait for all clearances including CCI, before proceeding with payments and is seeking legal opinion to avoid further challenges," a source said.

The development comes in the wake of a recent Supreme Court ruling in the resolution of Kolkata-based Hindusthan National Glass & Industries (HNGIL). The Supreme Court, in a majority judgement, ruled AGI Greenpac's resolution plan for the bankrupt container glassmaker was unsustainable owing to its failure to obtain a prior Competition Commission of India (CCI) approval.

The top court held that procedural compliance was non-negotiable, reinforcing the necessity of obtaining CCI clearance before the Committee of Creditors (CoC) approval to ensure fair competition and prevent market monopoly.

This ruling is expected to slow down the implementation of resolution plans, including JSW Energy's takeover process, as the company will likely wait for all necessary clearances before proceeding with payments.

This judgment will delay JSW Energy's payments of ₹16,000 crore to lenders for its acquisition of KSK Mahanadi Power Co. despite getting NCLT approval.

Source: The Economic Times

Read Full news: https://m.economictimes.com/industry/energy/power/jsw-energy-to-await-cci-clearances-before-acquiring-ksk-mahanadi-power-following-sc-ruling/amp_articleshow/118366365.cms

➤ Approval Of Resolution Plan Containing Clause Which Permits Creditors To Take Recourse Against Guarantees Cannot Be Interfered With: NCLAT

The **National Company Law Appellate Tribunal (NCLAT)** New Delhi bench of **Justice Ashok Bhushan (Judicial Member)** and **Mr. Barun Mitra (Technical Member)** has held that approval of a resolution plan containing a clause that creditors can take appropriate actions in relation to corporate/personal guarantee cannot be interfered with.

Brief Facts:

State Bank of India filed an insolvency application under section 7 of the **Insolvency and Bankruptcy Code, 2016 (Code)** seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor which was admitted on 03.10.2020. In the CIRP process, Resolution Plans came to be considered by the **Committee of Creditors (CoC)** in the 35th meeting of the CoC dated 11.07.2024. On the basis of result of voting, the plan submitted by Orissa Metaliks Pvt. Ltd. was approved by 98.94% vote share.

The Resolution Plan came for consideration before the Adjudicating Authority. Adjudicating Authority after hearing the parties approved the Resolution Plan by the impugned order dated 04.10.2024. This Appeal has been filed challenging the approval of the Resolution Plan.

Source: Live Law

Read Full news: <https://www.livelaw.in/ibc-cases/approval-of-resolution-plan-containing-clause-permits-creditors-to-take-recourse-against-guarantees-cannot-be-interfered-with-nclat-284354>

