

IBC DOSSIER

Bulletin on Landmark Judgments under IBC, 2016



State Bank of India and Ors

Vs.

**The Consortium of Mr Murari Lal Jalan and Mr Florian Fritsch
and Anr.**

Brief Facts

The case involves a dispute between the State Bank of India (SBI) and the Consortium of Murari Lal Jalan and Florian Fritsch regarding the Resolution Plan for Jet Airways Limited under the Insolvency and Bankruptcy Code, 2016. The Resolution Plan, approved by the Committee of Creditors on 17 October 2020, required the consortium to fulfill several conditions precedent, including validation of the Airline Operator Permit, submission and approval of the Business Plan, slot allotment approval, international traffic rights clearance, and demerger of the ground handling business. Disagreements arose over whether these conditions were met, leading to multiple appeals and orders from the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT).

Decision

The Supreme Court modified the NCLAT's order, which had allowed the consortium to adjust the last tranche of ₹150 crores against a Performance Bank Guarantee (PBG)¹. The Court directed the consortium to deposit ₹150 crores by 31 January 2024, maintaining the PBG until the final disposal of the appeal. The Court emphasized the need for timely resolution and compliance with the Resolution Plan's terms, highlighting the significant financial burden on the lenders due to ongoing litigation and maintenance costs. The NCLAT was requested to expedite the appeal's disposal by the end of March 2024.

Link of the Order

<https://ibbi.gov.in/uploads/order/a6e9cf932e25dff6bff4e6d3d0d5c0be.pdf>



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