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# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*If you really want to do something, you'll find a way. If you don't, you'll find an excuse.*

## ➤ **NCLT approves Adani's ₹15,000-crore plan for bankrupt Jaiprakash Associates**

The National Company Law Tribunal (NCLT), Allahabad, has approved Adani Enterprises' over ₹15,000-crore resolution plan for bankrupt Jaiprakash Associates Ltd (JAL), rejecting Vedanta Ltd's challenge. "Resolution plan is approved as per the details in the order," the NCLT bench said while pronouncing the verdict.

A detailed written order was not available till press time.

After NCLT approval, the resolution plan becomes binding, and control shifts to Adani Enterprises, with payments to creditors beginning as per the timeline set by the monitoring committee. The company then moves towards implementation and eventual exit from insolvency.

Adani Enterprises informed the stock exchanges that the deal may be implemented by the company, its promoters or other Adani group entities, either directly or through a special purpose vehicle. However, dissenting parties such as Vedanta can challenge the order before the National Company Law Appellate Tribunal (NCLAT). If the appellate tribunal admits the plea and grants a stay of the NCLT order, the plan's implementation may still face delays despite approval.

The hearing follows a challenge by Anil Agarwal-led Vedanta Ltd, whose bid was rejected by lenders. Vedanta has alleged the process was unfair and opaque, calling it a "commercial conspiracy". According to lawyers, an approved resolution plan is intended to bring closure but remains open to challenge on limited legal grounds.

**Source: Mint**

**Read Full news: [NCLT approves Adani's ₹15,000-crore plan for bankrupt Jaiprakash Associates / Company Business News](#)**

## ➤ **NCLAT: Warranty Claims Cannot Be Enforced Through Insolvency Proceedings**

The National Company Law Appellate Tribunal (NCLAT) has upheld the dismissal of a Section 9 application filed under the Insolvency and Bankruptcy Code, 2016, holding that a genuine pre-existing dispute between the parties, arising out of warranty claims and not the sale of goods, barred initiation of corporate insolvency proceedings.

The Tribunal further observed that insolvency proceedings cannot be used as a coercive mechanism or as a counterblast in the face of an ongoing dispute. A bench comprising Justice Yogesh Khanna (Member Judicial) and Ajai Das Mehrotra (Member Technical) dismissed the appeal and affirmed the order of the National Company Law Tribunal (NCLT), New Delhi dated 13.10.2023, which had rejected the Section 9 application filed by Vave India Energy Solutions Private Limited against Eastman Auto & Power Limited on the ground of pre-existing dispute.

**Source: Law Beat**

**Read Full news:** [NCLAT: Warranty Claims Cannot Be Enforced Through Insolvency Proceedings | NCLAT: Warranty Claims Cannot Be Enforced Through Insolvency Proceedings](#)

## ➤ **Orders Of Attachment Under Benami Act Can't Be Questioned Under IBC: Supreme Court**

The Supreme Court recently observed that orders passed under the Prohibition of Benami Property Transactions Act, 1988 (Benami Act) cannot be challenged before authorities under the Insolvency and Bankruptcy Code, 2016 (IBC). A Bench of Justices P S Narasimha and Atul S Chandurkar said that the National Company Law Tribunal, while dealing with insolvency cases, cannot ignore or set aside actions taken under another law. Court clarified that the IBC cannot be used as an indirect way to question decisions validly taken under a penal statute like the Benami Act.

**Source: Law Beat**

**Read Full news:** [Orders Of Attachment Under Benami Act Can't Be Questioned Under IBC: Supreme Court | Orders Of Attachment Under Benami Act Can't Be Questioned Under IBC: Supreme Court](#)



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