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## ➤ View |Kalyani Transco v. Bhushan Power & Steel: A request for resolution process

The recent controversial judgment rendered by the Supreme Court in Kalyani Transco v. Bhushan Power & Steel Ltd. ("Bhushan Steel") ignited a lot of debate on the financial implications caused by the court's invalidation of a resolution plan that was approved in 2019 and even partially executed by JSW Steel – the successful resolution applicant. While the order initiating liquidation against corporate debtor – Bhushan Power & Steel has currently been stayed by the Supreme Court, the far reaching effects of the judgement has been critiqued extensively.

The present piece, however, seeks to address a different issue – the impact of the serious procedural violations that have been highlighted in the Bhushan Steel judgment on the approval of a resolution plan under the Insolvency and Bankruptcy Code, 2016 ("IBC").

In Bhushan Steel, the Court ruled that the process violated statutory deadlines under Section 12 of the IBC, specifically the 330-day cap, and that the absence of an independent verification of the Section 29A compliance and certain delays in creditor payments rendered the plan fundamentally flawed. As a result, the company was ordered into liquidation—a decision that came not just after judicial approval but after the plan was substantially implemented.

The IBC's language in Sections 30 and 31 envisions a linear progression from creditor consensus to judicial approval and then to implementation. It is, however, unclear as to how the plan even passed the muster of the resolution professional and creditors when such fundamental violations were prevalent in the plan approval process.

**Source:** *The New Indian Express*

**Read Full news:** [View |Kalyani Transco v. Bhushan Power & Steel: A request for resolution process](#)

## ➤ **Shakti Bhog Snacks CIRP: NCLT says IBC cannot be used to sidestep legitimate process of law**

The National Company Law Tribunal (NCLT), New Delhi Bench, has dismissed an application for the dissolution of Shakti Bhog Snacks Limited (the Corporate Debtor) under Section 54 of the Insolvency and Bankruptcy Code, 2016 (IBC). The application was filed by Umesh Gupta, the Resolution Professional (RP) for Shakti Bhog Snacks Limited.

The tribunal in its order dated 30 June 2025 said that allowing dissolution of Shakti Bhog Snacks despite pendency of case in PMLA court would amount to judicial overreach and would impair Enforcement Directorate's ability to complete the trial and recover proceeds of crime. The NCLT further said that insolvency resolution process cannot be used as a mechanism to frustrate or sidestep the legitimate process of law.

The Corporate Insolvency Resolution Process (CIRP) against Shakti Bhog Snacks Limited commenced on January 3, 2023, following an application by the Operational Creditor, Goyal Tea Agencies Private Limited. Umesh Gupta was appointed as the Interim Resolution Professional, whose appointment was later confirmed by the Committee of Creditors (CoC).

A public announcement for inviting claims was made, but only one claim was received from the Financial Creditor, State Bank of India, for ₹14,62,18,010. No claims were submitted by any operational creditors, employees, or workmen. Consequently, the CoC was constituted with State Bank of India as its sole member, holding a 100% voting share.

**Source: *Insolvency Tracker***

**Read Full news: [NCLT refuses to dissolve Shakti Bhog Snacks](#)**

