

THURSDAY | 18 NOVEMBER 2021

Case Update



Tata Power Renewable Energy Limited vs Madhya Pradesh Power Management Company Limited, CP (IB) 51/2021



Tata Power Renewable Energy Limited (“TPREL”) had approached the National Company Law Tribunal, Ahmedabad, Indore Bench (“NCLT”) under Section 9 of the Insolvency Bankruptcy Code, 2016 seeking payment of Operational Debt amounting to Rs 21,38,71,959/- due and payable by Madhya Pradesh Power Management Company Limited (“MPPMCL”), a wholly owned subsidiary of the State Government under the Wind Power Purchase Agreement.

NCLT vide its Order dated 01.10.2021 was pleased to issue notice to the state-run power

Distribution Company of Madhya Pradesh. Basis the notice, the Operational Debt was amicably settled by MPPMCL and proceeding initiated was withdrawn in the wake of settlement arrived.

Shri Venkatesh (Managing Partner) and Siddharth Joshi (Senior Associate) represented TPREL.

Read the order [here](#).

SKV Comment ...

In view of the recent Orders passed by the National Company Law Tribunals, it is ascertained that State DISCOMs comes within the purview of Government Company as defined under Section 2(45) of the Companies Act and are amenable under Insolvency and Bankruptcy Code. The position has also been affirmed by Ministry of Power whereby the Ministry has clarified that Insolvency proceedings can be initiated against state-owned electricity distribution as well as generating firms in case of default of payment.