

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH, HYDERBAD**

IA No.32/2020  
In  
CP(IB) No.492/07/HDB/2019

**In the matter of :-  
M/s KSK MAHANADI POWER COMPANY LIMITED**

Between:

M/s Punjab National Bank,  
Large Corporate Branch,  
House No.8-2-672, 4<sup>th</sup> Floor,  
Sufi Chambers, Road No.1,  
Banjara Hills, Hyderabad – 500 034.

...Applicant/Financial Creditor

And

1. M/s KSK Mahanadi Power Company Limited,  
Regd. Office: 8-2-293/82/A/431/A,  
Road No.22, Jubilee Hills,  
Hyderabad – 500 033. ... Respondent No.1
2. M/s KSK Water infrastructures Private Limited,  
Regd. Office: 8-2-293/82/A/431/A,  
Road No.22, Jubilee Hills,  
Hyderabad – 500 033. ... Respondent No.2
3. M/s Power Finance Corporation Limited,  
“Urjanidhi”, 1, Barakhamba Lane,  
Connaught Place, New Delhi – 110 001. ... Respondent No.3
4. M/s Union of India through its Secretary,  
Ministry of Corporate Affairs,  
Southern Region, 5<sup>th</sup> Floor,  
Shastri Bhawan, 26, Haddows Road,  
Chennai – 600 006. ... Proforma Respondent

**Date of Order: 12.02.2021.**

**Coram: Madan B. Gosavi, Member Judicial.  
Dr. Binod Kumar Sinha, Member Technical**

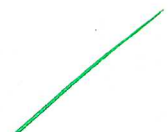
**Parties/Counsel Present:**

For the Petitioner: Mytri Indukuru, counsel

For the Respondent: Mr. Allwin Godwin, counsel for R1  
Mr. B. Naga Bhushan, IRP for R2

**[Per Bench]**

1. This Application is filed by Punjab National Bank one of the Creditors of M/s. KSK Mahanadi Power Company Limited (the Corporate Debtor) seeking directions from this Adjudicating Authority to direct consolidation of Corporate Insolvency Resolution Process of the Corporate Debtor with other two Companies namely, M/s. KSK Water Infrastructures Private Limited (Corporate Debtor in CP(IB)No.813/7/HDB/2019) and M/s. Raigarh Champa Rail Infrastructure Private Limited (Corporate Debtor in CP(IB)No.187/7/HDB/2020).
2. It is not in dispute that M/s. KSK Mahanadi Power Company Limited is admitted in CIRP vide order dated 03.10.2019. Its CIRP period is almost at verge of completion and there is no Resolution Plan received. Whereas, M/s. KSK Water Infrastructures Private Limited and M/s. Raigarh Champa Rail Infrastructure Private Limited are admitted in CIRP vide order dated 01.01.2021. The consolidation of CIRP of all the above three Corporate Debtors is sought mainly on the ground that business activities of all the Companies are interlinked and inter connected.
3. M/s. KSK Mahanadi Power Company Limited mainly deals in generating electricity. M/s. KSK Water Infrastructures Private Limited deals in laying pipe line to carry water being used for generation of electricity and M/s. Raigarh Champa Rail Infrastructure Private Limited basically deals in laying rail to carry raw material, coal and other goods to be used for generation of electricity.



4. It is contended that unless CIRP of all the three Corporate Debtors are consolidated, the CoC and RP of the Corporate Debtors will not get viable resolution plan because Prospective Resolution Applicant may not be in a position to set up business activities in proper manner, unless it gets control of all the three Companies.
5. The consolidation of CIRP is also sought to achieve the object of IB Code i.e., maximisation of value of assets of the Corporate Debtor.
6. We have heard learned counsels appearing for all the parties.
7. We have perused the pleadings and have gone through the written submissions made available to us.
8. At the outset we note that the concept of Group Insolvency is unknown to the I&B Code, 2016.
9. It has been brought to our notice that Hon'ble NCLAT in the case of Edelweiss Assets Reconstruction Company Limited Vs Sachet Infrastructure Private limited (Company Appeal (AT) (Insolvency) No. 377/2019) and NCLT Bench at Mumbai in the case of SBI Vs. M/s. Videocon Industries Limited (MA No.1306/2018 in CP No 02/2018) had allowed consolidation of pending Company Petitions. We have gone through both the orders relied by learned counsels.
10. In both the above cases, the consolidation of Insolvency Resolution Process was not sought but joint hearing of the Company Petitions against various Corporate Debtors of same group were sought. It was at pre-admission stage. Joint hearing was allowed by common orders. It was not a case that CIRP of various Corporate Debtors were sought to be consolidated. Hence on facts, the orders relied on are not applicable herein.

11. In fact if the consolidation of CIRP of the various Corporate Debtors are allowed then it will be too difficult for the RP and CoC to consolidate assets and liabilities of different Corporate Debtors. It is too impractical.
12. We being Adjudicating Authority, if direct CoC and RP of different Companies to sit together to resolve insolvency of different Corporate Debtors together then there will be chaotic situation relating to consolidation of assets and liabilities of all the Companies. In fact, inherent jurisdiction stated in Rule 11 of NCLT Rules cannot be used to create such situation.
13. Before passing order we put it on record that CoC in all the above Companies may sit together and find out common resolution Applicant so as to achieve the object of maximisation of assets of all the Corporate Debtors. We in our limited jurisdiction cannot direct consolidation of CIRP of different Corporate Debtors.
14. With the above observations, the instant Application is hereby rejected.

**DR. BINOD KUMAR SINHA**  
**MEMBER TECHNICAL**

**MADAN B. GOSAVI**  
**MEMBER JUDICIAL**