

Court approves Swan Energy team's resolution plan for Reliance Naval

By Sangita Mehta, ET Bureau • Last Updated: Dec 24, 2022, 07:21:00 AM IST

Synopsis

The winning bidder, Swan Energy - Hazel Mercantile team, offered a staggered payment of ₹2,040 crore, while on the net present value (NPV) basis it was ₹1,218 crore. Of the ₹2,040 crore offered by the duo, a sum of ₹1,640 crore will be paid over the next five years, and the remaining payment will be made from the recovery of certain pending dues. Naveen Jindal owned Jindal Steel and Power was also in the fray to acquire RNEL.



SWAN ENERGY LIMITED

Agencies

The bankruptcy court approved a resolution plan by the Swan Energy-Hazel Mercantile team consortium for Anil Ambani-owned [Reliance Naval and Engineering Ltd](#) (RNEL).

The Ahmedabad court Friday gave an oral order approving the resolution plan, but a detailed written order is not

yet uploaded on the tribunal's website.

In March, 95% of lenders of RNEL had approved the duo's resolution plan.

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On Friday, the tribunal also ruled that two separate petitions filed by [Reliance Infrastructure and Jindal Steel](#) and Power objecting to the plan submitted by the winning bidder were rejected.

Reliance Infrastructure, a sister concern of RNEL and Jindal Steel, petitioned that the Swan- Hazel team needed to be 29(A) compliant.

The Insolvency and Bankruptcy Code (IBC) under Section 29 (A) prohibits defaulting promoters or their related parties from submitting a resolution plan. [Reliance Infra](#) and Jindal Power had petitioned that Nikhil Merchant, who is managing director of Swan Energy had been director till recently of Navi Mumbai [Smart City Infrastructure](#), a company promoted by defaulter Nikhil Gandhi.

Separately, [Reliance Infrastructure](#) submitted a settlement plan under section 12A of IBC, which Ahmedabad NCLT rejected in August. [Reliance Infra](#) has appealed against the tribunal's order at National Company Law Appellate Tribunal.

Any offer given under section 12 (A) of the Insolvency and Bankruptcy Code (IBC) gives tribunals power to permit withdrawal of an application from insolvency proceedings provided 90% of lenders by value agree to it.