

## Experts Urge Continuity at Bhushan Power & Steel Amid Supreme Court Review



Insolvency experts and legal analysts are cautioning against a potential change in management at Bhushan Power & Steel Ltd. (BPSL), as the Supreme Court prepares to re-examine a previous order that had directed the liquidation of the company. Following a successful review petition, the Supreme Court has decided to reconsider its May 2 ruling, which had set aside JSW Steel's acquisition of BPSL, citing "gross violation and non-compliance" of the bankruptcy laws. The current management, JSW Steel, has been running the company as a subsidiary since 2021 and has invested significantly in its turnaround.

The Supreme Court's decision to review its earlier verdict comes after the bench acknowledged concerns about the "ground realities," including the livelihoods of approximately 25,000 workers and JSW Steel's investment of around ₹20,000 crore. Insolvency experts are now advocating for a solution that maintains the status quo, arguing that disrupting the current, profitable operations would be detrimental to all stakeholders, including the creditors who have already been paid. A senior insolvency expert stated that with the company doing well and creditors satisfied, it is likely the JSW Steel transaction will not be disturbed.

The case has been a protracted legal battle, with the original resolution plan approved by BPSL's Committee of Creditors (CoC) and later upheld by the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT). The Supreme Court's May order, however, had raised concerns over procedural lapses, including the non-filing of a mandatory form and the lack of full CoC approval for the final plan.

The Supreme Court's decision to recall its verdict has been met with relief from JSW Steel and the lenders. They argue that liquidating a revived and profitable entity would be counterproductive to the primary goal of the Insolvency and Bankruptcy Code (IBC), which is to resolve distressed assets and save businesses. The court is now scheduled to hear the matter afresh on August 7. This case is being closely watched, as its outcome could set a precedent for the sanctity of resolution plans and the balance between procedural adherence and commercial wisdom in India's insolvency regime.