IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

(Exercising powers of Adjudicating Authority under The Insolvency and Bankruptcy Code, 2016)

I.A. NO. 117/2021

in

C.P. (IB) NO. 159/BB/2019

(Section 31(1) of the Insolvency & Bankruptcy Code, 2016 r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016) and Rule 11 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.)

IN THE MATTER OF:

Ms. Aneetha Subramaniam
Resolution Professional of ***M/s. SA Rawther Spices Private Limited***
A2, Sarada Apartments, 17/6,
Sringeri Mutt Road,
RA Puram, Chennai – 600 028 …. Applicant/Resolution Professional

IN THE MAIN MATTER OF:

M/s. Cholamandalam Investment and Finance Company Limited
Regd. Off: 'Dare House', No.2,
N.S.C. Bose Road, Parrys,
Chennai – 600 001. …Petitioner / Financial Creditor

Versus

M/s. SA Rawther Spices Pvt. Ltd.
No.17, 4th Main, 4th Block, Goraguntepalya,
Tumkur Road, New Ring Road
Bangalore – 560 022 … Respondent / Corporate Debtor

Order delivered on: 02.09.2026

Coram: 1. **Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)**
2. **Shri Radhakrishna Sreepada, Hon'ble Member (Technical)**

Counsels Present:

For the Applicant : Shri Avinash Krishnan Ravi
For the Respondent : Sr. Adv. Dhanajaya Joshi a/w Shri Abhijit Atur

O R D E R

1. This Plan application was initially on 15.04.2021 by the Resolution Professional of Corporate Debtor and the amended application is filed on 16.01.2025 pursuant to order dated 04.09.2024, under Section 31(1) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for approval of the Resolution Plan of the Corporate Debtor submitted by **Golden group, a consortium of Mr. S M Kamal Pasha (Proprietor of Golden Hatcheries) and Mr. Syed Fahad (Proprietor of Standard Farms).** *(Successful Resolution Applicant/SRA),* that has been approved by the Committee of Creditors in its 10th CoC meeting held on 26.02.2021 vide voting result dated 06.03.2021 with 85.74 % voting share.

2. **ABOUT THE CORPORATE DEBTOR**

M/s. SA Rawther Spices Private Limited, Corporate Debtor was admitted to undergo **C**orporate **I**nsolvency **R**esolution **P**rocess vide order dated 21.08.2019 under Section 7 of IBC, 2016 for committing default in payment of debt amounting to **Rs.6,21,51,835/-** (Rupees Six Crore Twenty One Lakh Fifty One Thousand Eight Hundred and Thirty Five Only) and **Ms. Subramaniam Aneeta** (IBBI/IPA-001/IP-P00376/2017-18/10633) was appointed as the Interim Resolution Professional. She was confirmed as Resolution Professional of the Corporate Debtor by the CoC in its Second meeting held on 23.10.2019. Some details of the Corporate Debtor are following:

Corporate Debtor	S A RAWTHER SPICES PRIVATE LIMITED
Constitution	Private Limited Company

ROC	Bangalore
Date of Incorporation	27 December 1985
CIN	U15495KA1985PTC007373
Registered Office	No. 17, 2nd Floor, 4th Block, 4th Main Road, G GPalaya, Bengaluru, Karnataka – 560 022
Processing Unit	The processing unit is located at Hindupur, Andhra Pradesh on a plot of land measuring approximately **53.50 acres**
Details of goods processed	Business of processing & supply of **Spices and Coffee** to clients in India & Overseas.

The key dates and events during the Corporate Insolvency Resolution Process period are tabulated hereunder:

S. No.	**Date**	**Particulars**
1.	21.08.2019	Corporate Debtor admitted into CIRP and appointment of IRP.
2.	02.09.2019	Paper Publication for Public announcement in Form A.
3.	22.09.2019	Constitution of Committee of Creditors
4.	29.09.2019	1st CoC Meeting
5.	09.10.2019	Registered Valuers appointed by the Applicant after the approval of the CoC.
6.	17.02.2020	Application for extension of CIRP period to 270 days approved by this Authority
7.	1st Form G: 04.11.2019 2nd Form G: 09.07.2020	Paper Publications issuing Form G for expression of Interest.
8.	24.07.2020	List of Prospective Resolution Applicant (PRAs) prepared
9.	08.08.2020	Request for Resolution Plan
10.	13.08.2020	Final List of Prospective Resolution Applicants (PRAs) prepared
11.	07.09.2020	Last date of Submission of Resolution Plan
12.	03.12.2020	Application for extension of CIRP period to 300 days approved by this Authority
13.	09.02.2021	Application for extension of CIRP period by further 30 days upto 300 days from the date of receipt of order approved by this authority

14.	26.02.2021	Date of placing the Resolution Plan before the CoC in its 10th meeting.
15.	06.03.2021	Date of Approval of Plan by the CoC with 85.74 % voting share
16.	15.04.2021	Date of Filing of Resolution Plan with AA.
17.	22.11.2023	IA 788/2023 filed by Suspended director of the Corporate Debtor to be impleaded in instant application to file objections to the Resolution Plan
18.	04.09.2024	IA 788/2023 allowed by this Authority and pursuant to which Applicant directed to file amended Resolution Plan with amended memo of parties.
19.	16.01.2025	Resolution Plan with amended memo of parties filed by the applicant

3. **APPOINTMENT OF REGISTERED VALUERS:**

Registered Valuers were appointed on 09.10.2019 and the Summary of valuation reports is as follows:

Land & Building	**Fair Value**	**Liquidation Value**
Valuer 1	197522000	138265400
Valuer 2	187706000	131393000
Average Value	192614000	134829200

Plant & Machinery	**Fair Value**	**Supplementary Fair Value**	**Aggregate Fair Value**
Valuer 1	4,60,00,000	3,21,00,000	7,81,00,000
Valuer 2	4,63,00,000	3,15,00,000	7,78,00,000
Average Fair Value			7,79,00,000
Liquidation Value			
Plant & Machinery	**Liquidation Value**	**Supplementary Liquidation Value**	**Aggregate Liquidation Value**
Valuer 1	3,52,50,000	2,08,00,000	5,60,00,000
Valuer 2	3,49,50,000	2,03,00,000	5,52,00,000
Average Liquidation Value			5,56,00,000

4. **DETAILS OF THE SUCCESSFUL RESOLUTION APPLICANT**

This Resolution Plan has been filed by a consortium of Mr. S M Kamal Pasha and Mr. Syed Fahad, both forming part of the Golden group. Golden Group is headquartered in Bangalore and is headed by its Chairman Mr. S M Kamal Pasha with day-to-day operations handled by its Director Mr. Syed Fahad. The Group

has vertically integrated poultry operations along with more than 100 MW of renewable energy assets having strong presence in Karnataka. The Golden Group prides itself in being operationally diversified and efficient resulting in multiple revenue streams.

i. <u>Key Promoters - Mr. Syed M Kamal Pasha - Founder and Chairman</u>

The Golden Group was established in 1987 by Mr. Syed M Kamal Pasha, the Group has grown into one of the leading integrated poultry and renewable energy players in South India. Presently the group has annual turnover of Rs. 390 Crore with cash profits of Rs. 40 Crore as per audited financials of FY 2018-19. It enjoys investment grade credit rating of BBB+ for ***Greenergy Wind Corporation*** and BBB for ***Golden Hatcheries*** with CARE. Mr Kamal Pasha is a visionary leader and Chairman of Group having strong business experience. He is B.A., L.L.B. by qualification and has more than 30 years of experience in the poultry farming industry. He is a business-man cum social worker with passion for networking.

Mr Syed Fahad, Managing Director: Mr Syed Fahad as MD of various group companies looks after the day-to-day management of the group. He is the son of Mr. S M Kamal Pasha and is associated with the poultry business since 2003. An MBA in Finance, from University of Ohio (USA), he has more than a decade of experience in the poultry industry. Mr Fahad started the wind energy division of the group in 2011 and has been instrumental in expanding the renewable energy business to current capacity of 110 MW.

ii. <u>Strengths of Golden Group:</u>

- Strong player in Renewable energy space with 140 MW of operating assets.
- Diversified business portfolio spread over multiple industries like Poultry, Feed milling, Chemicals, and Renewable Energy.
- Around a decade of experience in executing renewable energy projects.
- Strong track record with experienced Management Team and strong financials with comfortable leverage.
- Acquired and turned around ***Sugnaneshwara Hydel Power Pvt Ltd.***

5. **FEASIBILITY AND VIABILITY OF THE PLAN:**

The Applicant states that the CoC in its 10th meeting held on 26.02.2021 had deliberated on the plan in accordance with Regulation 39 (3) of the IBBI (CIRP) Regulations, 2016 and approved it considering its feasibility and viability with **85.74 % voting share**. Subsequently, in compliance of order dated 20.06.2023 and 13.09.2023, the applicant had filed an affidavit dated 24.09.2023 stating that this resolution Plan is feasible and viable as per Regulation 38(3) (b) as it has been approved by the CoC and also referred to the judgment of Hon'ble NCLAT **in *Rajesh Kumar v Rabindra Kumar Mintri, Company Appeal (AT) (Insolvency) No.1489 of 2022*,** wherein it was held that:

> *"7 Regarding the issue of viability and feasibility of the resolution plan, when the CoC approved the Resolution Plan in its commercial wisdom, it is presumed that the approval was given to a viable and feasible plan. The Resolution Plan being approved, this Tribunal also cannot interfere with the commercial wisdom. Approval of the CoC suggest that the plan is viable and feasible."*

6. **SOURCE OF FUNDS AND PERFORMANCE BANK GUARANTEE:**

- **Source of Funds:** The SRA has proposed combination of debt and equity to fund the Plan with equity contribution Rs 5.70 Crore in the form of subscription to the equity capital of the Corporate Debtor post Capital Reduction, to be utilised for payment of unpaid CIRP Cost in full and amount payable in full as per detailed proposals to Workmen, Employees and Operational Creditors (including Government Dues), Dissenting Financial Creditors, if any, and lastly Secured Financial Creditors. This amount shall be infused within before the Effective Date, in one or more tranches as deemed necessary and an amount of Rs 22.80 Crores shall be infused in the form of debt, quasi-equity or equity or a combination thereof, firstly for meeting any shortfall in payments towards Unpaid CIRP Cost and those due to Operational Creditors and Dissenting Financial Creditors ("Priority Claimants") as proposed in this Resolution Plan and then for payment to secured financial creditors. This amount **shall be infused in 36 monthly tranches**, the first tranche starting from the third calendar month

after the infusion of Up-front Amount. In compliance of the order dated 09.06.2025 applicant has stated that Mr. Syed Fahad has a net worth of **Rs. 246,98,13,769** and Mr. Syed Mustafa Kamal Pasha has a net worth of **Rs.319,69,68,405**. Regarding the source of procurement of debt portion of the Resolution Plan approved by the COC, the SRA has produced a letter of comfort from the **Union Bank of India**, in support of debt portion of proposed funding, evidencing ability to implement the resolution plan as approved by the COC confirming its financial strength and ability to successfully implement the Resolution Plan.

- **Performance Bank Guarantee:** The SRA has furnished a bank guarantee along with the Plan for Rs 20,00,00,000/- (Rupees Twenty Crores Only), issued by YES Bank Limited, which has gradually been validated up to **28.05.2027**.

7. **CAPITAL RESTRUCTURING:**

Clause 1.1. at page No. 37 of the Resolution Plan mentions that the entire existing subscribed and paid-up share capital of the Corporate Debtor on Approval Date shall be cancelled and extinguished without any payment to the existing shareholders ("Capital Reduction"). Post extinguishment and cancellation, the Resolution Applicants shall hold 100% share capital of the Corporate Debtor.

The Resolution Plan, under **Clauses 2.4 to 2.9**, provides for the cancellation and extinguishment of the entire existing subscribed and paid-up share capital of the Corporate Debtor as an integral part of the Resolution Plan, without requiring any further act or instrument. Since the existing share capital has been assessed at **nil value**, no consideration is payable to the existing shareholders. The Resolution Applicants shall subscribe to **57,00,000 equity shares** of face value of **₹10 each**, resulting in the cancellation of the existing shareholding and acquisition of **100% shareholding and control** of the Corporate Debtor. All such actions shall take effect simultaneously on the Effective Date, and the requisite filings with the Registrar of Companies shall be undertaken thereafter in accordance with the

applicable laws and the equity infusion by the Applicant, along with their nominees.

- **Single Window Clearance:**

Since the Adjudicating authority is same for (i) approval of this Plan; (ii) the capital reduction; and (iii) issuance of shares; contemplated in this Annexure 1 (Structure for Acquisition of Control over the Company by Applicant), the Resolution Applicant requires obtaining all such approvals under a 'single window clearance approach from the NCLT for effective and efficient implementation of the Resolution Plan.

8. **AVOIDANCE TRANSACTIONS, PENDING LITIGATION & IBBI FEE:**

- **Avoidance Transactions-** As per Clause 1.1.15 of the Plan, the Resolution Applicant understands that, in compliance of its duties under Regulation 35A of the CIRP Regulations the Resolution Professional has determined whether the Company has been subjected to any transactions covered under sections 43, 45, 50 or 66 of the IBC or not and has applied to the Adjudicating Authority for seeking appropriate relief. Though the Resolution Applicants reserve their right to institute any investigation pertaining to any transaction(s) carried out by the ex-management of the Company or to file appropriate applications before the court/tribunal of competent jurisdiction, they and their officers, directors, employees and the new management of the Company shall never be liable/responsible for any such transactions carried out by the ex-management of the Company. And in the event, any application filed by the Resolution Professional under Section 43 to 51 or 66 of the IBC, continues even after NCLT Approval Date, the Corporate Debtor/Resolution Applicants shall not bear any cost in relation to the same.
- To clarify the position, in compliance of orders dated 25.04.2023 and 20.06.2023, RP has filed an additional affidavit on 11.09.2023 vide diary No. 4713 to state that the amounts realized from the avoidance transactions shall inure to the benefit of the Committee of Creditors and the application for avoidance of transactions, post approval of the Resolution Plan, shall be

continued by the Monitoring Committee/Agent. The CoC has authorized the RP to represent them before this Authority for pursuing avoidance transactions in pending I.A. No.118/2021.

- **Pending Litigation-** The list of Pending Litigations against the Corporate Debtor has been filed additional affidavit on 11.09.2023 vide diary No. 4713.
- **IBBI Fee-** In his said affidavit the Applicant has undertaken to file the regulatory fee as mandated under Regulation 31A of the CIRP Regulations on the approval of the Resolution Plan by the Adjudicating Authority.

SALIENT FEATURES OF THE RESOLUTION PLAN:

9. Post commencement of CIRP, CoC was constituted by the RP. The details of the creditors, the distribution of voting share amongst them and the position of voting for the Resolution Plan is as under (**Para 5** of Form H):

Sl. No.	**Name of Creditor**	**Voting Share (%)**	**Voting for Resolution Plan (Voted for/ Dissented/ Abstained)**
1.	The Jammu & Kashmir bank	85.74	Voted For
2.	RBL Bank Limited	6.22	Dissented
3.	HDFC Bank Limited	4.45	Dissented
4.	Kotak Mahindra Bank Limited	2.20	Abstained
5.	Cholamandalam Investment and Finance Company Limited	1.39	Dissented
	Total	**100.00**	

10. Following are the details of stakeholders and the amounts provided for them under the Resolution Plan as reproduced from **Para 7** of Form H:

(Amount In Rupees)

Sl. No.	**Category of Stakeholder**	**Sub-Category of Stakeholder**	**Amount Claimed (In Rs.)**	**Amount Admitted (In Rs.)**	**Amount Provided under the Plan # (In Rs.)**	**Amount Provided to the Amount Claimed (%)**
1	**Secured Financial Creditors**	(a) Creditors not having a right to vote under sub-	Nil	Nil	Nil	Nil

		section (2) of section 21.				
		(b) Other than (a) above: (i) who did not vote in favour of the Resolution Plan (ii) who voted in favour of the Resolution Plan. who abstained for Voting	- 47,82,68,190 384,28,22,262 9,87,30,705	- 47,82,68,190 384,28,22,262 9,87,30,705	- Nil 26,89,68,589 Nil	- Nil 7.03%
		Total	**4,41,98,21,157**	**4,41,98,21,157**	**27,00,00,000**	**6.1**
2	**Unsecured Financial Creditors**	(a) Creditors not having a right to vote under sub-section (2) of Section 21.	Nil	Nil	Nil	Nil
		(b) Other than (a) above: (i) who did not vote in favour of the Resolution Plan (ii) who voted in favour of the Resolution Plan.	- 6,21,51,935 Nil	- 6,21,51,935 - Nil	- Nil - Nil	- Nil Nil
		Total[(a) + (b)]	**6,21,51,935**	**6,21,51,935**	**Nil**	**Nil**
3	**Operational Creditors**	(a) Related Party of Corporate Debtor	**-**	**-**	**-**	**-**
		(b) Other than (a) above: (i) Government (ii) Workmen (iii) Employees (iv) Others	1,46,79,950 - -	1,46,79,950 - -	10,31,411 - -	7.03%- -
		Total[(a) + (b)]	1,46,79,950	1,46,79,950	10,31,411	7.03%-
4	**Other Debts and Dues**		3,08,80,855	2,80,02,593	Nil	Nil
5.	**CIRP Cost**		1,50,00,000		1,50,00,000	
GRAND TOTAL			**451,57,69,763**	**451,57,69,763**	**28,50,00,000**	**5.97%**

Note:- ***The CIRP cost has been taken as Rs. 1.50 Cr. (approximately). After appropriation of CIRP cost, the remaining amount will be distributed to the secured creditors. The above-stated figures may change accordingly***

11. The interest of existing shareholders in the Corporate Debtor has been altered by Resolution Plan as under, as per Para 8 of Form H:

S. No.	**Category of Share Holder**	**No. of Shares held before CIRP**	**No. of Shares held after the CIRP**	**Voting Share (%) held before CIRP**	**Voting Share (%) held after CIRP**
1	Equity	12,00,000	Nil	100%	0%
2	Preference	Nil	Nil	Nil	Nil

12. The compliance of the Resolution Plan as per Para 9 of Form H is as hereunder:

Section of the Code / Regulation No.	**Requirement with respect to Resolution Plan**	**Clause of Resolution Plan**	**Compliance (Yes / No)**
25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	Yes	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	RA is eligible	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Yes, Separate declaration provided	Yes
Section 30(2)	Whether the Resolution Plan- (a) Provides for the payment of insolvency resolution process costs?	Chapter IV 4.3 at page 18	Yes As per Section 30(2)(b) of the code, the payment to Operational creditor except statutory dues and dissenting creditors are nil
	(b) Provides for the payment of the operational creditors?	Chapter lV 4.5 at page 18	
	(c) Provides for the payment to the financial creditor who did not vote in favour of the Resolution Plan?	Chapter lV 4.6 at page 19	

	(d) Provides for the management of the affairs of the Corporate Debtor?	Chapter lV 3.3 at page 17	Yes
	(e) Provides for the implementation and supervision of the Resolution Plan?	Chapter X at page 56 Chapter III G at page 15	Yes
	(f) Contravenes any of the provisions of the law for the time being in force?		No
Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC? (b) has been approved by the CoC with 66% voting share?	Reflected the minutes of the meetings.	Yes Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Chapter X at page 56	Yes
Regulation 35A	Where the Resolution Professional made a determination if the corporate debtor has been subjected to any transaction of the nature covered under sections 43, 45, 50 or 66, before the one hundred and fifteenth day of the insolvency commencement date, under intimation to the Board?	No. This has been filed recently.	No. This has been filed recently
Regulation 38 (1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Page 12 of Yes. Section Para B of Chapter V	Yes.
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Page 24 of Chapter V	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	Undertaking provided by Resolution Applicant. NA	No NA
Regulation 38(2)	Whether the Resolution Plan provides:		
	(a) The term of the plan and its implementation schedule?	Chapter XI	Yes
	(b) For the management and control of the business of the Corporate Debtor during	Chapter IX	Yes

	its term?		
	(c) Adequate means for supervising its implementation?	Chapter X	Yes
Regulation 38(3)	Whether the resolution plan demonstrates that-		
	(a) it addresses the cause of default?	Chapter XIII	Yes
	(b) it is feasible and viable?	Chapter III and IV	Yes
	(c) it has provisions for its effective implementation?	Chapters V, VI, IX & X	Yes
	(a) it has provisions for approvals required and the timeline for the same?	Chapter XI	Yes
	(b) the resolution applicant has the capability to implement the resolution plan?	Chapter I	Yes
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by her?	Separate application preferred	Separate application has been preferred
Regulation 39(4)g	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Given separately	Yes

13. **REGULATORY COMPLIANCES:**

The compliance of Section 30(2) of the Code as given in Annexure to Form-H is examined as under:

a. **Section 30(2)(a):** The Clause 4.3 at Pg. No. 18 of the Plan provides that unpaid CIRP Cost, as approved by the CoC and/or the Adjudicating Authority, shall be paid in full in priority to the other debts of the Corporate Debtor, from the Up-front Amount infused by the Resolution Applicants and the upfront amount will be infused on effective date which shall be **45 days** from the date of satisfaction of the **Condition Precedent** i.e. the date of receipt of a copy of the order of NCLT sanctioning the Resolution Plan.

b. **Section 30(2)(b):** The payment of debts of Operational Creditors should be in such a manner as may be specified by the Board, which shall not be less than the amount to be paid to them in the event of liquidation of Corporate Debtor under Section 53.

i. **Operational Creditors (Statutory Dues) & Other than Employees & Statutory Dues -** The Resolution Plan propose to pay Rs. **10,31,411**

for Government Dues, as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 and NIL amount to employee as no employees have filed their claims

ii. **Operational Creditor (Workmen & Employees) –** As per the Information Memorandum issued by the Resolution Professional there are no workmen or employees on the rolls of the Corporate Debtor on and from the Insolvency Commencement Date and therefore, no claims have been received from any workman or employee who were earlier on the rolls of the CD. Hence the Resolution Applicants have not proposed any amount on this account.

c. **Section 30(2)(c):** Clause 4.6 of the Plan states that Resolution Applicants propose to pay **NIL** amounts to Dissenting Financial Creditors, as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 (1)

d. **Section 30(2) (d):** Clause 5 at Pg. No. 41 of Chapter VII of the Plan states that effective from the Approval Date, a **Monitoring Committee ("MC")** comprising following members, shall be constituted and the Monitoring Committee shall exercise all the powers of the erstwhile Board of Directors, till the Board is reconstituted in terms of the provisions of this Plan.

- Two representatives nominated by the Resolution Applicants
- One representative nominated by the Secured Creditors
- Monitoring Agent as Permanent Invitee

The Monitoring Committee shall decide the procedures governing its functioning, including calling and conduct of meetings, manner of decision making etc. Further, Clause 4 at Pg. No. 41 of Chapter VII of the Plan states that a registered Insolvency Professionals proposed to be appointed as the Monitoring Agent ("MA"), on terms as agreed between the Resolution Applicant and the said insolvency professional and the details of the person

proposed as the Monitoring Agent shall be intimated to the Resolution Professional by the Resolution Applicant

The Monitoring Committee shall not function as a substitute for the Board of Directors after its reconstitution, but shall only be concerned with the compliance of the provisions of the approved Resolution Plan. The fees and expenses incurred by the Monitoring Agent and the costs – travel, conveyance, other out-of-pocket expenses - relating to the functioning of the Monitoring Committee shall be borne by the Corporate Debtor. The tenure of the Monitoring Committee shall come to an end on payment of the last instalment of amount as proposed in this Plan to the Secured Creditors.

e. **Section 30(2)(e):** Chapter 11 of Plan states that Implementation of the Resolution Plan shall commence from the NCLT Approval Date and upon the satisfaction of the Condition Precedent (as clarified in affidavit dated ….. of SRA), and the Resolution Applicant shall promptly issue a notice ('Implementation Notice") to the erstwhile COC in writing, confirming the dates, in terms of the Chapter VI Acquisition as a Going Concern with the following steps:

   i. Resolution Applicant will initially on or before the **Effective Date**, which shall be 45 days from the date of satisfaction of the **Condition Precedent** (which is the date of receipt of a copy of NCLT order sanctioning the Resolution Plan), **provided that no appeal is pending before any Appellate Authority challenging the Resolution Plan,** or such earlier date as may be notified in writing to the erstwhile CoC by the Resolution Applicants. The Resolution Applicants shall subscribe to equity shares of the Corporate Debtor, following the Capital Reduction, acquire control of the Corporate Debtor by infusing **Rs.5.70 Crore** to be utilised for payments of unpaid CIRP Cost in full and amount payable in full as per proposals Operational Creditors (including Government Dues),

Dissenting Financial Creditors, if any, and lastly Secured Financial Creditor

ii. Thereafter, an amount of Rs 22.80 Crores shall be infused in the form of debt, quasi-equity or equity, or a combination thereof, firstly for meeting any shortfall in payments towards Unpaid CIRP Cost and those due to Operational Creditors and Dissenting Financial Creditors as proposed in this Resolution Plan and then for payment to secured financial creditors. This amount shall be infused in 36 monthly tranches, the first tranche starting from the third calendar month after the infusion of Up-front.

f. **Section 30(2) (f):** Clause 5.5 of the Plan confirms that the Resolution Plan is not in contravention of any of the provisions of the applicable laws for the time being in force.

g. It is endorsed that the Resolution Plan complies with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency process for Corporate Persons) Regulations, 2016 which are as follows:

i. **Regulation 38(1):** The amount offered to Operational Creditors under the Plan is ascribed below:

S. No	NAME OF CREDITORS	AMOUNT CLAIMED BY THE CREDITOR IN RS.	AMOUNT ADMITED
1	MS Spices Trading Co	46,08,000	46,08,000
2	IVS Security Service	18,29,068	16,47,556
3	Sugam Parivahan Private Limited	14,19,259	14,19,259
4	Indian Security Force	22,15,156	22,15,156
5	Bharth Spices	41,62,560	41,62,560
6	Asst Commissioner of Central Tax	57,94,178	57,94,178
7	Sri Lakshmi Trading Co	4,52,560	4,52,560.0
8	Shoaib ur Rahman	1,32,29,052	1,32,29,052
9	Chromagraphy World	2,68,450	2,68,450

The Resolution Applicants propose to pay Rs.10,31,411 for including Government Dues and NIL amounts to the all other Operational

Creditors, as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 (1). For the removal of doubts, it is reiterated that no payment shall be made by the Resolution Applicants against any claims that may be received in future, and all such claims received, if any, shall be deemed to have been settled at NIL amount as on Approval Date.

ii. **Regulation 38(1A):** The Resolution Applicant has considered the interest of all the stakeholders and has accordingly proposed to make payment to the stakeholders in the following manner:

S. No	PARTICULARS	PLAN (INR)	PAYMENT TERMS FROM PLAN EFFECTIVE DATE
1	CIRP Costs [Estimated]	1,50,00,000	Within 45 days of completion of condition precedent
2	Secured Financial Creditor	26,89,68,589	Rs 22.80 Crores shall be paid to Unrelated Secured Financial Creditors in 36 monthly instalments, payable by end of each calendar month, starting from the third calendar month after the payment of the Up-front Amount and the remaining upfront amount will be paid within 45 days of completion of condition precedent.
3	Unsecured Financial Creditor	NIL	NIL amount as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 (1).
4	Operational creditors including Employees and Workmen	NIL	NIL amount as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 (1).
5	PF & Gratuity Fund Dues	NIL	NIL amount as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 (1).
6	Govt. and Statutory Dues	**10,31,411**	**10,31,411** amount as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 (1).

7	Other Creditors	NIL	NIL amount as mandated under Sec 30 (2) (b) of the Code read with CIRP Regulation 38 (1).
8	Existing Equity Shareholders	Nil	N.A.
	Total Plan Value	**28,50,00,000**	

Note: - *The Resolution Plan at clause 1.7 at Pg No.20 of the Plan first tranche of Rs. 22.80 Crores, or such other amount being the difference between total resolution amount of Rs 28.50 Cores and the amount required to be paid to Priority Claimants, in 36 monthly tranches, the after meeting the payments towards unpaid CIRP Cost, Workmen and Employees, Operational Creditors (including Government and Statutory dues). Thus, the amount of Rs. 10,31,411*

iii. **Regulation 38(1B):** As mandated under CIRP Regulation 38 (1B) the Resolution Applicant confirms in Clause G of Chapter V of the Plan that neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.

iv. **Regulation 38(3)(a):** Chapter XIII at Pg No. 66 of the Plan and affidavit dated 19.02.2024 explains the following causes of default primarily due to which the corporate debtor was driven to insolvency:

- Financial overreach: Excessive debt that lacked adequate backing from assets or secured receivables.
- Operational inefficiencies: Over-reliance on a few powerful buyers who dictated unfavourable terms and higher operating costs resulting from expensive imported machinery that failed to boost productivity, and an overly broad product range that diluted marketing focus and shortened processing runs.

Proposed Solutions To address these issues, the Resolution Applicants plan to:

- De-leverage the business: Reduce debt and maintain prudent financial ratios tailored to the company's business cycles.

- Diversify and secure sales: Broaden the customer base to reduce dependence, improve supply chain efficiency, and shift toward cash or secured receivables.
- Pivot to domestic markets: Explore increasing domestic sales and building a strong local brand to boost profit margins and per-unit realisations.
- Reassess the business model: Evaluate the viability of maintaining the 100% Export Oriented Unit (EOU) status within the first year and legally adapt the model if necessary

v. **Regulation 38(3)(b):** The Applicant states that the CoC in its 10th meeting held on 26.02.2021 deliberated on the plan in accordance with Regulation 39 (3) of the IBBI (CIRP) Regulations, 2016 and approved the plan considering its feasibility and viability with 85.74 % voting share. It has also been reiterated vide affidavit dated 24.09.2023. In this context the judgment of Hon'ble NCLAT **in *Rajesh Kumar v Rabindra Kumar Mintri, Company Appeal (AT) (Insolvency) No.1489 of 2022*,** is referred to wherein it was observed that:

"7 Regarding the issue of viability and feasibility of the resolution plan, when the CoC approved the Resolution Plan in its commercial wisdom, it is presumed that the approval was given to a viable and feasible plan. The Resolution Plan being approved, this Tribunal also cannot interfere with the commercial wisdom. Approval of the CoC suggest that the plan is viable and feasible."

vi. **Regulation 38(3)(c) & (38(3) (d) The Chapter XI of the Plan states that** The implementation of the Resolution Plan shall commence immediately from the NCLT Approval Date, and completion of the implementation of the Resolution Plan shall be carried out in accordance with the steps set out in in Chapter VI "Acquisition as a Going Concern" and Chapter VII "Conduct between NCLT Approval Date and Effective Date" , and performance of all other actions as set out in this Resolution

Plan, subject to satisfaction, or waiver by the Resolution Applicant, as the case may be, of the Condition Precedent. The sequence of events has been set out in greater detail in Chapter XI "Regulatory Approvals and Timeline of Events" of this Resolution Plan as under: -

INDICATIVE TIMELINE OF EVENTS		
S. No	**Activity**	**Indicative Timeline**
I - Approval Process		
1.	Presentation of Resolution Plan to the COC.	To be completed prior to NCLT approval of the resolution plan
2.	Approval of Resolution Plan by COC.	
3	Application to the NCLT for approval of the Resolution Plan	
4.	Approval of Resolution Plan by the NCLT	T
II - Interim Period		
5.	Receiving the approved NCLT order and Issue of Implementation Notice	T + 5
6.	Intimation to all Financial Creditors and Operational Creditors, existing shareholders and other stakeholders by way of letters and / or public notice	T + 7
INDICATIVE TIMELINE OF EVENTS		
S. No	**Activity**	**Indicative**
7.	Formation and appointment of the Monitoring Committee.	T + 7
8.	Reconstitution of Board.	T + 45
9.	Writing off certain dues of the Corporate Debtor in accordance with the Resolution Plan and Code, as on the NCLT Approval Date, as set out in Chapter/ Section "*Treatment of Stakeholders"*	T + 90
III – Infusion of Funds and Acquisition Actions		
10.	Infusion of Upfront Amount for acquiring Equity of the Corporate Debtor along with Capital Reduction (i.e., for the acquisition of control of the Corporate Debtor by the Resolution Applicant)	T + 45
IV – Settlement of Creditors and Mandatory Payments		
11.	Making all mandatory payments in accordance with the Code and settle all relevant dues in accordance with the Resolution Plan towards unpaid CIRP Costs, Operational Creditors, Financial Creditors etc in accordance with Resolution Plan	T + 45 onwards

vii. **Regulation 38(3)(e):** The SRA at clause 3 at pg. No. 37 of the Plan explains the source of funds and has proposed combination of debt and equity to fund the Plan with equity contribution **Rs 5.70** Crore in the form of subscription to the equity capital of the Corporate Debtor post Capital Reduction, to be utilised for payments of unpaid CIRP Cost in full and amount payable in full as per proposals detailed to the Operational Creditors (including Government Dues), Dissenting Financial Creditors and lastly Secured Financial Creditors. This amount shall be infused within before the Effective Date, in one or more tranches as deemed necessary and an amount of **Rs 22.80** Crores shall be infused in the form of debt, quasi-equity or equity, or a combination thereof, firstly for meeting any shortfall in payments towards Unpaid CIRP Cost and those due to Operational Creditors and Dissenting Financial Creditors ("Priority Claimants") as proposed in this Resolution Plan and then for payment to secured financial creditors. This amount shall be **infused in 36 monthly tranches**, the first tranche starting from the third calendar month after the infusion of Up-front Amount. Mr. Syed Fahad has net worth of **Rs. 2,46,98,13,769** and Mr. Syed Mustafa Kamal Pasha has net worth of **Rs.3,19,69,68,405**. The SRA has a letter of comfort from the Union Bank of India qua debt portion of source of funds, as approved by the COC evidencing its financial strength and ability to successfully implement the Resolution Plan.

OBJECTIONS OF THE SUSPENDED DIRECTOR TO PLAN APPLICATION

14. The suspended director of the Corporate Debtor Shri Anish Mohammad Rawther had filed **IA 788/2023** on 31.10.2023 seeking to intervene in the Plan approval application which was allowed and said applicant impleaded as a respondent on 04.09.2024. Shri Anish Mohammad Rawther has filed objections to the Plan application on 18.11.2024 stating as under:

a) The properties that are treated as assets of the Corporate Debtor in the **I**nformation **M**emorandum and Resolution Plan are, in fact, properties acquired and held by the Respondent in his personal capacity.

b) **Wrongful Inclusion of Personal and Third-Party Assets in the Information Memorandum:** The Information Memorandum contains inaccuracies in so far as it includes properties personally belonging to him, as the assets of Corporate Debtor. The Information Memorandum contains assets and equipment belonging to third parties which were just lying at or situated in the factory premises of the Corporate Debtor at Hindupur. Despite the Respondent having communicated his objections to the RP, the RP did not look into the same and rectified the **IM**. Mere possession of such assets by the Corporate Debtor does not make them part of the Corporate Debtor's estate.

c) **53.50 Acre land is not the property of Corporate Debtor but of the Respondent:** The principal contention of the Respondent concerns the 53.50-acre parcel of land referred to in the Resolution Plan whereupon the Successful Resolution Applicant proposes that Jammu and Kashmir Bank holding first charge over the said parcel, to transfer the same to the Corporate Debtor. The Respondent specifically relies upon the provision of the Resolution Plan contemplating the current owner of the land and Jammu and Kashmir Bank to execute necessary documents for transfer of ownership of the land upon being called upon by the Resolution Applicant. According to the Respondent, this language amounts to an unequivocal acknowledgement that title to the property does not vest in the Corporate Debtor. Thus, the Resolution Plan proceeds on two mutually inconsistent premises: first that the property is an asset of the Corporate Debtor; and second, that ownership of the property must be transferred to the Corporate Debtor.

d) The Suspended Director/Respondent has opposed approval of the Resolution Plan primarily on the ground that certain immovable properties included as assets of the Corporate Debtor actually belong to him in his personal capacity.

The registered sale deeds consistently describe Mr. Anish Mohammed Rawther as the purchaser, while the reference to the Corporate Debtor is only in the description of his capacity as its director. Reliance has also been placed on the Conversion Order dated 31.12.2009, which records him as the owner of the concerned properties.

e) **Valuation of the Corporate Debtor's Property directed by AA:** It is submitted that this Authority vide order dated 27.08.2021, was of the opinion that the valuation already conducted by the Registered Valuers of the IBBI has not correctly projected and therefore, directed the District Collector, Ananthapuram District, Andhra Pradesh, to conduct a survey in order to attain the exact market value of the Corporate Debtor's property through the local revenue authorities. The District Collector accordingly filed his Report making reference to the Conversion Order dated 31.12.2009 and affirmed the Respondent as the title holder of the properties included in the Corporate Debtor's assets.

f) **Deed of Declaration Dated 20.05.2016 is Registered under Book 4 of the Registration Act, 1908:** The Applicant has sought to use the execution of the 'Deed of Declaration (Page No. 13 of the Rejoinder filed in I.A 788/2023) as a defence for the wrongful inclusion of the properties of the Respondent in the instant resolution plan. But the said Deed has been registered under Book 4 in accordance with the prescribed law under the Registration Act, 1908 and as per Section 51 of the Act, Book 4 is titled "Miscellaneous Register" wherein all documents registered under clauses (d) and (f) of section 18 which do not relate to immovable property, shall be entered". It is pertinent to note that legal instruments under Book 4 of the Act cannot transfer any rights whatsoever in relation to immovable property. The Applicant therefore, has wrongfully relied upon the said Deed to contend that the execution/registration of thereof would entail the transfer of title of the property in the name of the Corporate Debtor. The Corporate Debtor is merely the beneficial owner and not the title holder of the property and that

Deed of declaration was executed by the suspended director under coercion from the Financial Creditors.

g) In the legal instruments, the Corporate Debtor's name S.A. Rawther Spices (P) Ltd appears only as part of Respondent's description identifying him as a director, and not as the grantee. The operative conveyancing clauses transfer the property to the Respondent in his personal capacity and extended to his heirs and legal representatives, meaning upon the death of the Respondent, the said property would continue in the name of his successors. The Respondent has also placed on record the Conversion Order dated 31.12.2009 showcasing the Order by the Sub-Collector, Penukonda, Andhra Pradesh for the purpose of conversion of agricultural land as non-agricultural lands reflecting the name of Respondent as being the owner of the said property. Therefore, the Applicant has misrepresented that the property forms part of the estate of the Corporate Debtor. The properties in the name of the Respondent were wrongly and unilaterally reflected by the Applicant as Corporate Debtor's assets in the Information Memorandum. Further, the IM also includes assets/equipment belonging to third parties lying/situated at the factory of the Corporate Debtor in Hindupur, which likewise cannot form part of the estate of Corporate Debtor.

h) The RP's contention that the Corporate Debtor is the beneficial owner of properties standing in the Respondent's name raises an issue under Section 4 of the Benami Transactions (Prohibition) Act, 1988 ("Benami Act"). A Resolution Plan cannot circumvent the statutory mechanism under the Benami Act and if the properties are alleged to be benami assets of the Corporate Debtor, appropriate proceedings under the relevant statute ought to have been initiated. The Plan would thus contravene Section 30(2)(e) of the IBC if it seeks to deal with such properties contrary to applicable law.

15. The Applicant has filed the Rejoinder on 07.04.2025 stating as follows:

a) **Regarding alleged ownership of the Land based at Hindupur by the suspended Director in its Personal capacity:** The Resolution Professional relies on the sale deeds, the subsequent Deed of Declaration dated 20.05.2016 and the surrounding records to state that all properties are evidently registered in the name of the Corporate Debtor and the Respondent only has acted as a director of the Corporate Debtor.

b) **Regarding Locus of the Respondent/Suspended Director to object to the Resolution Plan:** The Respondent being one of the suspended Directors of the Corporate Debtor does not have locus to challenge the decision of the CoC in approving the Resolution Plan in view of the Judgement of Hon'ble NCLAT in ***Ravi Shankar Vedam vs. Tiffins Barytes Asbestos and Paints Limited and Others, Company Appeal AT (ins.) No. 653/2019*** wherein it was held that the suspended directors do not have the locus standi to object to the resolution plan approved by the CoC.

c) **Objection regarding inclusion of the properties in the Information Memorandum:** While refuting that assets other than of Corporate Debtor have been included in **IM**, the Resolution Professional states that the Information Memorandum was circulated during CIRP and the Respondent was fully aware of its contents. The Information Memorandum was prepared and presented during the 3rd CoC meeting in November 2019 when the suspended director was present in the meeting but had raised no such objection thereto and had even submitted a Resolution Plan pursuant to the said IM which is now being objected. This reflects that the objection is raised as a mere after-thought to delay and frustrate the approval of the instant Plan and the Respondent is estopped by his own conduct as also the objections are barred by laches. Moreover, a Resolution Plan cannot be rejected merely because the Suspended Director subsequently raises a disputed claim regarding ownership of an asset which was reflected and dealt with during the CIRP, particularly when the Resolution Professional has placed material disputing such claim.

d) **Objection arising from the proposed transfer of the 53.50-acre parcel:** The Respondent has placed reliance on the provisions of the Resolution Plan concerning the 53.50-acre parcel of land over which Jammu and Kashmir Bank is holding the first charge and according to the Respondent, the Resolution Plan itself provides for the transfer of the land to the Corporate Debtor and requires the current owner and mortgage holder to execute the necessary documents. The Respondent contends that the very requirement of a transfer establishes that title presently vests in him and not in the Corporate Debtor and argues that there is a fundamental contradiction between the case of the Resolution Professional and the provisions of the Resolution Plan. The Resolution Professional disputes this interpretation and submits that the relevant clause must be read as part of the Resolution Plan as a whole in the context of the security interest and the proposed implementation of the Plan. Moreover, mere presence of a provision contemplating the execution of documents for transfer or regularisation of title cannot conclusively determine the underlying ownership claim in favour of the Respondent as the relevant clause has to be read in the context in which it occurs as part of the Resolution Plan as a whole and the Resolution Applicant's proposal to take steps for transfer or execution of documents cannot, by itself, be treated as an admission that the Corporate Debtor has no existing right, interest or claim whatsoever in relation to the property. The Respondent seeks to treat the said clause as conclusively determining a question of title, which cannot be accepted in the present proceedings.

e) **Objection concerning the Deed of Declaration dated 20.05.2016:** The Applicant states she is not merely relying on the fact that registration of the document under Book IV independently constitutes a conveyance of immovable property but also relies upon the contents of the declaration and the circumstances in which the same was executed and though the Respondent's objection proceeds on the assumption that the Resolution Professional's entire case rests solely upon the proposition that registration of

the Deed of Declaration itself operated as a conveyance but the deed of declaration is relied as one of the documents relevant to understanding the nature of transaction and the circumstances in which the properties were acquired and held. The Respondent has not filed any evidence to support or corroborate that the Deed of declaration was executed by him under coercion from the Financial Creditors.

f) **Regarding valuation and allegations of Benami Transactions:** The Respondent has not been able to demonstrate that the valuation exercise suffers from such statutory infirmity as would render the Resolution Plan non-compliant with the provisions of the Code. Further, regarding the allegation of the Benami transaction the objection proceeds on an assumption regarding the final legal characterisation of the transaction between the Respondent and the Corporate Debtor. The Resolution Professional's case is based upon the documents and records relied upon by her for treating the relevant properties as connected with the Corporate Debtor and just because the Respondent seeks to characterise such a claim as one concerning a Benami transaction does not, by itself, establish that the Resolution Plan contravenes the Benami Act and a Resolution Plan be rejected merely because the Respondent raises an objection to the Resolution Professional's claim concerning the property.

g) The Resolution Professional relies upon the Deed of Declaration, the records concerning the properties, the conduct of the Respondent during the CIRP and the manner in which the properties were dealt with in the Information Memorandum and the CIRP process. The Respondent has not established that the Resolution Plan contains any clear admission that the property is an exclusive personal asset over which the Corporate Debtor has no right or claim.

OPERATIVE PART

16. Following order was passed on 10.08.2026:

1. Heard the RP and her Counsel, present online.

2. *Given the crucial stage of case we expected either the RP or her counsel to be physically present in court but none of them is here, reflecting their casual attitude towards the proceedings.*
3. *Be that as it may, the RP needs to clarify that the plan provided a sum of Rs. 10,31,411/- for payment to Income Tax Department and Customs and Excise Department, vide Diary No. 6463 dated 18.11.2023 (Volume-I page – 24) but no amount for statutory authorities is earmarked in Form-H?*
4. *Plant and machinery Valuation Summary on page 274 of Plan Application appears to be tangential to the valuation reports.*
5. *Para-12 of Form-H needs to be clarified as to whether the SRA is going to stall the implementation of plan just on filing of an appeal against the order of this Authority or on grant of stay by the Appellate Authority?*
6. *The quantum of CIRP costs has not been defined.*
7. *Let the above clarifications be submitted including on affidavit of SRA within three days.*

17. The Applicant has filed compliance memo on 28.08.2026 and the same is taken on record.

18. The issue involved here is whether the suspended Director of the Corporate Debtor who is also an unsuccessful Resolution Applicant of the Corporate Debtor has the locus to challenge the Resolution Plan of the SRA to which the CoC has accorded approval. The RP has stressed the afore-quoted legal principle laid down in ***Ravi Shankar Vedam*** and that appeal to the Hon'ble Supreme Court there against in ***C.A.No.5516/2023*** has been dismissed. The law regarding locus of the suspended director in challenging the Resolution Plan has been elucidated by the Hon'ble Supreme Court in of ***Kalyani Transco v. Bhushan Power and Steel Ltd. and Ors, (2025) ibclaw.in 388 SC*** wherein it has been stated that

> *"63……..* *since the Resolution Plan also affects the rights of the guarantors, we find that the SRA – JSW and the CoC* ***are not right in submitting that the appeals at the instance of the appellants would not be maintainable.*** *In any case, rather than non-suiting the appellants on the ground of locus, we propose to decide the appeals on merits after considering the submissions made on behalf of all the parties.* ***However, while doing so, it will also be apposite to consider the conduct of the erstwhile promoters during the CIRP.***
>
> ……..
>
> ……

> *66. It can thus clearly be seen that the* ***entire attempt of the appellants has been to thwart the CIRP and to not permit the same to be taken to a logical end****. Having observed the conduct of the Appellants, we shall now proceed to deal with their contentions on merit.*

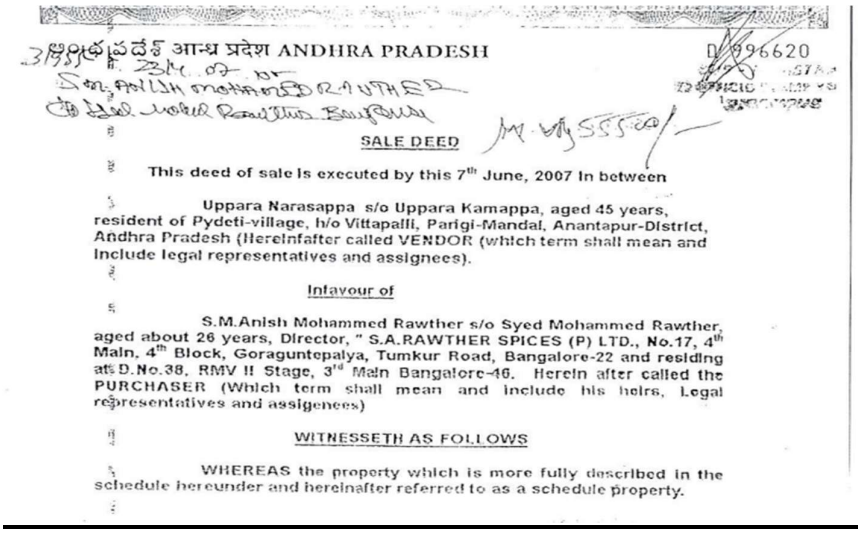
19. In that context, we need to assess the conduct of Respondent during CIRP on the parameters of IBC objectives. The Respondent/Suspended Director is also an unsuccessful Resolution Applicant and therefore, it is appropriate to cite the rendition of NCLT Allahabad in ***Vedanta Limited v. Bhuvana Madan and Others, I.A. No. 01/2026 in CP(IB) No. 330/ALD/2018*** as given below

> *32. We have considered the submissions made by the rival parties****. We find that the legal position which emerges from various judgments of the Courts dealing with different situations/aspects relating to Resolution Plan approval by the CoC is that an unsuccessful resolution applicant would not have the locus standi to challenge a resolution plan after it has been approved by the CoC. A resolution applicant has no vested right or fundamental right to have his resolution plan approved or considered and the decision of the CoC taken in its commercial wisdom is not justiciable. However, an unsuccessful resolution applicant may approach NCLT to seek limited judicial review highlighting material irregularity, if any has been taken place in the exercise of powers by the RP or the CoC during the plan's evaluation and finalisation process or to demonstrate that the approved plan or the approval process violated mandatory provisions of the IBC or CIRP Regulation****……..*
>
> *35.* ***Keeping the above principles in mind, we decide the Issue No. 1 against the Respondents and in favour of the Applicant holding that the Applicant has a locus standi and this application is thus, maintainable.***
>
> ***(Emphasis supplied)***

20. The aforesaid order was upheld by the Hon'ble NCLAT in ***Vedanta Limited v. Bhuvan Madan and Others, Company Application (AT) (Ins.) No. 552 and 553 of 2026.*** Thus, Respondent can challenge the Resolution Plan of the SRA approved by the CoC only by pointing out material irregularity in the exercise of powers by the RP or the CoC during the plan's evaluation and finalization process or by demonstrating that the approved plan or the approval process violated mandatory provisions of the IBC or CIRP Regulations. Therefore, in light of the

abovementioned judgements it is necessary to examine if there is a material irregularity in the CIRP approval process.

21. The Respondent has alleged that the RP has incorrectly included the land owned by the Respondent in his Personal capacity who had leased the Land to the Corporate Debtor. Thus, in view of the same it is necessary to look into one of the sale deed which is at Pg. No. 17 of the Objection filed at Pg. No. 17 of the objections filed by the Respondent on 18.11.2024 vide Diary No. 6455 and the same is extracted below:



SALE DEED

This deed of sale is executed by this 7th June, 2007 in between

Uppara Narasappa s/o Uppara Kamappa, aged 45 years, resident of Pydeti-village, h/o Vittapalli, Parigi-Mandal, Anantapur-District, Andhra Pradesh (Hereinfafter called VENDOR (which term shall mean and include legal representatives and assignees).

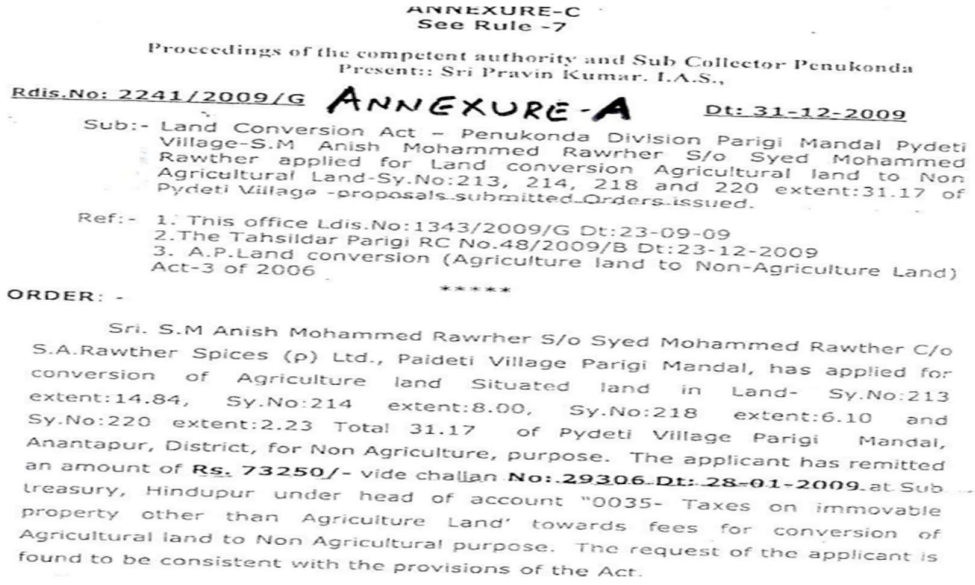
Infavour of

S.M.Anish Mohammed Rawther s/o Syed Mohammed Rawther, aged about 26 years, Director, " S.A.RAWTHER SPICES (P) LTD., No.17, 4th Main, 4th Block, Goraguntepalya, Tumkur Road, Bangalore-22 and residing at D.No.38, RMV II Stage, 3rd Main Bangalore-46. Herein after called the PURCHASER (Which term shall mean and include his heirs, Legal representatives and assignees)

WITNESSETH AS FOLLOWS

WHEREAS the property which is more fully described in the schedule hereunder and hereinafter referred to as a schedule property.

22. Further, the Respondent has also relied on the conversion order which is at Pg. No. 15 of the Objection and the extract of the same is reproduced below:



ANNEXURE-C
See Rule -7

Proceedings of the competent authority and Sub Collector Penukonda
Present:: Sri Pravin Kumar. I.A.S.,

Rdis.No: 2241/2009/G ANNEXURE-A Dt: 31-12-2009

Sub:- Land Conversion Act – Penukonda Division Parigi Mandal Pydeti Village-S.M Anish Mohammed Rawrher S/o Syed Mohammed Rawther applied for Land conversion Agricultural land to Non Agricultural Land-Sy.No:213, 214, 218 and 220 extent:31.17 of Pydeti Village -proposals submitted Orders issued.

Ref:- 1. This office Ldis.No:1343/2009/G Dt:23-09-09
2.The Tahsildar Parigi RC No.48/2009/B Dt:23-12-2009
3. A.P.Land conversion (Agriculture land to Non-Agriculture Land) Act-3 of 2006

ORDER: -

*****

Sri. S.M Anish Mohammed Rawrher S/o Syed Mohammed Rawther C/o S.A.Rawther Spices (p) Ltd., Paideti Village Parigi Mandal, has applied for conversion of Agriculture land Situated land in Land- Sy.No:213 extent:14.84, Sy.No:214 extent:8.00, Sy.No:218 extent:6.10 and Sy.No:220 extent:2.23 Total 31.17 of Pydeti Village Parigi Mandal, Anantapur, District, for Non Agriculture, purpose. The applicant has remitted an amount of **Rs. 73250/-** vide challan **No:29306 Dt: 28-01-2009** at Sub treasury, Hindupur under head of account "0035- Taxes on immovable property other than Agriculture Land' towards fees for conversion of Agricultural land to Non Agricultural purpose. The request of the applicant is found to be consistent with the provisions of the Act.

23. The Respondent in view of the aforesaid documents states that in these legal instruments, the Corporate Debtor's name S.A. Rawther Spices (P) Ltd. appears only as part of his description identifying the Respondent herein as a director, and not as the grantee. The operative conveyancing clauses transfer the property to the Respondent in his personal capacity and extended to his personal heirs and legal representatives, meaning upon the death of the Respondent, the said property would continue in the name of his successors.

24. The Applicant on the other hand relying on the deed of declaration executed by the Respondent on 20.05.2016 states that the lands forming part of the Resolution Plan of the Corporate Debtor are owned by the Corporate Debtor and the same was also accepted by the Respondent. He now seeks to dispute it by alleging that deed of declaration was given under pressure and coercion from the Financial Creditors and therefore it cannot be used as a defence by the Applicant for the wrongful inclusion of the properties of the Respondent in the resolution plan because the said Deed is registered under Book 4 in accordance with the prescribed law under the Registration Act, 1908 and as per the Section 51 of the Act, Book 4 is titled "Miscellaneous register", further stating that In Book 4 shall be entered all documents registered under clauses (d) and (f) of section 18 which do not relate to immovable property".

25. It is emphasized that the legal instruments thereto under Book 4 of the Act cannot transfer any rights whatsoever in relation to immovable property. The Corporate Debtor is merely the beneficial owner and not the title holder of the alleged property. In Light of the contrary assertions of the parties' it is necessary to look into the relevant extracts of the Deed of Declaration and the same is reproduced below:-

DECLARATION

THIS DEED OF DECLARATION is made and executed at Bangalore on this day the 20th day of May 2016, by

Shri. S.M. Anish Mohammed Rawther
son of late Shri Syed Mohammed Rawther
aged about 35 years
residing at # 192, 3rd Main, 13th Cross
RMV 2nd Stage, Dollars Colony
Bangalore. 560 094

hereinafter collectively called the "Executant" (which expression wherever it so requires shall mean and include his legal heirs, legal representatives, administrators, executors and permitted assigns)

WITNESSETH:

WHEREAS the executants had acquired the schedule mentioned properties by way of proper conveyance as Director of M/s S.A. Rawther Spices Private Limited; a Private Limited Company incorporate under the Companies Act, having its registered office at # 17, 4th Main, 4th Block, GG Palya, Yeshwanthpur, Bangalore- 560 022, (herein after called Company) out of the funds of the Company and the name of executant was reflected only as duly constituted representative in the said conveyance deeds of the schedule properties. Further, out of the funds of the said Company, the executant herein got usage conversion of the schedule properties. The Schedule properties are and have been in possession and enjoyment of the said Company from the date of such acquisition.

AND WHEREAS pursuant to the acquisition by way of sale the schedule properties have been reflected as assets in the Balance Sheet of M/s S A Rawther Spices Private Limited, a Private Limited Company incorporate under the

Companies Act; having its registered office at # 17, 4th Main, 4th Block, GG Palya, Yeshwanthpur, Bangalore 560 022, and the said company has been in possession and enjoyment of the schedule properties as owner and has been dealing with the same as owner to the exclusive of every persons including the executant.

AND WEHREAS the name of the executants in the conveyance deeds of the schedule properties has been as authorized representative and director of the said Company and mere reflection of the name of the executants has not created any interest of whatsoever in the said schedule properties and the executant declares the same through the medium of declaration which has been executed out of free will, without coercion, influence threat or fraud of whatsoever nature and fully understanding consequences of declaration herein made.

NOW THEREFORE THIS DEED OF DECLARATION WITNESSETH AS FOLLOWS:

1. That the schedule properties are owned; possessed and enjoyed by **M/s. S.A. Rawther Spices Private Limited;** a Private Limited Company in corporate under the Companies Act; having its registered office at # 17, 4th Main, 4th Block, GG Palya, Yeshwanthpur, Bangalore- 560 022; as I had acquired the same out the funds of the said Company as one of the Director and also as duly constituted representative; of the said Company.

2. That I further declare that the schedule properties are disclosed as the asset of the Company in the Balance Sheet of the said Company and further for the loans/financial limits availed by the said Company; the Company has created charge over the same in favour of the Lender Bank/s as the owner of the schedule properties; and further the said charge is also registered with the Registrar of Companies; thus the said Company is the sole and absolute owner in possession of the schedule properties.

3. That I further declare the insurance of the schedule properties with the fixtures and fittings standing thereon are done as per requirements of the Lender Bank; which also discloses that the same as the asset of the Company; and the said Company has insured the assets of the Company and I have nothing to do with this issue also; in my individual capacity.

4. That I further declare in this Declaration that in my personal Income Tax records; particularly in my personal Balance Sheet, the schedule properties does not constitute as my assets, since I had acquired the same from the

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funds of the said Company, for and on behalf of the said Company, as duly constituted representative, further I do not have possession of the property in my individual capacity

5. That I further re-affirm that the schedule properties are owned; possessed and enjoyed by the **M/s. S.A. Rawther Spices Private Limited;** a Private Limited Company in corporate under the Companies Act, having its registered office at # 17, 4th Main, 4th Block, GG Palya, Yeshwanthpur, Bangalore- 560 022, as the lawful owners and I do not have any right, interest, claim over the schedule properties

26. A bare perusal of the Sale Deeds as well the Conversion order indicates with certainty that the subject lands were purchased for and on behalf of the Corporate Debtor as the cause title of sale deed manifests the Land is purchased by S.M. Anish Mohammed Rawther s/o Syed Mohammed Rawther, ***aged about 26 years, Director, S.A. RAWTHER SPICES (P) LTD.,*** and the Conversion order dated 31.12.2009 issued by competent authority i.e. Sub Collector Penukonda, Andhra Pradesh also states ***Sri. S.M Anish Mohammed Rawther S/o Syed Mohammed Rawther c/o SA Rawther Spices (P) Ltd.*** The Respondent has contended that in above documents the Corporate Debtor's name S.A. Rawther Spices Private Ltd. appears only as part of his description identifying the Respondent herein as a director, and not as the grantee. We however are not at all convinced by the aforesaid argument. If the above assertion were true, the Respondent/suspended director would have placed on record his Income Tax Returns showing the subject lands to his immovable assets. Absolutely no document has been produced to show how he was asserting his ownership in the property to the Corporate Debtor. No Board Resolution to take the land on lease/licence from the respondent, document of the nature of lease/licence or even correspondence have been submitted. There is nothing to perceive receipt of lease/licence money periodically from the Corporate Debtor. No document showing deposit of any land/revenue payments to the Revenue Authorities.

27. The respondent has also not filed any document viz. Govt Tax payments of any nature, income Tax returns or documents of his identity, Bank accounts, electricity/phone connection describing him along with the name of Corporate Debtor. The pleas thus belatedly raised by him are entirely hollow by way of an afterthought. Since the Corporate Debtor had no doubt about the title of Corporate Debtor on the subject lands, he never on earlier occasions raised it while participating in the CoC meetings.

28. The Respondent has also contended that the Deed of Declaration was executed by him under Coercion from the Financial Creditors. It appears that the

Respondent/suspended director has only recently realized that the document had been executed under coercion that is why no objection was raised when it was presented before the Registrar. No legal action either by way of a criminal complaint to Police or Magistrate or a civil suit to distance from the alleged vice document was initiated. Even the name and particulars of the concerned official/s of financial creditors who had indulged in coercing him are not disclosed. The plea raised by the respondent without any contemporaneous evidence, apparently has no legs to stand and a desperate attempt to usurp the lands belonging to the Corporate Debtor.

29. It is true that the registered Deed of Declaration in itself is incapable of transferring title of the lands but there was actually no need to have a second set of title papers. It was only an acknowledgment/reiteration of fact that despite the name of respondent also appearing in the sale deeds, there may not remain any ambiguity about the real and actual owner of the lands. It is pertinent to point out that the financial statement of the Corporate Debtor make a reference to the subject lands as forming part of its assets. The Respondent has also objected to the non-extinguishment of the personal guarantee given by the Respondent upon approval or implementation of the Plan but the plea is contrary to legal proposition enunciated in ***UV Asset Reconstruction Company Limited V Electrosteel Castings Limited, 2024 SCC OnLine NCLAT 123*** that acquisition of a company under CIRP does not relinquish or affect the guarantees provided by the defaulting company. Even if the company's debt is restructured or transferred as part of the resolution, the guarantees provided to the creditors remain enforceable. The CoC retains its right to enforce guarantees, despite the acquisition or restructuring during the CIRP and guarantees are independent which should not be considered extinguished unless explicitly agreed upon in the resolution plan. On an overall consideration of the pleadings, the material on record and the submissions advanced, this Authority finds that the Applicant has failed to establish any patent illegality, statutory violation, or material irregularity

of such nature as would warrant interference with the commercial decision of the CoC.

30. It is pertinent to observe that the allegations against Resolution Professional and CoC of the Corporate Debtor regarding irregularities and lapse of procedure have remained unsubstantiated and thus cannot be considered in view of dictum of the Hon'ble Supreme Court in ***Torrent Power Ltd. v. Ashish Arjunkumar Rathi and Ors., (2026) SCC OnLine SC 325,*** which states that judicial intervention in matters concerning Resolution Plan must remain strictly confined to an examination of compliance with Section 30(2) of the Code. **Thus, in view of the abovementioned reasons, the objections of the Respondent are found to be utterly meritless, hence dismissed**

31. The Resolution Professional has certified, in terms of Clause 4 of Form-H, that **(i)** the said Resolution Plan complies with all the provisions of the insolvency and Bankruptcy code 2016, the insolvency and Bankruptcy Board of India (insolvency Resolution Process for Corporate Persons) Regulations, ZO16 (ClRP Regulations; and does not contravene any of the provisions of the taw for the time being in force **(ii)** the Resolution Applicant Mr. S M Kamal Pasha in consortium with Mr. Syed Fahad have submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan The contents of the said affidavit are in order **(iii)** the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made there under The Resolution Plan was deliberated in the 10th CoC meeting held on 26.02.2021 and approved by 85.74% of vote share of financial creditors vide voting result dated 06.03.2021 after examining its feasibility and viability and other requirements specified by the CIRP Regulations.

32. The Resolution Professional at Para 12 of the Form –H has stated that this Resolution plan is subject the sole contingency of the approval by this Authority. However, Clause 2.1 at Chapter- VI of the Plan states that on or before the **Effective Date**, which shall be 45 days from the date of satisfaction of the

Condition Precedent (***which is the date of receipt of a copy of the order of the NCLT sanctioning this Resolution Plan in accordance with the terms hereof), provided that no appeal is pending before any Appellate Authority challenging the Resolution Plan,*** or such earlier as date may be notified in writing to the erstwhile CoC by the Resolution Applicants). Subsequently by way of an affidavit dated 24.08.2026, the SRA Consortium unequivocally undertook that the mere filing of an appeal against the order of this Authority approving the Resolution Plan, or mere pendency of any such appeal before the Hon'ble NCLAT or any other forum, shall not stall, suspend, defer, delay or in any manner affect the implementation of the Resolution Plan. SRA shall commence and continue the implementation of the Resolution Plan in accordance with its terms and in accordance with the order of this Authority, notwithstanding the filing or pendency of any such appeal, as long as there is no interim order passed, restraining SRA from implementing the approved plan. SRA consortium has clarified that the undertaking given is unconditional and irrevocable, and shall bind both members of the consortium jointly and severally, and shall inure for the benefit of the Corporate Debtor, the Committee of Creditors and all the stakeholders of the Corporate Debtor.

33. This authority vide order dated 10.08.2026 also directed the applicant to define the quantum of the CIRP costs, in compliance whereof the statement of CIRP costs incurred up to the date of approval of the Resolution Plan by the CoC i.e. Rs. 49,87,860.64 with details has been filed. The Resolution Plan makes a provision therefor in the total Resolution Plan value of Rs. 28,50,00,000/-, the distribution to stakeholders under the Revised Form-H is Rs. 27,00,00,000/- to the assenting secured financial creditor and Rs. 10,31,411/- to the Government and statutory authorities, aggregating Rs. 27,10,31,411/-. The balance sum of Rs. 1,39,68,589/- is the amount reserved under the Plan towards the CIRP cost. The quantum of the CIRP cost provided for under the Plan is therefore Rs. 1,39,68,589/-, as against a cost of Rs. 49,87,860.64 actually incurred up to the date of approval of the Plan by the CoC but the CIRP Costs, as on 28.08.2026 is

around **Rs.4.20 crores**, taking into consideration of all the security expenses incurred by J & K Bank including other costs incurred till date and a statement to this effect is annexed. The Successful Resolution Applicant has undertaken to pay Rs. 5.70 crores upfront amount which is earmarked to the Cost etc. and Rs 22.80 Crores balance Resolution Amount first to any outstanding CIRP Costs shortfall/Priority claimants and thereafter to the Secured Financial Creditor.

34. The SRA has proposed to constitute a Monitoring Committee comprising two representatives nominated by the SRA, one representative of the Secured Creditor, and a Monitoring Agent, who shall be a registered Insolvency Professional appointed on such terms as may be mutually agreed upon between the Resolution Applicant and the said Insolvency Professional. However, the proposed composition places the balance of the Monitoring Committee in favour of the SRA, thereby failing to ensure an impartial monitoring mechanism. Accordingly, in order to ensure balanced representation and effective monitoring of the implementation of the Resolution Plan, we direct that the Monitoring Committee shall comprise one representative nominated by the SRA, one representative of the Secured Creditor, and Insolvency Professional Shri Chandan Yakkar Shanbhogue IBBI Registration No. IBBI/IPA-001/IP-P-02251/2020-2021/13417, having his registered address at 213, Shri Ganesh Prasad, 2nd Main Road, 1st Block, BEL Layout, Vidyaranyapura ,Near Peter England Showroom ,Bangalore ,Karnataka ,560097 mobile no. 9945527675 as the Monitoring Agent. The Monitoring Agent shall be entitled to a fee of Rs. 35,000/- (Rupees Thirty-Five Thousand only) per month for the services rendered in such capacity.

35. **Reliefs and Concessions**: At Chapter VIII of the Plan the Resolution Applicant has prayed for reliefs and concessions such as Revalidation and Extension of Sale Period of Domestic Tariff Area (DTA) Sale Permissions required by the Corporate Debtor, Right to continue existing domain name of the Corporate Debtor, the Corporate Debtor to otherwise carry forward its accumulated Tax losses, the Corporate Debtor shall have the right to carry forward and set off the losses incurred in any year prior to the Insolvency Commencement Date/ Closing

Date against the income of any of the present and future years after Insolvency Commencement Date/Closing Date, in terms of Section 79(2)(c) of the Income Tax Act, 1961, the Resolution Professional shall make a written request to the NCLT to issue notice to the Principal Commissioner or Commissioner having jurisdiction over the Corporate Debtor, to provide him an opportunity of being heard ("**Section 79(2)(c) Notice**"). If no representation is received pursuant thereto, it shall be deemed that the said authority has no objection to the Corporate Debtor carrying forward its Tax losses and for exemption of compliance in relation to Companies Act, 2013, Taxes (Direct & Indirect) & Stamp Duty as well as Specific Laws such as FEMA and other Government Approvals as applicable to the Corporate Debtor.

The Prayer has been examined and it is observed that for such reliefs and exemptions, the Resolution Applicant will have to approach the respective statutory authorities for being accorded and decided as per the provisions of concerned existing laws and landmark judgements. Further, the approval of the Resolution Plan shall not in itself be construed as waiver of any statutory obligations/liabilities and any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of Supreme Court in ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited (Civil Appeal no. 8129 of 2019).*** The SRA has sought to carry forward the Income Tax Losses as per Section 79(2) (C) of the Income Tax Act 1961, for which it will have to approach the statutory Authority under Income Tax Act, 1961 instead of being stressed here.

DECISION OF THE ADJUDICATING AUTHORITY:

In the circumstances and for the aforesaid reasons, the application bearing **I.A. No. 117/2021** is allowed and accordingly:

i. **The Resolution Plan submitted in respect of the Corporate Debtor by the Consortium of Mr. S M Kamal Pasha (Proprietor of Golden Hatcheries) and Mr. Syed Fahad (Proprietor of Standard Farms) is hereby approved** with observations contained in the order and

hereafter. The realisable amount under the Plan is Rs 28.50 crores including CIRP costs.

ii. The approved Resolution Plan shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.

iii. Further, the Resolution Professional is directed to handover the management, control and all the assets, documents/records in physical and/or digital form to the Successful Resolution Applicant against proper receipt immediately and the Resolution Professional will stand discharged of his responsibilities of such position.

iv. It is clarified that this order shall not be construed as an order granting exemption from payment of stamp duty, taxes or charges, if any, payment due or required in accordance with law or in respect to any permission/compliance with or anything specifically required under any law to be done/performed etc. for the time being in force.

v. The approved Resolution Plan is effective forthwith and the Monitoring Committee shall submit its Quarterly progress report to this Authority. The members of Monitoring Committee be paid remuneration as may be decided by the parties in the light of IBBI Regulations.

vi. All the equity shares and preference shares of the Corporate Debtor would stand extinguished by way of reduction in capital of the Company without any payment to the shareholders holding such shares without the requirement of writing the words 'and reduced'. Such reduction of share capital shall not require any further approval, act or action as required under the Companies Act, 2013 including Section 66 of the Companies Act, 2013 and such cancellation shall not require

the consent of any of the creditors or shareholders of the Corporate Debtor.

vii. In case of non-compliance/non-implementation/failure in implementation of this order or withdrawal of the Resolution Plan by the Successful Resolution Applicants, the EMD/Performance Guarantee or any further amount paid as per the terms of the resolution plan shall stand forfeited without any recourse to this Authority. The Resolution Applicant shall also be liable to further compensate by way of interest or otherwise for the delay, deprivation and diminished prospects of CD in that event, as may be determined by this Authority.

viii. Under the provisions of section 31(3) of the Code, **we also direct as under**:

a. The moratorium imposed vide order dated 21.08.2019 in the main Company Petition ceases to operate from the date of this order.

b. The resolution professional shall forward all records of conducting CIRP and the Resolution Plan to the Board to be recorded/uploaded on its database

-Sd/-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd/-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)