

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL**  
**PRINCIPAL BENCH, NEW DELHI**

**Comp. App. (AT) (Ins) No. 655 of 2025**

**&**

**I.A. No. 2546 of 2025**

**IN THE MATTER OF:**

**Shahid Ali**

**...Appellant(s)**

**Versus**

**KuldeepVerma&Ors.**

**...Respondent(s)**

**Present:**

**For Appellant** : Mr. Salman Khurshid, Mr. HG Hasnain, Sr. Advocates, Ms. Jyoti Khurana, Ms. Latika, Mr. Nitin Kashyap, Ms. Sidra Khan, Ms. Riddhi Goyal, Ms. Ritika, Mr. Ankit Sarangi, Advocates.

**For Respondents** : Ms. Manju Bhuteria, Sr. Advocate with Ms. Shreya Choudhary, Mr. Manish Jain, Advocates for R-3/liquiator.  
Mr. Brijesh Kumar Tamber, Mr. Prateek Kushwaha, Advocates.

**With**

**Comp. App. (AT) (Ins) No. 656 of 2025**

**&**

**I.A. No. 2550 of 2025**

**IN THE MATTER OF:**

**Shahid Ali**

**...Appellant(s)**

**Versus**

**KuldeepVerma&Ors.**

**...Respondent(s)**

**Present:**

**For Appellant** : Mr. Salman Khurshid, Mr. HG Hasnain, Sr. Advocates, Ms. Jyoti Khurana, Ms. Latika, Mr. Nitin Kashyap, Ms. Sidra Khan, Ms. Riddhi Goyal, Ms. Ritika, Mr. Ankit Sarangi, Advocates.

**For Respondents** : Ms. Manju Bhuteria, Sr. Advocate with Ms. Shreya Choudhary, Mr. Manish Jain, Advocates for R-3/liquiator.

Mr. Brijesh Kumar Tamber, Mr. Prateek Kushwaha,  
Advocates.

**ORDER**  
**(Hybrid Mode)**

**01.05.2025:** These two appeals have been filed by the Suspended Director of the Corporate Debtor challenging the order dated 20.02.2025 in I.A. No. 2046/KB/2023 and I.A. No. 97/KB/2024.

2. Brief facts necessary to be noticed for deciding the appeal are:
3. On an application filed under Section 7 by the Central Bank of India CIRP against the Corporate Debtor M/s Sasa Musa Sugar Works Pvt. Ltd. commenced on 09.03.2021.
4. After issuance of Form G the appellant as Suspended Director has submitted a Resolution Plan for consideration.
5. Earlier the plan was approved of one M/s SJPB Hathua Sugar & Bio refinery Pvt. Ltd. who could not implement the plan and could not submit the bank guarantee and thereafter the meeting of Committee of Creditors was convened and appellant who was Prospective Resolution Applicant (PRA) of consortium of Shahid Ali was asked to improve the financial proposals. Appellants case is that the appellant improves the final proposal and also given addendum on 08.12.2023 and another addendum in 16.02.2024.
6. The Committee of Creditor however took a decision not to accept the resolution plan submitted by the appellant and decided to file an I.A. 2046/2023 praying for liquidation of the Corporate Debtor.

7. I.A. No. 97/2024 was filed by the appellant for reconsideration of the plan.

8. Another application was filed by Central Bank of India (CBI) where the CBI prayed for rejection of the plan submitted by the appellant in I.A. No. 1849/KB/2024. Against the order passed by CBI in I.A. No. 1849/KB/2024 appellant has filed a Comp. App. (AT) (Ins) No. 654 of 2025 which has been dismissed as barred by limitation by order passed yesterday i.e. 30.04.2025.

9. These two appeals challenges the order passed in I.A. No. 2046/KB/2023 that is for liquidation as well as I.A. (IB) No. 97/KB/2024 for consideration of the plan.

10. We have heard Shri Salman Khurshid, Ld. Sr. Counsel appearing for the appellant.

11. Counsel for the Appellant submitted that appellant has given addendum and CD being MSME. Appellant took all steps to revive the CD and to the addendum, submitted the plan value was increased to Rs. 89 Crore.

12. It is submitted that Adjudicating Authority later directed to consider the addendums submitted. Although the order was passed by the Adjudicating Authority to consider the addendum of the appellant, the plan was not considered.

13. Ld. Counsel appearing for the liquidator submitted that the adjudicating authority has consider all aspects of the matter and has rightly allowed the application for liquidation. It is submitted that a committee of

Creditors in commercial wisdoms has considered and deliberated on the plan submitted by the appellant and found that plan not to be approved, the course open for the committee of creditor was only to direct for liquidation.

14. We have considered the submissions of the Counsel for the parties and perused the record.

15. Adjudicating Authority has heard the parties and in the impugned order has noted the deliberation of the CoC which took place on 17<sup>th</sup> CoC meeting convened on 29.11.2023 as well as 19<sup>th</sup> CoC meeting held on 06.12.2023. The plan was discussed and it was put to the voting along with addendum dated 08.12.2023.

16. The Adjudicating Authority also notice that total admitted claims are 137.60 Crore and the liquidation value of the CD is Rs. 105.35 Crore. The all aspect having been considered, the CoC took a decision not to accept the plan submitted by the appellant and voted for liquidation on 12.12.2023.

17. The CoC under Section 33(2) of IBC has a power to take a decision with not less than 66% of the voting share to liquidate the CD. Of course the decision taken by the CoC to liquidate is amenable to judicial review but only on the limited ground that the decision of the CoC is arbitrary.

18. Present is not a case where it can be said that the decision of the CoC to liquidate is arbitrary, the CoC after considering all aspects of the matter has passed a resolution for liquidation of the CD in which we do not find any error warranting any interference. As far as the direction by the adjudicating authority to consider the addendum submitted by appellant in

February, 2024. The Central Bank has already filed an application stating that the said proposal cannot be accepted which application has also been allowed by the adjudicating authority which order has become final.

19. Ld. Counsel for the appellant lastly submitted that as per regulation 2B of the liquidation regulation 2016 the appellant is entitled to submit a scheme for arrangement it being MSME and hence the opportunity be given to the appellant to submit a scheme of arrangement as contemplated in 2B.

20. Ld. Counsel for the liquidator has referred to second proviso to 2B and submit that in the present case there is no recommendation under Regulation 39-BA of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

21. It is further submitted that although notice for e-auction was issued by liquidator fixing 03.05.2025 but no bid has been received so far.

22. The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 Regulation 2B of liquidation Regulation provides as follow:

***“2-B. Compromise or arrangement-(1) Where a compromise or arrangement is proposed under Section 230 of the Companies Act, 2013(18 of 2013), it shall be completed within ninety days of the order of liquidation under [\*\*\*] section 33:***

*[Provided that a person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor, shall not be a party in any manner to such compromise or arrangement:]*

*[Provided further that the liquidator shall file the proposal of compromise or arrangement only in cases where such recommendation has been made by the committee under regulation 39-BA of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016:*

*Provided further that the liquidator shall not file such proposal after expiry of thirty days from the liquidation commencement date.]”*

23. The second proviso on which the liquidator relies is a provision where CoC while taking a resolution has recommended to explore a proposal for compromise or arrangement. It is for liquidator to file proposal within 30 days of the order of liquidation.

24. The present is not a case where there is any recommendation under Regulation 39-BA of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

25. We however are of the view that second proviso of Regulation cannot control the provision of Section 2B (1) which is a provision giving a opportunity for submitting a compromise or arrangement under Section 230 of the Companies Act, 2013.

26. We thus are of the view that the appellant is fully entitled to submit a scheme compromise or arrangement under Regulation 2 B.

27. We thus are of the view that the appellant may submit a compromise or arrangement on or before 20.05.2025.

28. The liquidator shall after receiving any compromise or arrangements take such further steps as required by law.

29. Subject to liberty as above, we dismiss both the appeals.

**[Justice Ashok Bhushan]**  
**Chairperson**

**[Barun Mitra]**  
**Member (Technical)**

**[Arun Baroka]**  
**Member (Technical)**

*sr/nn*