



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023

In

I.A. (IB) No. 1539/KB/2022

In

C.P. (I.B.) NO.482/KB/2019

A Petition under Section 60 (5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules.

IN THE MATTER OF:

M/s. Stressed Assets Stabilization Fund

... Financial Creditor

Versus

M/s. E.R. Textiles Ltd.

... Corporate Debtor

And

ANNAPOORANI TEXTILES PRIVATE LIMITED, a company incorporated under the provisions of the Indian Companies Act, 1882, having its registered office at No.21A, Nethaji Nagar, Sukkiramania Valasu, Manickampalayam Road, Erode – 638004, Tamil Nadu.

... Applicant

Versus

ANUP KUMAR SINGH, Resolution Professional of **ER Textiles Ltd.**, having its registered office at Suite- 1B, 1st Floor, 22/28A, Manoharpukur Road, Deshopriya Park, Kolkata – 700029.

... Respondent

Date of Hearing: June 23, 2023

Date of Pronouncing the order: July 26, 2023

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)

SHRI BALRAJ JOSHI, HON'BLE MEMBER (TECHNICAL)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

Ld. Counsels on Record appeared Physically/ through Video Conferencing:

For the Resolution Professional:

1. Mr. Joy Saha, Sr. Adv.
2. Mr. Avishek Das, Adv.

For Successful Resolution Applicant:

1. Mr. Ratnankobanerji, Sr. Adv.
2. Ms. Madhuja Barman, Adv.
3. Mr. Aman Agarwal, Adv.

For applicant (Annapoorani Textiles Private Limited):

1. Mr. S. Sathiyarayanan, Adv.

ORDER

Per: Bidisha Banerjee, Member (Judicial)

1. Learned Counsels/Senior Counsels were heard.
2. This instant Application is filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (for brevity "**I&B Code**") read with Rule 11 of the NCLT Rules, for seeking the following reliefs:
 - (a) *Reject the application seeking approval of the Resolution Plan; and*
 - (b) *Pass such further or other orders/reliefs as may be deemed fit and proper in the facts and circumstances of the case and thus render justice.*
3. Shorn of details, the applicant intervener seeks rejection of the application seeking approval of the Resolution Plan.
4. **The admitted facts:**
 - (i) The Applicant Company is in the business of manufacturing and export of textiles, having its registered office at 21A, Nethaji Nagar,

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

Sukkiramania Valasu, Manickampalayam Road, Erode - 638004,
Tamil Nadu.

- (ii) It is one of the **Prospective Resolution Applicants** (for brevity '**PRA**') who had submitted its resolution plan for the revival of the Corporate Debtor.
- (iii) *Vide* a Lease Deed dated 12.06.2019 entered with the Corporate Debtor, it had taken on lease the factory of the Corporate Debtor located at Hosur, Tamil Nadu prior to CIRP.
- (iv) It had invested in Fixed Assets worth Rs. 18.64 Crore, located in the Hosur Factory and made the operations of the unit possible.
- (v) The factory has been brought to a running condition in terms of the Lease Deed, the Applicant is regularly paying the monthly lease rental of Rs. 10 Lakh to the Corporate Debtor and is also spending a huge sum of the monthly maintenance of the factory to keep up the factory in the running condition.
- (vi) Pursuant to an application by a Financial Creditor, this Tribunal vide its order dated 14.01.2022 in the **C.P. (I.B.) No.485/KB/2019** ordered the **Corporate Insolvency Resolution process** against the Corporate Debtor ("**CD**" in short) and appointed the Respondent as Interim Resolution Professional ("**IRP**" in short).
- (vii) The Respondent RP on 30.03.2022 published **Form-G**, inviting Expression of Interest (for brevity "**EOI**") for the Corporate Debtor. The Applicant, who was already running the Corporate Debtor's Hosur factory successfully, showed interest in reviving the Corporate Debtor and submitting its Resolution Plan to the Respondent RP from day one.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

- (viii) The Applicant had also filed its claim before the Respondent RP on 28.03.2022 for a claim amount of Rs. 18,63,85,104/-.
- (ix) The RP has informed through his e-mail that the amount infused by the Applicant would neither be categorized as financial debt nor as operational debt.
- (x) The Respondent RP once again published **Form G** afresh on 15.04.2022. As per the second Form-G published by the Respondent RP, the last date for submission of the Resolution Plan was 09.06.2022. But once again the Respondent RP extended the last date of submission of Resolution Plan to 13.06.2022 due to some purported technical issue in accessing the virtual data room. Even on the extended date for submission of the Resolution Plan i.e., 13.06.2022, barring the Applicant no other PRAs submitted their Resolution Plan. But the Respondent failed to place the Plan submitted by the Applicant before the COC and further chose to extend the last date for submission of the Resolution Plan to other PRAs.
- (xi) The Applicant submitted its EOI to the Respondent RP on 09.06.2022 in a sealed envelope and the same was acknowledged by the Respondent's office within the last date i.e., 09.06.2022.

5. The Applicant alleges that such extension of time is contrary to the provisions of I&B, Code and the CIRP Regulations made thereunder. By doing so, the Respondent had also violated his duties prescribed under Section 25 (2) (i) of the Code.
6. A summary of relevant dates and events has been depicted in the following manner:

SN	DATES	PARTICULARS
1.	14.01.2022	CIRP order passed in CP(IB)/482/2019.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

2.	28.03.2022	The Applicant submitted its claim for an amount of Rs.18,63,85,104/-.
3.	30.03.2022	Form G – Invitation for Expression of Interest published by Respondent RP, with the last date for submission of resolution plan as 29.05.2022.
4.	15.04.2022	Form G was once again published by Respondent RP, with the last date for submission of the resolution plan as 09.06.2022.
5.	31.05.2022	Respondent RP vide e-mail dated 31.05.2022 extended the last date for submission of the resolution plan till 13.06.2022.
6.	09.06.2022	In the 4 th COC meeting held on 09.06.2022, the COC ratified the unilateral modification to the RFRP made by RP and extend the last date for submission of the resolution plan till 13.06.2022.
7.	10.06.2022	The applicant submitted its resolution plan to the Respondent RP.
8.	10.06.2022	Respondent RP vide e-mail dated 10.06.2022, once again extended the last date for submission of the resolution plan till 04.07.2022.
9.	02.07.2022	Respondent RP vide e-mail dated 02.07.2022 extended the last date for submission of the resolution plan till 03.08.2022.
10.	12.07.2022	180 days CIRP period expired on 12.07.2022.
11.	19.08.2022	The Respondent RP vide telephonic discussion obtained concurrence from one of the COC members, namely, SASF and extended the last date for submission of the resolution plan till 03.08.2022. In the 5 th COC meeting held on 19.08.2022, the COC ratified the unilateral extension of time made by the RP.
12.	30.09.2022	In the 9 th COC meeting, the Respondent RP placed all resolution plans for consideration and approval of the COC.
13.	10.10.2022	The extended CIRP period i.e., 270 days expired on

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

		10.10.2022.
14.	15.10.2022	After the expiry of the extended CIRP period, the resolution plan was submitted by M/s. Vajram Builders was approved by the COC.

7. The Applicant alleges that the RP has violated the following legal provisions:
- (i) **Regulation 36B (5) of the IBBI (CIRP) Regulation, 2016:** Applicant alleges violation of the provisions inasmuch as proviso to Sub-Regulation 5 of Regulation 36B of the IBBI (CIRP) Regulation, 2016 stipulates that any modification to the **Request for Resolution Plan** (hereinafter referred as '**RFRP**') shall not be made more than once whereas in contravention to the said regulation, the Respondent RP has modified the RFRP thrice. An extract of Sub-Regulation 5 of Regulation 36B is as under:
- “Any modification in the request for resolution plan or the evaluation matrix issued under sub-regulation (1), shall be deemed to be a fresh issue and shall be subject to timeline under sub-regulation (3):*
- Provided that such modification shall not be made more than once.”*
- (ii) **Violation of Sub-Regulation 6 of Regulation 36B of the IBBI (CIRP) Regulation, 2016:** It is submitted that the regulation specifically provides that the RP may extend the timeline for submission of the resolution plan only with the approval of the COC. In violation of the said Regulation, Respondent RP vide its e-mail dated 21.05.2022 has extended the timeline for submission of Resolution Plan unilaterally and got his decision to extend time

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

ratified by the COC subsequently on 09.06.2022. An extract of the provision is as under:

“The Resolution Professional may, with the approval of the Committee, extend the timeline for submission of resolution plans”.

That the Respondent RP vide telephonic discussion obtained occurrence from one of the COC members, namely SASF, and extended the last date for submission of the resolution plan till 03.08.2022. The RP’s decision was subsequently put for ratification of the COC on 19.08.2022.

(iii) Violation of Regulation 36 (2) of the IBBI (CIRP) Regulation, 2016

– Applicant alleges violation of the provisions inasmuch as Information Memorandum does not disclose all relevant details about the Corporate Debtor which is mandatory.

(iv) Violation of Timeline: It is alleged that the 180 days of the CIRP period as prescribed under the Code expired on 12.07.2022. The extended CIRP period i.e., 270 days expired on 10.10.2022 whereas the Resolution Plan of the Successful Resolution Applicant was approved by the COC only on 15.10.2022 when neither the RP nor the COC had power under the Code. Realising the blunder, the Respondent RP by concealing all the relevant facts, had subsequently approached this Tribunal seeking condoning the delay and thereby misled this Tribunal.

8. To support his contentions, the learned Counsel for the Applicant at the hearing would place the following decisions:

(i) *Competent Authority v. Barangore Jute Factory*, reported in (2005) 13 SCC 477.

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

- (ii) *Babu Verghese and others v. Bar Council of Kerala*, reported in (1999) 3 SCC 422 –

To contend that “when the law prescribes certain things to be done in a certain way, then the same can be done in the prescribed manner alone.”

- (iii) *Commissioner of Income Tax v. Hindustan Bulk Carriers*, reported in (2003) 3 SCC 57-

To contend that “provisions have to be interpreted harmoniously if they seem to be in conflict with each other.”

- (iv) *Jagdish Singh v. Lt. Governor, Delhi & Ors.*, reported in AIR 1997 SC 2239 –

To contend that “it is a cardinal principal of construction of a Statute or the Statutory Rule that efforts should be made in constructing the different provisions, so that, each provision will have its play and in the event of any conflict a Harmonious Construction should be given.”

Further “a Statute or a Rule made thereunder should be read as a whole and one provision should be construed with reference to the other provision so as to make the Rule consistent and any construction which would bring any inconsistency or repugnancy between one provision and the other should be avoided. One Rule cannot be used to defeat another Rule in the same Rules unless it is impossible to effect harmonisation between them.”

- (v) *Committee of Creditors of Meenakshi Energy Ltd. v. Consortium of Prudent ARC Ltd. & Vizag Minerals and Logistics Pvt. Ltd.*, Com Appeal (AT) (Ch) (Ins) No.166 and 174 of 2021 –

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

Where Hon'ble NCLAT has upheld the decision of the Hon'ble NCLT, Hyderabad that the timeline specified in Regulation 36A and Regulation 36B are mandatory and directed the COC to consider only those resolution plans that were submitted before the expiry of timeline.

(vi) ***Committee of Creditors of Meenakshi Energy Ltd. v. Consortium of Prudent ARC Limited & Vizag Minerals and Logistics (P) Ltd. (CP (AT) (CH) (INSOLVENCY) Nos. 166 & 174 of 2021 –***

To contend that Resolution Plans received beyond 330 days cannot be entertained.

9. Learned Counsel while placing the provisions 36 (B) (5) and 36 (B) (6) of the IBBI (CIRP) Regulation would assertively claim that it is a well-known **principle of Harmonious Construction** “*that effect should be given to all the provisions and a construction that reduces one of the provisions to a ‘dead letter’ is not a harmonious construction as one part is being destroyed and consequently Court should avoid such a construction.*” Applying such principle of Harmonious Construction to Regulation 36 (B) (6), it would be established that modification to the RFRP can be made only once and that if it relates to the ‘last date of submission of resolution plan’ then it should be modified only with approval of the COC.
10. Per Contra, vociferously opposing the contentions of the Applicant, Learned Senior Counsel Mr. Joy Saha appearing for the RP would advance the following arguments:
- (i) The Applicant is a lessee of CD’s property. He is a lessee who aspired to become a Successful Resolution Applicant but failed. He has not paid rent regularly.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

- (ii) As on 09.06.2022, the applicant was the sole Resolution Applicant (RA). The ground for the extension of time was that only one plan was received, whereas the object of IBC is the maximisation of assets.
- (iii) Regulation 36 (B) (5) and (6) debars modification of the plan more than once, while the extension of time for submission of RFRP cannot be construed as a modification of the plan.
Hence the bar of the proviso to Regulation 36 (B) (5) is not attracted.
- (iv) Having participated on all three occasions without demur the applicant is estopped by his conduct.
- (v) The applicant is also guilty of acquiescence and waiver and hence he does not deserve any relief.
- (vi) All the extensions were granted with due diligence, with the consent of the Members of COC and within the extended time, as approved by this Tribunal, and the plan was approved within the 330 days period.
- (vii) Code does not restrict negotiation and hence no statutory provision has been violated.
- (viii) Re-negotiation was confined to shortlisted parties only.
- (ix) Voting took place on 05.10.2022 and the application is filed on 23.02.2023 after almost 5 months. Thus, the present application is a belated one.

11. Learned Counsel for the Applicant would rejoin stating that there is no estoppel against law. The authorities cited for the purpose are the following:

- (i) ***Krishna Rai (Dead) Through LRs & Ors v. Banaras Hindu University Through Registrar & Ors.*** [Civil Appeal Nos.4578-4580 of 2022 (Arising out of SLP (C) Nos.31186-88 of 2026)]
- (ii) ***M/s. Tata Chemicals Ltd. v. Commissioner of Customs (Preventive) Jamnagar*** [Civil Appeal Nos. 7628-7629 of 2004].

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

12. The gist of arguments advanced by the Learned Senior Counsel Mr. Ratnanko Banerji appearing for the Successful Resolution Applicant, would be the following:

- (i) That the applicant having participated in the process he is complaining about is not permitted to this application challenging the process itself after he fails to succeed.
- (ii) If he was so aggrieved, he ought to have approached this Tribunal within a reasonable time. There is a considerable delay in approaching this Tribunal since SRA's plan has been approved already.
- (iii) SRA's plan has been approved with 100% voting.
- (iv) Regulation 36 (B) (5) is in no way violated.

13. **Analysis and Findings:**

We have considered the rival contentions and perused the records placed.

(a) **On Violation of para 36 (B) (5) of IBBI (CIRP) Regulation, 2016:**

The provision reads: "Any modification in the request for resolution plan or the evaluation matrix issued under sub-regulation (1), shall be deemed to be a fresh issue and shall be subject to timeline under sub-regulation (3)".

It is evident from the pleadings that –

(a) No modification in RFRP was made, only the time limit to submit Resolution Plan was extended.

Hence, we do not decipher any violation of Regulation 36 (B) (5).

As such, the decision of the Hon'ble NCLAT in COC of Meenakshi Energy (supra) is not lending any support to the applicant.

(b) **On Violation of 36 (B) (6) of the Regulation:**

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

The provision reads: “The resolution professional may, with the approval of the committee, extend the timeline for submission of resolution plans”.

We have noted the following as: -

- (i) The CIRP Order was passed on January 14, 2022 by this Tribunal.
- (ii) The first meeting of COC was held on 11/02/2022 and the RP was appointed with 90.48% of votes in favor of the motion by the Members of COC.
- (iii) The Resolution professional gathered information with respect to the land of the Corporate Debtor situated at 2/1, Nariganapuram Village, Berigai Post, Hosur – 635105, Tamil Nadu and learnt that vide a Memorandum of Understanding dated February 19, 2018, the Corporate Debtor had agreed to lease out the aforesaid land with its plant and machinery along with 180 looms, warping, sizing and other machinery (excluding vacant land) to the Applicant herein, for a monthly rent of Rs. 30,00,000/- (Rupees Thirty Lakhs Only) excluding GST for 6 years from the date of taking possession.
- (iv) In a meeting held on August 20, 2018, the Corporate Debtor was informed by the Applicant that the machineries at the said land were not in the working condition and therefore needed to be replaced for which the lessee had to incur some expenditure. The Corporate Debtor granted concession in the lease rentals.
- (v) In terms of the requirement of Regulation 36A of the Insolvency and Bankruptcy Board of India, (Insolvency

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**



IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

Resolution Process for Corporate Persons) Regulations 2016, (hereinafter referred to as “the Regulation”), the Resolution Professional published first Form G on March 30, 2022 within 75 days of the commencement of CIRP against Corporate Debtor.

(vi) The last dated for the submission of EOI from the interested participants was on April 14, 2022. Till date the Resolution professional had received four EOI from the interested Resolution Applicants, as:

- (a)** Bommidala Enterprises Pvt. Ltd.
- (b)** GN Murthy
- (c)** Annapoorani Textiles Pvt. Ltd.
- (d)** Vajram Estates Pvt. Ltd.

(vii) In the Order to encourage competition and ensure maximum value for the stakeholders of the Corporate Debtor, the Resolution professional with concurrence with the COC extends the last date for the submission of EOI till April 25, 2022. Till the last date, the Resolution Professional received five EOIs from the following Prospective Resolution Applicants, such as:

- (a)** Bommidala Enterprises Pvt. Ltd.
- (b)** GN Murthy
- (c)** Annapoorani Textiles Pvt. Ltd.
- (d)** Vajram Estates Pvt. Ltd.
- (e)** Mohan Reddy Bhumi Reddy Gari (*New Entrant*)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

- (viii) In terms of the requirement of Regulation 36A (10) of the Regulation, the RP issued provisional List of Eligible Prospective Resolution Applicant on May 05, 2022.
- (ix) Pursuant to the publication of Notice for extension, the date for issuance of Information Memorandum, evaluation matrix and Request for Resolution Plan was May 10, 2022, however due to certain technical glitch, the same was made accessible to all the Resolution Applicants on May 14, 2022 on the Virtual Data Room.
- (x) As per the mandate of Regulation 36B (3), the RP extended the last date for the submission of resolution Plan from June 09, 2022 till June 13, 2022 with the concurrence of the members of COC vide email date May 31, 2022, prior to the date of submission of Resolution Plan by the applicant herein.
- (xi) On June 09, 2022, the RP conducted the 4th COC meeting wherein the RP presented the request received from the prospective Resolution Applicants to extend the time for the submission of Resolution plan by another 60 days to conduct due diligence of the documents relating to Title search of land belonging to the Corporate Debtor.
- (xii) After the 4th COC meeting, the members of COC extended the time for the submission of the Resolution Plan by 21 days i.e., July 04, 2022.
- (xiii) On July 01, 2022, the RP received further requests from the shortlisted Prospective Resolution Applicants (for brevity "PRA") to extend the time for the submission of Resolution Plan by 45 days. The RP obtained the concurrence of the

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

COC member, namely Stressed Assets Stabilization Fund (SASF) with majority of voting share of 88.80% and they extended the last date for submission Resolution Plan by further period of 30 days. The last date for the submission of Resolution Plan was thus extended till August 03, 2022.

- (xiv) In the 5th COC meeting, the RP placed all the Resolution Plans received from the shortlisted Resolution Applicants till the cut off date being August 03, 2022.
- (xv) In the 7th COC meeting held on September 21, 2022, the COC members decided to call the Resolution Applicants in the subsequent meeting for negotiation.
- (xvi) Subsequently, the 8th COC meeting was convened on September 23, 2022, to further discuss and negotiate on the Resolution Plans submitted by the 3 (three) Resolution Applicants. All the 3 (three) Resolution Applicants had improved their offers. All the Resolution Applicants were invited to explain their revised offers to the COC members. The COC members asked all the Resolution Applicants to submit their final revised Plan by September 26, 2022.
- (xvii) The RP vide emails dated September 23, 2022 communicated the decision of the COC to all the 3 (three) Resolution Applicants to extend the time of submission of final revised Resolution plans till September 26, 2022 by 7:00 PM being the Cut-off date.
- (xviii) On September 26, 2022, the RP received Final revised Resolution Plan from Bommidala Enterprises Pvt. Ltd. and Vajram Estates Pvt. Ltd. within 7:00 PM. The Applicant

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

herein however, submitted its Resolution Plan at 7:09 PM, i.e., beyond the cut-off time.

- (xix) At the 9th COC meeting on September 30, 2022, the COC members decided that the Plans should be put up for voting and voting lines were kept open from October 02, 2022 till October 06, 2022 for the said purpose which was extended till October 15, 2022 on the pious occasion of Durga Puja vacation across the states. Eventually the Resolution Plan received from one, Vajram Estates Pvt. Ltd., Successful Resolution Applicant with highest Resolution Fund was approved by the COC members with 100% votes in favor of the motion and was submitted before this Adjudicating Authority for its concurrence.
- (xx) As the CIRP period of 270 days was expiring on October 10, 2022, the RP sought for exclusion/ extension of 20 days vide IA (IB) 1409/KB/2022 which was granted on November 23, 2022.
- (xxi) The RP filed an application under Section 30(6) of the I&B Code, 2016 being IA (IB) 1539/KB/2022 for approval of this Tribunal for the Resolution Plan proposed by the said Vajram Estates Pvt. Ltd. which was passed by the COC with 100% votes.

The CIRP order was passed on 14.01.2022. The last meeting of COC for approval of the plan was held on 30.09.2022, before the expiry of 270 days of CIRP. Therefore, the extension of time for submission of the Resolution Plan cannot be faulted with.

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

Further, after extension of time by this Adjudicating Authority, approval of the plan was granted on 15.10.2022 i.e., before the 330 days expired and such is within the permitted time period. This demolished the allegation of the applicant.

(c) **On Extension of timeline without the approval of COC:**

As discussed supra, there is nothing on record to suggest or establish the same. As such, none of the decisions cited by the applicant lends support to his contentions. On the contrary, having participated in the subsequent process, after extension of time to submit resolution plans was given, the Applicant has in fact, acquiesced.

Significantly, explaining the true import of “acquiescence” and its differences with “delay” and “laches”, the Hon’ble Supreme Court of India has held in the case of *The Chairman, State Bank of India v. M.J. James*, reported in MANU/SC/1069/2021: (2022) 2 SCC 301 that:

“both limitation and laches destroy the remedy but not the right.”

and

“acquiescence implies active assent and is based upon the Rule of estoppel in pais. As a form of estoppel, it bars a party afterwards from complaining of the violation of the right. Even indirect acquiescence implies almost active consent, which is not to be inferred by mere silence or inaction which is involved in laches. Acquiescence in this manner is quite distinct from delay. Acquiescence virtually destroys the right of the person”

“Nevertheless, this acquiescence being in the nature of estoppel bars the Respondent from claiming violation of the right of fair representation.”

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA

IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

(Emphasis Added)

Further, we would rely upon the judgment of the Apex Court in the case of *Prabhakar v. Joint Director Sericulture Department*, reported in MANU/SC/1041/2015: (2015) 15 SCC 1, that:

“36. It is now a well-recognized principle of jurisprudence that a right not exercised for a long time is non-existent.” and

“if a party having a right stands by and sees another acting in a manner inconsistent with that right and makes no objection while the act is in progress he cannot afterwards complain. This principle is based on the doctrine of acquiescence implying that in such a case party who did not make any objection acquiesced into the alleged wrongful act of the other party and, therefore, has no right to complain against that alleged wrong.”

(Emphasis Added)

Further, we rely upon the judgment passed in the case of *State of U.P. v. Sudhir Kumar Singh*, reported in MANU/SC/0773/2020: [2020] 13 SCR 571, that:

“No prejudice is caused to the person complaining of the breach of natural justice where such person does not dispute the case against him or it. This can happen by reason of estoppel, acquiescence, waiver and by way of non-challenge or non-denial or admission of facts, in cases in which the Court finds on facts that no real prejudice can therefore be said to have been caused to the person complaining of the breach of natural justice.”

(Emphasis Added)

14. Irrefutably and indubitably, Applicant has participated in the process till August 30, 2022, the extended date of submission of plans and has thereby subjected

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. II
KOLKATA**



IVN.P.(IB) No. 4/KB/2023
In
I.A. (IB) No. 1539/KB/2022
In
C.P. (I.B.) NO.482/KB/2019

itself to the process after extensions. Once he failed to succeed, he cannot turn volta face to challenge the extensions granted as he acquiesced into the alleged wrongful act/ violation of regulations/ timelines in granting such extensions and allowed a right to be created in favor of the Successful Resolution Applicant (SRA) in the meantime.

15. Due to the foregoing reasons, the claim of the applicant in this application fails. Hence, this **Intervention Petition**, being **IVN.P.(IB) No. 4/KB/2023** is **rejected** and hereby **dismissed**.
16. Urgent certified copy of this order, if applied with the Registry, be supplied to the parties, subject to compliance with all requisite formalities.

Balraj Joshi
Member (Technical)

Bidisha Banerjee
Member (Judicial)

This Order signed on this, the 26th July, 2023.

Bose, R. K. [LRA]
Sayon_M [Steno]