IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI
SPECIAL BENCH (COURT – II)

Item No. 203
IB-20/ND/2024
IA-41/ND/2025, IA-3187/ND/2025

IN THE MATTER OF:
(Under Section: 9 of IBC, 2016)

Kanodia Technoplast Ltd. ... Applicant/ Operational Creditor

Versus

KY Tobacco Works Pvt. Ltd. ... Respondent/ Corporate Debtor

AND IN THE MATTER OF IA-41/ND/2025:
(Under Section: 30 (6) R/W Section 31 OF IBC, 2016)

Varun Vashisht
Resolution Professional
For K.Y. Tobacco Works P. Limited
R-8, South Extension,
Part Ii, New Delhi – 110049 **... Applicant**

AND IN THE MATTER OF IA-3187/ND/2025:
(Under Section: 25(2)(e) of the IBC, 2016)

Varun Vashisht
Resolution Professional
For K.Y. Tobacco Works P. Limited
Having Its Office At:
R-8, South Extension,
Part Ii, New Delhi – 110049 **... Applicant**

Order delivered on 15.07.2026

CORAM:

SHRI ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)
SHRI BANWARI LAL MEENA, HON'BLE MEMBER (T)

PRESENT:

For the CoC	:	Adv. Vaibhav Mendiratta for the COC in IA 41 of 2025
For the Resolution Professional	:	Adv. Abhishek Anand, Adv. Karan Kohli, Adv. Sajal Jain and Adv. Vanshika Dhoot
For the Suspended Director	:	Chirag Gupta, Advocate appearing for Suspended Directors in IA No. 41/2025

Hearing Through: VC and Physical (Hybrid) Mode

ORAL ORDER

PER: SHRI ASHOK KUMAR BHARDWAJ, Member (J)

IA-3187/ND/2025: The prayer made in the captioned application reads thus:-

a. **Allow the present application;**

b. **Kindly take on the record the updated / revised list of creditors of Corporate Debtor as on 28.04.2025 in terms of Sections 25(2)(e) of the Code as certified by the Resolution Professional for M/s K.Y. Tobacco Works Pvt. Limited;**

Mr. Abhishek Anand, Ld. Counsel for the applicant submitted that his prayer is founded on the averments made in para 15 and para 18 of the application, which read thus:-

15. **That the Applicant further convened 9th meeting of the CoC on 24.02.2025, wherein, the Applicant apprised the member regarding receipt request for renewal of Bank Guarantees in favour of Deputy Commissioner, State Tax, Enforcement Unit, CT & GST Enforcement range, Rourkela, Odisha. The Applicant updated to the CoC that a request has been received by the Resolution Professional from Karnataka Bank, Sambalpur Branch, Odisha about the renewal of bank guarantee which had been given earlier by the Corporate Debtor in favour of Deputy Commissioner, State Tax, Enforcement Unit, CT & GST Enforcement range, Rourkela, Odisha. The Corporate Debtor has given two Bank Guarantee i.e., (i.) 20747BG00005 dt. 01.12.2020 for Rs. 1,51,74,379/- and (ii) 20747BG00006 dated 01.12.2020 for Rs. 50,37,000/- and the said bank guarantee is about to expire on 27.02.2025. It is further to be noted that the above said beneficiary of above-mentioned bank guarantees has already submitted its claim to the Resolution Professional and the same has also been accepted in full as secured creditor. Accordingly, the Resolution Professional replied to the Bank that since at present moratorium is in place till the completion of CIRP, the Resolution Professional will seek legal opinion before going ahead with any further action in this regard. Copy of minutes of 9th CoC meeting dated 24.02.2025 is annexed herewith and marked as ANNEXURE A – 6.**

18. Further, it was also noted that the RP has come across some more documents and after going through the audited financial statements as on 31.03.2021 and further documents received from the suspended directors of the Corporate Debtor in addition to the hard copy of the documents submitted by the "GST Enforcement range, Rourkela", it has been observed that as per order dated 17.10.2020 u/s 130 of the Orissa GST Act and Section 11 of the Compensation of states Act, a tax, penalty and fine was imposed on the CD amounting to Rs. 5,05,28,326/- and demanded by the proper officer of CT & GST Act Enforcement Unit, Rourkela. Against this demand, the Corporate Debtor preferred an appeal and simultaneously deposited an amount of Rs. 3,03,16784/- and further submitted GST INS-04 with 2 bank guarantees for the balance amount amounting to Rs. 1,51,74,379/- and Rs. 50,37,000/-. The above said bank guarantees have been further revalidated on 26.02.2024 which was valid upto 27.02.2025. As the bank guarantee has expired now, the GST Department Enforcement range, Rourkela and officials of Karnataka Bank, Sambalpur has requested for the renewal of bank guarantee. However, as the CD is currently under CIRP period and moratorium has been imposed w.e.f. 11/06/2024, the RP preferred to obtain legal opinion in respect of the same before moving forward in this matter.

At this stage, when an application for approval of the Resolution Plan is pending, and the Resolution Plan has already been approved, we are conscious that the plan being not a contract but in the nature of a contract that cannot be amended or altered after approval by the CoC. Besides, in a situation where a plan is found to be not worth approving for any reason after approval by the CoC, the corollary is to order liquidation of the Corporate Debtor. Nevertheless, we are conscious that the object of the IBC is to put the Corporate Debtor back on track, and liquidation cannot be a priority. In ***Ebix Singapore Private Limited and Ors. v. Committee of Creditors of Educomp Solutions Limited and Ors. 2021 SCC Online SC 707***, the Hon'ble Supreme Court, while examining the issue of the locus of SRA to withdraw the plan, after submitting the same viewed that the plan, being an offer in a process of the nature of a contract, does not constitute a contract in the real sense for want of availability of provision for damages; it cannot back out and cannot withdraw the proposal. Here also, once the Resolution Plan has been approved, with the terms and conditions contained therein, at this stage, when an application for approval of the resolution plan is pending before us, we are of the view that no order having the ramification of altering the provisions of the plan can be passed. Relevant excerpt of the judgment of Hon'ble Supreme Court (*supra*) reads thus:

> *" ...*
>
> *153. Regulation 38(3) mandates that a Resolution Plan be feasible, viable and implementable with specific timelines. A Resolution Plan whose implementation can be withdrawn at the behest of the successful Resolution Applicant, is inherently unviable, since open-ended clauses on modifications/ withdrawal would mean that the Plan could fail at an undefined stage, be uncertain, including after approval by the Adjudicating Authority. It is inconsistent to postulate, on the one hand, that no withdrawal or modification is permitted after the approval by the Adjudicating Authority under Section 31, irrespective of the terms of the Resolution Plan; and on the other hand, to argue that the terms of the Resolution Plan relating to withdrawal or modification must be respected, in spite of the CoC's approval, but prior to the approval by the Adjudicating Authority. The former position follows from the intent, object and purpose of the IBC and from Section 31, and the latter is disavowed by the IBC's structure and objective. The IBC does not envisage a dichotomy in the binding character of the Resolution Plan in relation to a Resolution Applicant between the stage of approval by the CoC and the approval of the Adjudicating Authority. The binding nature of a Resolution Plan on a Resolution Applicant, who is the proponent of the Plan that has been accepted by the CoC, cannot remain indeterminate at the discretion of the Resolution Applicant. The negotiations between the Resolution Applicant and the CoC are brought to an end after the CoC's approval. The only conditionality that remains is the approval of the Adjudicating Authority, which has a limited jurisdiction to confirm or deny the legal validity of the Resolution Plan in terms of Section 30 (2) of the IBC. If the*

requirements of Section 30(2) are satisfied, the Adjudicating Authority shall confirm the Plan approved by the CoC under Section 31(1) of the IBC.

161. We have held in Section H of this judgment that Resolution Plans are not in the nature of a traditional contract per se, and the process leading up to their formulation and acceptance by the CoC is comprehensively regulated by the insolvency framework. In Section J, we have further held that the IBC framework does not enable withdrawals or modifications of Resolution Plans once they have been submitted by the RP to the Adjudicating Authority after their approval by the CoC.

In any event, and without affecting the legal position formulated above, we will also deal with the submissions of the parties that the contractual terms of their respective Resolution Plans enabled withdrawal or re-negotiation of terms. We will be undertaking an analysis on whether the individual Resolution Applicants before us had specifically negotiated with the respective CoCs for a right of modification or withdrawal and are contractually entitled to the same in the present case. **...”**

In view of the aforementioned, **the application stands rejected and is disposed of accordingly.**

<u>IA-41/ND/2025</u>: The present application has been preferred under Section 30(6) of IBC, 2016 for approval of the Resolution Plan in terms of the provisions contained in Section 31(1) of IBC, 2016. The factual position has been captured in paras 5 to 30, which read thus:-

5. That this Hon'ble Adjudicating Authority vide Order dated 11.06.2024 was pleased to admit the Company Petition No. 20 of 2024 filed on behalf of the Operational Creditor i.e. M/s Kanodia Technoplast Limited against the Corporate Debtor for

initiating the Corporate Insolvency Resolution Process ("CIRP") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("Code"). Copy of Order dated 11.06.2024 passed by this Hon'ble Adjudicating Authority is annexed herewith and marked as **ANNEXURE A – 1.**

6. That vide order dated 11.06.2024, this Hon'ble Adjudicating Authority whilst admitting an application and declaring moratorium inter alia appointed the Applicant / Resolution Professional herein as an Interim Resolution Professional. However, the copy of the aforesaid Order was received by the Applicant on 20.06.2024. It is further submitted that whilst passing Order dated 11.06.2024, this Hon'ble Adjudicating Authority declared moratorium in terms of Section 14 of the Code

7. That in compliance with Section 13, Section 15 and other applicable sections of the Code, the Applicant made the Public Announcement in Form A on 22.06.2024 in daily newspapers intimating about the commencement of the CIRP and for calling upon the Creditors for filing their claims including workmen and employees of the Corporate Debtor. Copy of Public Announcement made in Form A dated 22.06.2024 is annexed herewith and marked as **ANNEXURE A – 2.**

8. That the Applicant / Resolution Professional convened the 1st CoC meeting of the Corporate Debtor on 19.07.2024, wherein the Applicant / Resolution Professional apprised the members of the CoC that the claims have been received from various creditors as on 04.07.2024 i.e., the last of submissions of claims as per FORM A. Further, the Applicant / Resolution Professional apprised the members of the CoC that the report certifying the constitution of CoC is filed before this Hon'ble Adjudicating Authority on 13.07.2024. Further, it was apprised to the CoC member that the Applicant / Resolution Professional visited the registered office of the Corporate Debtor which was found to be closed and no one was available to provide any information about the business. Further, the resolutions were put to vote qua approval of CIRP expenses, appointment of Mr. Varun Vashisht as Resolution Professional, appointment of legal counsel, remuneration of security guards at the premises, appointment of registered valuers. All the resolutions were passed by 100%

majority voting. Copy of minutes of 1st meeting of the Committee of Creditors dated 19.07.2024 is annexed herewith and marked as **ANNEXURE A – 3.**

9. That the Applicant / Resolution Professional herein filed an application bearing I.A. No. 3873 of 2024 seeking confirmation as Resolution Professional which was duly allowed by this Hon'ble Adjudicating Authority vide Order dated 07.08.2024. Copy of Order dated 07.08.2024 passed by this Hon'ble Adjudicating Authority is annexed herewith and marked as **ANNEXURE A – 4.**

10. That in pursuance of above mentioned publication and invitation, claims were filed by Financial Creditors and operational creditor. Accordingly, the Applicant / Resolution Professional filed an application I.A. No. 3950 of 2024 for placing on record the report the certified constitution of Committee of Creditors. Accordingly, this Hon'ble Adjudicating Authority allowed I.A. No. 3950 of 2024 taking on record the report. Copy of Order dated 13.08.2024 passed by this Hon'ble Adjudicating Authority is annexed herewith and marked as **ANNEXURE A – 5.**

11. That the Applicant / Resolution Professional convened the 2nd CoC meeting of the Corporate Debtor on 20.08.2024, wherein, the Applicant / Resolution Professional apprised the members regarding receipt of claims on the basis of which CoC has been constituted. Also, the Applicant / Resolution Professional apprised the member that he has received claim from "Dy. Commissioner State Tax, Ghaziabad". In addition to that, the Applicant / Resolution Professional apprised that he has also received a claim of Rs. 2,02,11,543/- from Joint Commissioner of CT & GST Circle, Sambalpur II, Sambalpur, Govt of Odisha. Further, the Applicant / Resolution Professional updated the CoC member regarding filing of applications for appointment of RP, Section 19(2) before this Hon'ble Adjudicating Authority. The Applicant / Resolution Professional also updated CoC member regrading operation of bank accounts of the Corporate Debtor, preparation of Information Memorandum, valuation of Plant and Machinery and discussion on tentative timelines, appointment of Transaction / Forensic Auditor. Moreover, in the meeting, the resolutions for eligibility criteria for prospective resolution application for submission of Expression

of Interests (EOI) and publication of 'Form G' were discussed which were passed by 100% majority voting. Copy of minutes of 2nd meeting of the Committee of Creditors dated 20.08.2024 is annexed herewith and marked as **ANNEXURE A – 6.**

12. That the Applicant / Resolution Professional convened the 3rd CoC meeting of the Corporate Debtor on 17.09.2024, wherein it was apprised to the CoC regarding status of claims received. Further, the Applicant / Resolution Professional informed member regarding hearing of Section 19 (2) application bearing I.A. No. 4285 of 2024 held on 05.09.2024, delay in publication of 'Form G' for inviting Expression of Interests due to delay in receipt of information from the suspended board of directors of the Corporate Debtor. Further, discussion took place for appointment of Statutory Auditors for audit, etcetera. The resolutions were put to vote and passed with 100% majority voting. Copy of minutes of 3rd meeting of the Committee of Creditors dated 17.09.2024 is annexed herewith and marked as **ANNEXURE A – 7.**

13. That the Applicant / Resolution Professional convened the 4th CoC meeting of the Corporate Debtor on 14.10.2024, wherein the Applicant apprised the CoC member regarding status of claims received after 03rd CoC meeting. Further, the Applicant / Resolution Professional informed members regarding hearing of Section 19 (2) application, valuation of Plant & Machinery, appointment of statutory auditors, etcetera. Copy of minutes of 4th meeting of the Committee of Creditors dated 14.10.2024 is annexed herewith and marked as **ANNEXURE A – 8.**

14. That the Applicant / Resolution Professional convened the 5th CoC meeting of the Corporate Debtor on 15.11.2024, wherein, the Applicant / Resolution Professional apprised the CoC member regarding status of receipt of claims after 4th meeting of CoC from operational creditors which were under verification at that point of time. Further, the RP informed members regarding pendency of Section 19 (2) application, valuation of Plant & Machinery, appointment of statutory auditors, ratification of CIRP costs, etcetera. Copy of minutes of 5th meeting of the Committee of Creditors dated 15.11.2024 is annexed herewith and marked as **ANNEXURE A – 9.**

15. That the Applicant after verification of claims received after 4th meeting of CoC filed an application bearing I.A. No. 5939 of 2024 for placing on record the revised list of creditors. That the application was listed before this Hon'ble Adjudicating Authority on 17.12.2024, wherein, this Hon'ble Adjudicating Authority allowed the application taking on record the revised list of creditors. Copy of Order dated 17.12.2024 passed by this Hon'ble Adjudicating Authority in I.A. No. 5939 of 2024 is annexed herewith and marked as **ANNEXURE A – 10.**

16. That the Applicant / Resolution Professional convened the 6th CoC meeting of the Corporate Debtor on 09.12.2024, wherein, the Applicant / Resolution Professional apprised the CoC member regarding absence of suspended directors from the meeting and further informed the member of CoC the structure of the Agenda for the businesses to be transacted at the meeting of the CoC. It was informed that due to the non-receipt of adequate information from the suspended Board of Directors of the Corporate Debtor, publication of 'Form G' is still pending. However, as promised by suspended directors few days back, some more financial data have been received on 06.12.2024 and 08.12.2024, which are currently under verification and will be used further for updating the Information Memorandum and publication of 'Form G' in few days. Furthermore, the Applicant / Resolution Professional apprised the members regarding the expiry of CIRP period of 180 days on 17.12.2024, and accordingly, the Applicant / Resolution Professional will have to file an application for either the extension of CIRP period or for liquidation of the Corporate Debtor. After deliberation and discussion, the CoC member deemed it fit to file an extension application seeking extension of 90 days. The agenda item was put for voting before the member of CoC and it was passed with 100% voting in favour of the resolutions. Copy of minutes of 6th CoC meeting dated 09.12.2024 is annexed herewith and marked as **ANNEXURE A – 11.**

17. That the extension application bearing I.A. No. 6116 of 2024 was listed before this Hon'ble Adjudicating Authority on 02.01.2025, wherein, this Hon'ble Adjudicating Authority was pleased to grant an extension of 90 days with effect from 18.12.2024.

18. It is further submitted that the Applicant / Resolution Professional convened 7th meeting of CoC of the Corporate Debtor on 09.01.2025, wherein, the Applicant / Resolution Professional apprised the CoC member regarding granting of extension of 90 days by this Hon'ble Adjudicating Authority and further publication of 'Form G' for invitation of Expression of Interest and updating of Information Memorandum as per Regulation 36 of CIRP Regulations, 2016. Copy of minutes of 7th CoC meeting dated 09.01.2025 is annexed herewith and marked as **ANNEXURE A – 13.**

19. It is respectfully submitted that after seeking extension of 90 days from this Hon'ble Adjudicating Authority, the Applicant / Resolution Professional proceeded with the publication of 'Form G' for inviting expression of interest and resolution plan proposal from interested / prospective resolution applicants. Accordingly, the Applicant / Resolution Professional published 'Form G' on 14.01.2025 with the last date for receipt of Expression of Interest being 29.01.2025 and the last date for submission of resolution plan being 30.03.2025. Copy of 'Form G' dated 14.01.2025 is annexed herewith and marked as **ANNEXURE A – 14.**

20. It is submitted that the Applicant / Resolution Professional convened 8th meeting of the CoC of the Corporate Debtor on 08.02.2025 wherein, the Applicant / Resolution Professional apprised the members regarding receipt of EOI and other documents pursuant to publication of 'Form G' and informed members that till date, the Applicant / Resolution Professional has received a total of 07 EOI from the PRAs and the same was placed before the CoC member for their information. Further, the members were apprised regarding time limit within which the CIR Process to be completed. The RP updated the CoC about the publication of Form G on 14th January 2025 in English and Hindi edition of Business Standard Newspaper circulating in Delhi & NCR. It was noted that till the last date of receipt of EOI i.e., 29.01.2025 and further till the sending of notice of this meeting, the RP has received total of 07 EOI from the PRAs and the same was placed before the CoC member for their

information. Copy of minutes of 8th CoC meeting dated 08.02.2025 is annexed herewith and marked as **ANNEXURE A – 15.**

21. It is submitted that the Applicant / Resolution Professional convened 9th meeting of the CoC of the Corporate Debtor on 24.02.2025 wherein, the Applicant / Resolution Professional apprised the members regarding developments in the CIRP of the Corporate Debtor. The Applicant apprised that the Provisional List of PRAs was published on 08.02.2025. However, there were some discrepancies in EOI submitted by 2 PRAs and therefore their names were omitted from the final list of PRAs. As there were no objection received till the last date of receipt of objection i.e., 13.02.2025 against the remaining PRAs from any one, subject to other terms and conditions, all the remaining PRAs are eligible to receive the copy of IM & RFRP along with annexures. Copy of minutes of 9th CoC meeting dated 24.02.2025 is annexed herewith and marked as **ANNEXURE A – 16.**

22. It is submitted that the Applicant / Resolution Professional convened the 10th meeting of the CoC of the Corporate Debtor on 11.03.2025 wherein, the Applicant / Resolution Professional apprised the members regarding developments in the CIRP of the Corporate Debtor. Further, the Applicant apprised the members regarding status of statutory audit, forensic audit, opening of CIRP Bank Account, receipt of request for renewal of Bank Guarantee in favour of of Deputy Commissioner, State Tax, Enforcement Unit, CT & GST Enforcement range, Rourkela, Odisha. Furthermore, the Applicant / Resolution Professional discussed with the member that the CIRP period of the Corporate Debtor is coming to an end on 17.03.2025. In view thereof, the members discussed that the RP has already received 7 EOI for submission of Resolution Plan and further a refundable security amounting to Rs. 2 Lakh has also received from one of the PRAs i.e., Mr. Sandeep Sharma and Mr. Puneet Tyagi. Accordingly, the RP is of the opinion that he will have to file another application before this Hon'ble Adjudicating Authority for the extension of CIRP period, so that process of resolution and maximization of value of the Corporate Debtor could be achieved. The matter was discussed with the CoC and after detailed discussion, the CoC passed the resolution for seeking extension by 60 days to complete the process.

Copy of minutes of 10th CoC meeting dated 11.03.2025 is annexed herewith and marked as **ANNEXURE A – 17.**

23. That the extension application bearing I.A. No. 1590 of 2025 was listed before this Hon'ble Adjudicating Authority on 08.04.2025, wherein, this Hon'ble Adjudicating Authority was pleased to grant an extension of 60 days with effect from 18.03.2025. Copy of Order dated 08.04.2025 passed by this Hon'ble Adjudicating Authority in I.A. No. 1590 of 2025 is annexed herewith and marked as **ANNEXURE A – 18.**

24. That the Applicant thereafter convened 11th meeting of the CoC on 08.04.2025, wherein, the Applicant apprised the members regarding receipt of resolution plan by one PRA Mr. Sandeep Sharma and Mr. Puneet Tyagi and that the RP is currently in the process of verifying the plan as per the provisions of Code and Regulations. Further, the RP apprised the members that after receipt of audited financial statements as on 31/03/2021 and documents submitted by GST Department Sambalpur, it has been observed that as per order dt. 17.10.2020 u/s 130 of the Orissa GST Act and Section 11 of the Compensation of states Act, a tax, penalty and fine was imposed on the CD amounting to Rs. 5,05,28,326/- and demanded by the proper officer of CT & GST Act Enforcement Unit, Rourkela. Against this demand, the CD preferred an appeal and simultaneously deposited an amount of Rs. 3,03,16784/- and further submitted GST INS-04 with 2 bank guarantees for the balance amount amounting to Rs. 1,51,74,379/- and Rs. 50,37,000/-. The above said bank guarantees have been further revalidated on 26.02.2024 which was valid upto 27.02.2025. As the bank guarantee has expired now, the GST Sambalpur and officials of Karnataka Bank, Sambalpur has requested for the renewal of bank guarantee. However, as the CD is currently under CIRP period and moratorium has been imposed w.e.f. 11/06/2024, the RP preferred to obtain legal opinion in respect of the same before moving forward in this matter. Copy of minutes of 11th CoC meeting dated 08.04.2025 is annexed herewith and marked as **ANNEXURE A – 19.**

25. That the Applicant thereafter convened 12th meeting of the CoC on 28.04.2025, wherein, the Applicant apprised the members that a mail was sent to the GST

department on 17/04/2025 informing them about inability to renew the bank guarantee bearing BG No. 20747BG000005 for Rs. 1,51,74,379/- and BG No. 20747BG000006 for Rs. 50,37,000/-. Therefore, the RP has also instructed the Karnataka Bank, Sambalpur to discontinue the FD Account No. 747150020006520l and 7471500200065101 being maintained in the name of K Y Tobacco Works Private Limited with immediate effect and credit the entire maturity proceeds in the account no 7472000100009901 being maintained with the above said bank in the name of K Y Tobacco Works P Limited. Further, the RP is in constant touch with the concerned official of Karnataka Bank, Sambalpur for discontinuation of above said FDs, who intimated that they have referred the matter to their legal team and amount of FD along with interest is expected to be credited in the bank account of CD soon. Further, the RP shared updates on IM and Forensic Audit Report. Further, the discussion took place qua the resolution plan submitted by PRA namely Mr. Sandeep Sharma and Mr. Puneet Tyagi and further request was made for the improvement of the Resolution Plan, before the same could be placed before the CoC for their approval. Copy of minutes of 12th CoC meeting dated 28.04.2025 is annexed herewith and marked as **ANNEXURE A – 20.**

26. That the Applicant thereafter convened 13th meeting of the CoC on 07.05.2025, wherein, the Applicant apprised the member about discontinuation of FD issued previously in favour of GST, Rourkela and receipt of FD amount along with interest amount in the bank account of the Corporate Debtor. Further, the RP informed the CoC that legal and technical vetting report has been received by the RP highlighting some of non-compliances of the Resolution Plan and as discussed with CoC the same has been forwarded and shared with RA for making necessary correction in line with the provisions of Code and IBBI Regulations and submission of amended resolution plan before CoC for final discussion and approval. Further, the RP apprised the members that the RA has shown his willingness to visit the godown, where all the assets of the Corporate Debtor have been kept and only then he would be able to discuss the same with his financial consultant and submit the revised resolution plan, the CIRP period of the Corporate Debtor is coming to an end on 16th May 2025 and

it would not be possible to complete the entire processes within a week, hence it is advisable to go for another extension of 30 days. On 05th May, 2025, the RA visited the godown and therefore intimated to the RP that he is working on the improvement of resolution plan and he would be able to submit the revised resolution plan only latest by 13th May 2025. Accordingly, the RP updated the CoC member that it would take another 15-30 days before he would be able to verify the revised resolution plan, to call CoC meeting for discussion and approval, preparation of Form H and thereafter filling of application for approval of resolution plan u/s 30(6) of the Code. Accordingly, after deliberation and discussion, the CoC passed the resolution for filing of an application before this Hon'ble Adjudicating Authority for seeking extension of 30 days with effect from 17.05.2025. The resolution is reproduced hereinbelow for better understanding: -

> *"RESOLVED THAT in terms Section 12(2) of Insolvency and Bankruptcy Code, 2016, read with Regulation 40 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the consent of Committee of Creditors, be and is hereby accorded for extending the time period for completion of CIRP of K.Y. Tobacco Works Private Limited by 30 days from the 330th day, which is expiring on 16.05.2025.*
>
> *"RESOLVED FURTHER THAT the Resolution Professional, Mr. Varun Vashisht be and is instructed and authorised to file an application in terms of Section 12(2) of the Insolvency and Bankruptcy Code, 2016 for seeking an extension of time period by 30 days for completing the Corporate Insolvency Resolution Process of Corporate Debtor."*

Copy of minutes of 13th CoC meeting dated 07.05.2025 are annexed herewith and marked as **ANNEXURE A – 21.**

27. It is submitted that the Applicant convened the 14th CoC meeting of the Corporate Debtor on 16.05.2025, wherein, the Applicant apprised the CoC regarding receipt of the hard copy of revised and substantially improved Resolution Plan (as suggested by CoC) from the R.A. i.e., Mr. Sandeep Sharma and Mr. Puneet Tyagi at his office on

Tuesday evening dt. 13th May, 2025. Further, the Applicant apprised that I.A No. 4285 of 2024 filed against the non-cooperation by the suspended directors of the Corporate Debtor is listed on 10.07.2025. As books of accounts upto the date of commencement of CIRP and assets of the Corporate Debtor have been handed over by them, the Applicant has decided to withdraw the above-mentioned application. Further, the Applicant apprised the members regarding filing of an application for seeking 30 days extension, which was pending before this Hon'ble Adjudicating Authority. Copy of minutes of 14th CoC meeting dated 16.05.2025 is annexed herewith and marked as ANNEXURE A – 22.

28. It is submitted that the Applicant during the pendency of extension application convened the 15th CoC meeting on 27.05.2025, wherein the Applicant put forth the hard copy of Revised / modified and improved Resolurion Plan from the Resolution Applicant i.e., Mr. Sandeep Sharma and Mr. Puneet Tyagi. The Applicant apprised the members that he has gone through the revised / modified and improved Resolution Plan dated 13.05.2025 and found that all the non-compliances recorded in the legal compliance report has been taken care of and further is of the opinion that same can be placed for discussion, deliberations and approval, if any. The Applicant further apprised the members that as per regulation 39 (3) of CIRP Regulations, 2016, the committee shall:

a. Evaluate the resolution plan received under sub-regulation (2) as per evaluation matrix.

b. Record its deliberations on the feasibility and viability of resolution plan; and

c. Vote on such resolution plan, simultaneously.

The RP further shared the due diligence / legal compliance report of the revised / modified Resolution Plan with the evaluation matrix along with revised / modified Resolution Plan before the CoC.

29. It is submitted that the Resolution Plan submitted by Mr. Sandeep Sharma and Mr. Puneet Tyagi was circulated to all member/s of CoC on 25.05.2025 for discussion in

the 15th CoC meeting to be held on 27.05.2025. In furtherance of the same, the Resolution Plan was put up for voting along with the other agenda items. It is submitted that the Resolution Plan submitted by Resolution Applicant was placed before the CoC in the 15th CoC meeting for voting. The CoC approved the Resolution with 100% votes in favour, thereby approving the Resolution Plan submitted by Mr. Sandeep Sharma and Mr. Puneet Tyagi wherein the following resolution was put up for voting:

> "*RESOLVED THAT having satisfied about the feasibility and viability of revised / modified resolution plan proposed by Mr. Sandeep Sharma and Mr. Puneet Tyagi, the same be and is hereby approved in terms of section 30(4) of the Insolvency & Bankruptcy Code, 2016.*"
>
> "*RESOLVED FURTHER THAT the Resolution Professional be and is hereby authorised to submit an application u/s 30(6) of Insolvency and Bankruptcy Code, 2016 with the Hon'ble AA for approval of revised / modified resolution plan as approved by the Committee of Creditors.*"

Copy of minutes of meeting of 15th meeting of the CoC of the Corporate Debtor convened on 27.05.2025 along with the voting results are annexed herewith and marked as **ANNEXURE A – 23 (COLLY).**

30. It is submitted that the Applicant filed an application bearing I.A. No. 2404 of 2025 seeking extension of 30 days beyond 330 days with effect from 17.05.2025 which was granted by this Hon'ble Adjudicating Authority vide Order dated 02.06.2025. Copy of Order dated 02.06.2025 passed by this Hon'ble Adjudicating Authority in I.A. No. 2404 of 2025 is annexed herewith and marked as **ANNEXURE A – 24.**

The application also contains the brief contours qua the Resolution Plan. The same are described in paras 31 to 36 of the application, which read thus:

BRIEF CONTOURS OF APPROVED RESOLUTION PLAN

31. That the brief contours of the Resolution Plan submitted by Mr. Sandeep Sharma and Mr. Puneet Tyagi (Co – Applicants / Successful Resolution Applicant ("SRA") which has been approved with voting share of 100% of the CoC of the Corporate Debtor is as follows:

i. Mr. Sandeep Sharma (Applicant) is a dynamic business specialist and result driven management professional with around one and half decade of experience in FMCG industry. He has exposure in retail infrastructure and launching new brands and products in various markets across states across the country and abroad.

ii. Mr. Puneet Tyagi (Co – Applicant) is a result driven business professional and is presently the director of Enchant Food & Beverages Private Limited, Enchant Packaging Private Limited and the designated partner of AFNB Business Line LLP. Having an experience of over 12 years in Operations and Project Management, he has established himself as a visionary leader in the field of industrial and manufacturing operations.

iii. The Financial Outlay and Implementation Schedule, as proposed under the approved Resolution Plan is as follow: -

S. No	Particulars	Financial Proposal by Resolution Applicant
1.	**Payment of CIRP Cost in priority to payment of other outstanding debts of the Corporate Debtor**	**INR 33,73,948/-** The Resolution Applicant proposes to pay the CIRP costs in full and in priority over payments to be made to any other creditors, ***(Refer: Clause 9.2. at Page No. 18 of the Plan and Clause 9.4 at Page No. 19-20 of the Plan)***
2.	**Payment to Secured Financial Creditor**	**INR 2,03,50,137/-** The Resolution Applicant has proposed to pay a sum of Rs. 2,03,50,137 to the sole Financial Creditor i.e., Tarini Enterprises Limited within 90 days from approval of Resolution Plan by Hon'ble NCLT;

		(Refer: Clause 9.5 at Page No. 20 of the Plan)
3.	**Payment to Operational Creditors (Other than Govt. Dues and Workmen & Employees)**	**INR 1,85,58,832/-** The Resolution Applicant has proposed to pay an amount of Rs. 1,85,58,832/- to be paid to Operational Creditors within 90 days from the date of Approval of Resolution Plan by Hon'ble NCLT in priority to payment to financial creditors. ***(Refer Clause 9.8 at Page No. 27-28 of the Plan)***
4.	**Payment to Operational Creditors (Government Dues / Taxes)**	**INR 54,12,797/-** The SRA has proposed to pay an amount of Rs. 54,12,797/- to be paid to Operational Creditors (Government dues / taxes) within 90 days from the date of approval of Resolution Plan by Hon'ble NCLT in priority to payment to Financial Creditors. **(Refer Clause 9.7 @Page No. 24-27 of the Plan)**
5.	**Payment to Operational Creditors (Workmen and Employee dues)**	The admitted claim under the said category is NIL as there are no claims as per the Information Memorandum, the Resolution Applicant has proposed to make NIL payment towards Workmen & Employees. **(Refer: Clause 9.6 at Page No. 23-24 of the plan)**
6.	**Payment to Dissenting Financial Creditors**	**NIL** The Regulation 38 (1) (b) of the CIRP Regulations, 2016 mandates that the

		Resolution Applicant shall pay dissenting financial creditors in priority over assenting financial creditor, however since CoC constitutes of sole Financial Creditor, the requirement of paying dissenting FC in priority over assenting financial creditors does not arise. **Clause 34.2 @Page No. 60 of the plan)**

Copy of the Resolution Plan dated 13.05.2025 submitted by Mr. Sandeep Sharma and Mr. Puneet Tyagi (Successful Resolution Applicant ("SRA") duly approved by the CoC in the 15th CoC meeting dated 27.05.2025 along with Due Diligence Report of Resolution Plan are annexed herewith and marked as ANNEXURE A – 25 (COLLY).

32. **That the requirements of Section 30(2) of the Code are as under: -**

Provisions under Section 30 (2) of the Code	Compliance under Resolution Plan
(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor	The SRA proposes to pay the CIRP costs in full and in priority over payments to be made to any other creditors, within 90 days of the Plan Approval Date. The estimated cost as on the date of submission of Resolution Plan is stated to be of Rs. 33.73 Lakhs.
(b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than- *(i) the amount to be paid to such*	The SRA has proposed to pay operational creditors whose claims have been admitted from the Plan Approval date by Hon'ble NCLT in accordance with Section 30(4) and 53(1) of the Code and

creditors in the event of a liquidation of the corporate debtor under section 53; or *(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53, whichever is higher and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.* *Explanation 1.-For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.* *Explanation 2.-For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process*	in priority to payments to Financial Creditor.(Clause 9.7.2 at page 24 & Clause 9.8.2 at page 27 of the Resolution Plan) The SRA has proposed NIL payment to dissenting financial creditors. Regulation 38 (1) (b) of the CIRP Regulations, 2016 mandates that the Resolution Applicant shall pay dissenting financial creditors in priority over assenting financial creditors, however, since CoC constitutes of sole Financial Creditor, the requirement of paying dissenting FC in priority over assenting financial creditors does not arise. **Clause 34.2 @Page No. 60 of the plan)**

of a corporate debtor- *(iii) where a resolution plan has not been approved or rejected by the Adjudicating Authority;* *(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or* *(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;]*	
(c) provides for the management of the affairs of the Corporate debtor after approval of the resolution plan	The SRA has proposed for management of affairs of the Corporate Debtor vide Clause 23 to 28 of the Resolution Plan @Page No. 44-55 of the plan.
(d) the implementation and supervision of the resolution plan	The Resolution Applicant has proposed in clause 23 (page 44-48 of the plan) to constitute the Monitoring Committee for implementation and supervision of the Resolution Plan. As per clause 23.5 of plan, Monitoring Committee shall consist of one nominee of Resolution Applicant, one nominee of Financial Creditors and Resolution Professional being the chairman of the Monitoring Committee for implementing and supervising the Resolution Plan.

	The Monitoring Committee will be headed by the present Resolution Professional (Applicant).
(e) does not contravene any of the provisions of the law for the time being in force	The SRA has declared that the various terms & conditions and proposed measures of the Resolution Plan does not contravene any of the provisions of the law for the time being in force (Clause 31 at page 59 of the plan) and abundant caution shall be taken to ensure that no laws are contravened by the SRA.
(f) conforms to such other requirements as may be specified by the Board.	The SRA has stated that the Resolution Plan has been prepared taking every aspect into consideration so as to conform with such other requirements as may be specified by IBBI. (Clause 34.6 at page 60 of Plan)

33. The SRA in ***Clause 30 at Page 58-59*** of the approved Resolution Plan has stated that no avoidance applications are being pursued in relation to the Corporate Debtor. Therefore, the manner in which such proceedings will be pursued after approval of the Resolution Plan does not arise.

34. That pursuant to approval of the Resolution Plan by the CoC, the Applicant issued a Letter of Intent dated 27.05.2025 to the Resolution Applicant requesting to submit Performance Bank Guarantee ***("PBG")*** which has been deposited by the SRA in the form of Demand Draft of Rs. 1.25 Crore as per the Clause 1.2.2 of RFRP which has been encashed in the bank account of the Corporate Debtor bearing Account No. 52605900724 with Standard Chartered Bank, Hauz Khas, New Delhi. Further, for the said amount a Fixed Deposit has been created in the name of the Corporate Debtor with Standard Chartered Bank, Hauz Khas, New Delhi.

35. It is submitted that the Letter of Intent sent by the Applicant was duly acknowledged by the SRA on 27.05.2025. Copy of acknowledgment of SRA of Letter of Intent sent by the Applicant is annexed herewith and marked as **ANNEXURE A – 26.** Copy of proof of submission of Performance Bank Guarantee in the form of Demand Draft submitted by the Resolution Applicant is annexed herewith and marked as **ANNEXURE A – 27**. Copy of Fixed Deposit Receipt is annexed herewith and marked as **ANNEXURE A-28**.

36. That the Liquidation value of the assets of the Corporate Debtor based on valuation reports obtained from the following valuers are as follows:

CLASS OF ASSETS: PLANT & MACHINERY & OFFICE EQUIPMENT					
S. No	Name of Registered Valuer	Fair Value (In Rs.)	Liquidation Value (In Rs.)		
1.	AAA Valuation Professionals LLP	2,53,78,650/-	1,79,74,456/-		
2.	Gtech Valuers Pvt. Ltd.	2,68,54,000/-	1,63,55,000/-		
3.	Average Value	2,61,163,25/-	1,71,64,728/-		
4.	Liquid Assets	51,44,988/-*	51,44,988/-*		
Total		3,12,61,313/-	2,23,09,716/-		

*Received as Interest on 2nd May 2025 on FD towards Bank Guarantee amounting to Rs. 2,02,11,379/- created in favour of GST Sambalpur, Orissa.

Copy of Valuation Reports prepared by the Registered Valuers are annexed herewith and marked as **ANNEXURE A – 29.** Copy of last audited balance sheet of the Corporate Debtor as on 31.03.2024, 31.03.2023 are annexed herewith and marked as **ANNEXURE A – 30 (COLLY.)**.

1. Mr. Abhishek Anand, Ld. Counsel for the applicant could take us through the Resolution Plan. The plan contains the provisions regarding payment of CIRP costs. The relevant excerpt of the resolution plan reads thus:-

9.4 **CIRP Cost- Rs 33,73,948 (Rupees Thirty-three Lakhs Seventy-three Thousand Nine Hundred and Forty-eight) (Based on Information provided by the RP).**

9.4.1 The estimated CIRP Costs as on April 30, 2025 is Rs. 33,73,948 (Rupees Thirty-three Lakhs Seventy-three Thousand Nine Hundred and Forty-Eight) as per the information provided by the Resolution Professional shall be paid in priority in accordance with the cash settlement payment schedule prescribed in Clause 9.3. Further, CIRP Cost which may be incurred by Resolution Professional up to the Operations Commencement Date shall be paid by the Resolution Applicants. The CIRP Costs up to the Operations Commencement Date shall be paid in full and in priority to other Creditors by the Resolution Applicant.

9.4.2 The CIRP Cost will be paid within Ninety (90) days from the date of NCLT's Order approving the Resolution Plan. This amount has been calculated in accordance with Section 30 (4) read with Section 53(1).

2. Mr. Abhishek Anand, Ld. Counsel for the applicant (RP) submitted that there is no Dissenting Creditor qua the resolution process. Our attention is drawn to Clause-9.2 of the Resolution Plan, which contains provisions regarding the treatment of the claims of various stakeholders as well as the CIRP Costs. The particular clause of the Resolution Plan reads thus:-

9.2 Details of Payment under Resolution Plan

The payments towards CIRP Costs and to the Financial Creditor and Operational Creditor under this Resolution Plan shall be made by the Resolution Applicants through the SPV being Enchant Packaging Private Limited, which is under the control of the Resolution Applicants, in the following manner:

S. No.	Particulars	Value of CIRP Cost/Claims admitted by RP (In Rupees)	% of claim	Payment proposed under Plan (In Rupees)
			%	
a.	CIRP Cost*	33,73,948	-	33,73,948
b.	Workmen & Employees	-	-	-
c.	Operational Creditors Government Dues**	2,16,51,18,783	93.40	54,12,797
d.	Operational Creditors other than government Dues, workmen & employees***	13,25,55,453	5.72	4,87,80,407
e.	Secured Financial Creditor	2,03,50,137	0.88	2,03,50,137
	Total:	**2,32,10,24,373**	**100.00**	**7,79,17,289**

* In case of any higher amount which remains outstanding at a later stage until the Operations Commencement Date, the said additional outstanding amount shall be paid in full and in priority to other Creditors by the Resolution Applicant. It is clarified that the entire CIRP Costs recoverable by the RP shall be paid in full and in priority to other Creditors by the Resolution Applicants.

As inserted vide notification no. IBBI/2022-23/GN/REG 091, dated 13.09.2022 under Reg. 34 B of CIRP Regulations performance-linked incentive fee at the

3. The Resolution Plan also provides for the constitution of Monitoring Committee to ensure compliance with the provisions of Section 30(2) (c) read with Section 30(2) (d) of the Insolvency and Bankruptcy Code, 2016. The relevant excerpt of the plan reads thus:-

27. IMPLEMENTATION AND SUPERVISION OF THE RESOLUTION PLAN DURING TERM OF THE RESOLUTION PLAN

27.1 On and from the effective date, the Monitoring Committee appointed shall be responsible for overall supervision and implementation of the Resolution Plan as approved by the Hon'ble NCLT. The Monitoring Committee shall exercise the powers of the Board of Directors of the Corporate Debtor from the Effective Date only up to the Operations Commencement Date. From the Operations Commencement Date, the management and control of the Company shall vest in the reconstituted Board of Directors. However, the Monitoring Committee will remain in existence till the full payment is made as perceived in the Resolution Plan.

27.2 The Monitoring Committee shall submit the quarterly progress reports to the Hon'ble NCLT from time to time as may be mandated by Regulation 38(4)(c) of CIRP Regulations.

4. We could also see from the plan that it contains the provisions regarding the terms thereof and implementation schedule in terms of Regulation 38(2)(a) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 as also the implementation provisions. The relevant excerpt of the plan reads thus:

SCHEDULE 13: IMPLEMENTATION SCHEDULE

Steps	Particulars of Implementation	Indicative Timelines (days)
1.	Approval of Resolution Plan by Adjudicating Authority	T
2.	Formation of Monitoring Committee	T+5
3.	Infusion of Resolution Plan amount and Payment towards CIRP Costs, amount due to the financial creditor, amount due to the Operational Creditor (Government Dues) and amount due to the Operational Creditor (other than government dues, workmen and employees)	T+90
4.	Dissolution of the Monitoring Committee and Constitution of Board of Directors	T+90
5.	Allotment of equity shares to the SPV and infusion of funds for working capital requirements by way of loans.	T+91
6.	Handover of assets and records of the Corporate Debtor by the Resolution Professional	T+105

5. The plan also contains a clause that indicates provisions regarding funding and sources of funds to be available for the implementation of the Resolution plan. The provisions in this regard read thus:-

17. SOURCES OF FUNDS

17.1 In this Resolution Plan, the total amount of Rs. 7,95,49,571 (Rupees Seven Crores Ninety-Five Lakhs Forty Nine Thousand Five Hundred and Seventy-One Only) is proposed to be infused by the Resolution Applications out of which an amount of Rs. 7,79,17,289 (Rupees Seven Crores Seventy Nine Lakhs Seventeen Thousand Two Hundred and Eighty Nine) shall be disbursed by Resolution Applicants as cash settlement amount and Rs. 16,32,282 (Rupees Sixteen Lakhs Thirty Two Thousand Two Hundred and Eighty Two) shall be infused for meeting initial working capital needs of the Corporate Debtor. The said funds for the purpose are readily available in the following manner:

17.1.1 Mr. Sandeep Sharma and Mr. Puneet Tyagi (Resolution Applicants) will fund the Resolution Plan to the full extent from own sources and shall pay the cash settlement account through the SPV which is under complete control/management of the Resolution Applicants. If necessary, loan facility may be availed by the Resolution Applicants or the SPV as the case may be, and such loan shall be arranged without any obligation on the members of the CoC.

17.1.2 As on date, Mr. Sandeep Sharma and Mr. Puneet Tyagi cumulatively have a net worth of Rs. 9,75,50,000 (Rupees Nine Crores Seventy-Five Lakhs Fifty Thousand Only). Net Worth Statement of the Resolution Applicants is attached as **Schedule-2A** and **Schedule-2B**. The Resolution Applicants are not disqualified under Section 29A of the Code.

17.2 **Disbursement of Rs. 7,95,49,571 (Rupees Seven Crores Ninety-Five Lakhs Forty-Nine Thousand Five Hundred and Seventy-One Only) will be as follows:**

17.2.1 An amount of Rs. 2,53,56,367/- (Rupees Two Crores Fifty-three Lakhs Fifty-six Thousand Three Hundred and Sixty-seven only) recovered by the Corporate Debtor from the discontinuation of the Fixed Deposit created in favour of the GST Department, Rourkela, shall be utilized for repayment of CIRP Cost, payment to Financial Creditor and the initial working capital requirement for CD. The remaining Resolution Plan amount shall be infused in the SPV for payment of Operational Creditors as stated in Clause 17.2.2 and ii. However, the disbursement shall be made in accordance with Reg 38(1)(a) and applicable provisions of the IBC, 2016.

17.2.2 A total amount of Rs. 5,41,93,204 (Five Crores Forty-One Lakhs Ninety-Three Thousand Two Hundred Four) shall be infused by the Resolution Applicant for payment to the Operational Creditors as an Unsecured Loan to SPV for implementation of the Resolution Plan in the following manner -

i. Rs. 5,00,000 (Rupees Five Lakhs Only)- Against Allotment of Equity Shares in CD to SPV – in the form of 50,000 (Fifty Thousand) Equity Shares of Rs. 10 each to the SPV being Enchant Packaging Private Limited.

ii. The entire existing shareholding of the CD shall be extinguished.

iii. Rs. 5,36,93,204 (Rupees Five Crores Thirty-Six Lakhs Ninety-Three Thousand Two Hundred and Four only)- As an interest free Unsecured Loan to the CD by the SPV for the implementation of the Resolution Plan.

The Resolution Applicants shall fund the above-stated amount by way of an interest-free unsecured loan to the SPV, which shall be further utilised for the implementation of this Resolution Plan. Accordingly, no charge/liability shall be created on the SPV during the implementation period of the Resolution Plan.

17.3 All the existing equity shares in the CD shall be cancelled and extinguished as a result of implementation of this Resolution Plan when the same would be approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 without any further action or deed.

17.4 The existing Board of Directors shall be replaced by the reconstituted Board consisting of the following Directors:

1. Mr. Sandeep Sharma (DIN: 03622712)
2. Mr. Puneet Tyagi (DIN: 09473488)

17.5 All the above said persons proposed to appointed as Directors of the CD are not disqualified under Section 29A of the Code.

6. Although the SRA has sought relief and concession, it has also asserted in Clause 10 of the plan that the same will be implemented irrespective of whether any relief and concession are granted. The relevant excerpt of the Resolution Plan in this regard reads thus:-

SCHEDULE 10: RELIEFS, WAIVERS, AND EXEMPTIONS

The Resolution Applicants proposes following reliefs, waivers, concessions and exemptions that are considered essential and important for effective implementation of the proposed Resolution Plan and the same shall be the part of prayer to the NCLT in the Application to be filed by RP for approval of Resolution Plan. These relief and concessions are not assumed to be granted for sure and may be dealt with as per practice, procedure, provisions of applicable laws and orders passed by appropriate authorities.

7. The RP has enclosed with the plan application an affidavit given by the SRAs in terms of the provisions of Section 29A of the IBC, 2016. The relevant excerpt of the affidavits reads thus:-

SECTION 29A AFFIDAVIT

I, Sandeep Sharma, S/o Shri Mange Ram Sharma aged 38 years, residing at H. NO. C-186, Amar Colony, East Gokal Puri, New Delhi, Delhi-110094, do solemnly affirm and declare on oath as under: -

1. I understand that an insolvency resolution process has been initiated against K. Y. Tobacco Works Private Limited **(Corporate Debtor)** vide order dated 11.06.2024 **(Admission Order)** passed by National Company Law Tribunal, Court II, New Delhi **(Adjudicating Authority)** in an application filed by operational creditor against the Corporate Debtor under Section 9 of the Insolvency and Bankruptcy Code, 2016 (amended up to date) **(IBC)**.

2. I state that the present affidavit is sworn by me in compliance of Section 29A of the IBC.

3. I, and any other person acting jointly or in concert with me hereby confirm that:

(i) The Resolution Applicant and any connected person as per the Explanation I provided under section 29A of the IBC is not an undischarged insolvent; or

(ii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC, is not identified as a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949; or

(iii) At the time of submission of the revised Resolution Plan, the account of the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC or an account of the corporate debtor under the management or control of such person of whom such person is a promoter, is not classified as non-performing asset in accordance with the guidelines of the

Reserve Bank of India issued under the Banking Regulation Act, 1949 or guidelines of a financial sector regulator issued under any other law at the time being in force and at least a period of one year or more has lapsed from the date of such classification till the date of commencement of corporate insolvency resolution process of the corporate debtor and that I have not failed to make the payment of all overdue amounts with interest thereon and charges relating to non-performing asset before submission of Resolution Plan; or

(iv) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not been convicted for any offence punishable with imprisonment for 2 years or more under any Act specified in the Twelfth Schedule or for seven years or more under any law for the time being in force or a period of two years has expired from the date of release of such imprisonment; or

(v) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not been disqualified to act as a director under the Companies Act, 2013; or

(vi) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not been prohibited by the Securities and Exchange Board of India from trading in securities or assessing the securities markets; or

(vii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not indulged in preferential transaction or undervalued transaction or fraudulent transaction in respect of which an order has been made by the Adjudicating Authority under the IBC; or

(viii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not executed a guarantee in favor of a creditor, in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under the IBC and no such guarantee has been invoked by the creditor or remains unpaid in full or part; or

(ix) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC are not subject to any disability, corresponding to clauses mentioned above under any law in a jurisdiction outside India.

(x) That the Resolution Applicant unconditionally and irrevocably agrees and undertakes that it shall make full disclosure in respect of itself and all its connected persons as per the provisions of the CIRP and the rules and regulations framed there under to submit a revised Resolution Plan and that it shall provide all documents, representations and information as may be required by the RP or the COC to substantiate to the satisfaction of the RP and the COC that the Resolution Applicant is eligible under the IBC and the rules and regulations there under to submit a revised Resolution Plan in respect of Corporate Debtor.

(xi) That the Resolution Applicant unconditionally and irrevocably undertakes that we shall provide all data, documents and information as may be required to verify the statements made under this affidavit.

(xii) That the Resolution Applicant understands that the COC and the RP may evaluate the revised Resolution Plan to be submitted by the Resolution Applicant or any other person acting jointly with it and such evaluation shall be on the basis of the confirmations, representations and warranties provided by the Resolution Applicant under this affidavit.

(xiii) That the Resolution Applicant agrees that each member of the COC and the RP are entitled to rely on the statements and affirmations made in this affidavit for the purposes of determining the eligibility and assessing, agreeing and approving the Resolution Plan submitted by the Resolution Applicant.

(xiv) That in the event any of the above statements are found to be untrue or incorrect, then the Resolution Applicant unconditionally agrees to indemnify and hold harmless the RP and each member of the COC against any losses, claims or damages incurred by the RP and / or the members of the COC on account of such ineligibility of the Resolution Applicant.

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SECTION 29A AFFIDAVIT

I, Puneet Tyagi, S/o Shri Kuldeep Tyagi, aged 33 years, residing at 4/31 First Floor, Main Road, Bhola Nath Nagar, Shahdara, East Delhi, Delhi, India, 110032, do solemnly affirm and declare on oath as under: -

1. I understand that an insolvency resolution process has been initiated against K. Y. Tobacco Works Private Limited (**Corporate Debtor**) vide order dated 11.06.2024 (**Admission Order**) passed by National Company Law Tribunal, Court II, New Delhi (**Adjudicating Authority**) in an application filed by operational creditor against the Corporate Debtor under Section 9 of the Insolvency and Bankruptcy Code, 2016 (amended up to date) (**IBC**).

2. I state that the present affidavit is sworn by me in compliance of Section 29A of the IBC.

3. I, and any other person acting jointly or in concert with me hereby confirm that:

(i) The Resolution Applicant and any connected person as per the Explanation I provided under section 29A of the IBC is not an undischarged insolvent; or

(ii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC, is not identified as a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949; or

(iii) At the time of submission of the revised Resolution Plan, the account of the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC or an account of the corporate debtor under the management or control of such person of whom such person is a promoter, is not classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or guidelines of a financial sector regulator issued under any other law at the time being in force and at least a period of one year or more has lapsed from the date of such classification till the date of commencement of corporate insolvency resolution process of the corporate debtor and that I have not failed to make the payment of all overdue amounts with interest thereon and charges relating to non-performing asset before submission of Resolution Plan; or

(iv) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not been convicted for any offence punishable with imprisonment for 2 years or more under any Act specified in the Twelfth Schedule or for seven years or more under any law for the time being in force or a period of two years has expired from the date of release of such imprisonment; or

(v) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not been disqualified to act as a director under the Companies Act, 2013; or

(vi) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not been prohibited by the Securities and Exchange Board of India from trading in securities or assessing the securities markets; or

(vii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not indulged in preferential transaction or undervalued transaction or fraudulent transaction in respect of which an order has been made by the Adjudicating Authority under the IBC; or

(viii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC has not executed a guarantee in favor of a creditor, in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under the IBC and no such guarantee has been invoked by the creditor or remains unpaid in full or part; or

(ix) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC are not subject to any disability, corresponding to clauses mentioned above under any law in a jurisdiction outside India.

(x) That the Resolution Applicant unconditionally and irrevocably agrees and undertakes that it shall make full disclosure in respect of itself and all its connected persons as per the provisions of the CIRP and the rules and regulations framed there under to submit a revised Resolution Plan and that it shall provide all documents, representations and information as may be required by the RP or the COC to substantiate to the satisfaction of the RP and the COC that the Resolution Applicant is eligible under the IBC and the rules and regulations there under to submit a revised Resolution Plan in respect of Corporate Debtor.

(xi) That the Resolution Applicant unconditionally and irrevocably undertakes that we shall provide all data, documents and information as may be required to verify the statements made under this affidavit.

(xii) That the Resolution Applicant understands that the COC and the RP may evaluate the revised Resolution Plan to be submitted by the Resolution Applicant or any other person acting jointly with it and such evaluation shall be on the basis of the confirmations, representations and warranties provided by the Resolution Applicant under this affidavit.

(xiii) That the Resolution Applicant agrees that each member of the COC and the RP are entitled to rely on the statements and affirmations made in this affidavit for the purposes of determining the eligibility and assessing, agreeing and approving the Resolution Plan submitted by the Resolution Applicant.

(xiv) That in the event any of the above statements are found to be untrue or incorrect, then the Resolution Applicant unconditionally agrees to indemnify and hold harmless the RP and each member of the COC against any losses, claims or damages incurred by the RP and / or the members of the COC on account of such ineligibility of the Resolution Applicant.

8. The RP has enclosed with the plan a copy of the performance guarantee given in the form of Deposit Confirmation Advice ("Confirmation"). The details regarding the performance guarantee as given with the plan application read thus:-

ANNEXURE A - 28

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standard chartered

EST-ADV/EBBS_DC/13-Jun-2025/3545526

M/S K.Y TOBACCO WORKS PRIVATE LIMITED
R-8, SOUTH EXTENSION PART II,
NEW DELHI
DELHI
110049
INDIA

Date: 13-Jun-2025

DEPOSIT CONFIRMATION ADVICE

Re: Deposit No.	:	52663385081
In the Name Of	:	M/S K.Y TOBACCO WORKS PRIVATE LIMITED

We have pleasure in confirming the details of deposit received from you.

Branch	:	E 20, Ground Floor, Hauz Khas Market, New Delhi 110016
Type of Deposit	:	Res/NRO Short/Reinvest.dep Premat
Principal / Installment *	:	INR 12,500,000.00
Deposit Effective Date	:	12-Jun-2025
Term	:	181 Day/s
Funds Account No.	:	52605900724
Mandate	:	Special Instructions
Interest Rate % p.a.	:	6.50 Compounded Quarterly
Total Interest on the Deposit **	:	INR 406,157.00
Maturity Date	:	10-Dec-2025
Maturity Instructions - Principal	:	Repay INR to A/C No.52605900724
Maturity Instructions - Interest	:	Pay INR A/C No.52605900724
Nomination Detail	:	Nomination Not Held
Our Reference	:	EST-ADV/EBBS_DC/13-Jun-2025/3545526

Note:

1. This Deposit Confirmation Advise ("Confirmation") is a non-negotiable document.
2. This Confirmation must bear machine validation of Standard Chartered Bank ("Bank").
3. This Confirmation does not require any signature.
4. This counterfoil is only valid when initiated by an officer of the Bank or after validation by a teller's Machine.
5. The interest is subject to deduction of tax at source, where applicable.
6. In the Deposit Confirmation Advise, "Non Premat" or "NoPremat" refers to Non Premature Deposit and "Premat" refers to Premature Deposit.
7. The depositor, who is holding or is in possession of this Confirmation, is entitled to claim the deposit only if the deposit has not been withdrawn after the date of deposit as per the Bank's records and not otherwise.

9. The Successful Resolution Applicants (SRAs) have also addressed the cause of default, the viability and feasibility of the Resolution Plan, its effective implementation, and other requirements stipulated under Regulation 38(3) of the CIRP Regulations. It would be in the fitness of things to extract the relevant excerpt from the plan, which reads thus:-

SCHEDULE 4: CAUSE OF DEFAULT AND EFFECTIVE IMPLEMENTATION STATEMENT

In pursuance of Regulation 38(3)(a)

The prime reason for the financial condition of the Corporate Debtor getting stressed, leading to eventual default was the lack of planning in using the resources of the company in the right manner. The continuous pressure led to non-payment of the one of the Creditor who stopped the supply of the raw materials which resulted in halt of the operations of the Business of the Corporate Debtor. This resulted in losses followed by erosion of working capital. This made a huge financial impact and adversely affected the cash flow resulting in default in re-payment to creditors.

Statement in pursuance of Regulation 38(3)(c)

In order to re-establish the business operations of the Corporate Debtor and to scale up the same in line with market forces, the Resolution Applicants proposes the action plan at its sole discretion depending upon business exigencies and other relevant considerations, and non-adherence thereto shall not be deemed to be a non-compliance of the terms of this Plan.

The Resolution Applicants has extensive experience in the business activities. Equipped with the proposed team of professionals, the Resolution Applicants are quite confident & capable to work for expeditious and effective revival of the Corporate Debtor.

10. As can be seen from the annexure to the certificate given by the RP in the form of Form-H, the plan aligns with the provisions of Section 25(2)(h), 29A, 30, 31 and Regulations 38 & 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The relevant excerpt of the annexure reads thus:-

Annexure

Declarations with respect to compliances of provisions under Code and Regulations

I, Varun Vashisht, Resolution Professional of M/s KY Tobacco Works Private Limited hereby certify that-

(i) the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) including the provisions and Regulations as per the table below:

Section of the Code/ Regulation No.	Requirement with respect to Resolution Plan	Compliance (Y/N)	Relevant clause of resolution plan
Section 25(2)(h)	The Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD	Y	Brief Profile and background of the Resolution Application are mentioned in Clause 2 & Clause 3 (Page no. 5-8)
Section 29A	The Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority	Y	Yes, The Resolution Applicant was eligible to submit the Resolution Plan as per final list of PRAs published on 23.02.2025. Affidavit under Section 29A of the Code has been submitted by the RA.
Section 30(1)	The Resolution Applicant has submitted an affidavit stating that it is eligible as per Code	Y	Affidavit under Section 29A of the Code has been

			submitted by RA.
Section 30(2)	The Resolution Plan- (a)provides for the payment of insolvency resolution process costs; (b)provides for the payment to the operational creditors; (c)provides for payment to the financial creditors who did not vote in favour of the resolution plan; (d)provides for the management of the affairs of the corporate debtor; (e)provides for the implementation and supervision of the resolution plan; (f)does not contravene any of the provisions of the law for the time being in force.	Y	Clause 9.2. at Page No. 18 and Clause 9.4 at Page No. 19-20 Clause 9.7.2 at page 24 and 9.8.2 at Page No. 27 Clause 34.2 at Page No. 60 Section VI, Clause 23-28 at Page No. 44-55 Section VI, Clause 23 at Page No. 44-48 Clause 31 at Page No. 59
Section 30(4)	The Resolution Plan (a)is feasible and viable, according to the CoC; (b)has been approved by the CoC with 66% voting share.	Y	Clause 34.4 @Pg. No. 60 Approved by 100% voting rights in 15th CoC dt. 27.05.2025
Section 31(1)	The Resolution Plan has provisions for its effective implementation plan, according to the CoC	Y	Clause 23 @Pg. No. 44-48

Regulation 38 (1)	The amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors	Y	Clause 34.1 at Page No. 60
Regulation 38(1A)	The resolution plan includes a statement as to how it has dealt with the interests of all stakeholders	Y	Clause 18 at Page No. 36
Regulation 38(1B)	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If applicable, the Resolution Applicant has submitted a statement giving details of any such non-implementation.	Y	Clause 3.4 Page No. 8.
Regulation 38(2)	The Resolution Plan provides: (a)the term of the plan and its implementation schedule; (b)for the management and control of the business of the corporate debtor during its term; (c)adequate means for supervising its implementation	Y	Section VI, Clause 28 @Pg. No. 55 Section VI, Clause 23-28 @Pg. No. 44-55 Section VI, Clause 23 @Pg. No. 44-48
Regulation 38(3)	The resolution plan demonstrates that – (a)it addresses the cause of default; (b)it is feasible and viable; (c)it has provisions for its effective implementation; (d)it has provisions for approvals required and the timeline for the	Y	Schedule 4 @ Pg. No. 69 Clause 34.4 @Pg. No. 60 Clause 23 @Pg. 44-48 Clause 19.2 & 19.3 @pg. 37-38

	same; (e)the resolution applicant has the capability to implement the resolution plan.		Section – V, Clause 2,3 @Pg. No. 5-8
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	N	Clause No. 30 @Pg. No. 58-59
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B)	Y	Clause 8 at Page No. 17 (Details provided in Clause 5.1 of this Form)

(ii) the resolution plan does not contravene any of the provisions of the law for the time being in force.

(iii) that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom.

Varun Vashisht
Regn. No.
IBBI/IPA-001/
IP-P-01919/
2020-2021/
13141

Varun Vashisht
IP Registration No: IBBI/IPA-001/IP-01919/2020-2021/13141
Address as registered with the Board: R-8, South Extn., Part – II, New Delhi - 110049
Email id as registered with the Board: cavarunvashisht@gmail.com

Date: 13.06.2025
Place: New Delhi

11. The certificate furnished by the Resolution Professional also contains details regarding the distribution/realisation of amounts under the Resolution Plan among the various stakeholders. The relevant clause of the certificate in this regard reads thus:-

7B. Details of Realisable amount:

(Amount In Rupees)

Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed	Amount Admitted	Realisable amount under the plan	Amount realizable in plan to amount claimed (%)	
Secured Financial Creditors - Creditors not having a right to vote under sub-section (2) of section 21 - Dissenting - Assenting	2,03,50,137/-	2,03,50,137/-	2,03,50,137 /-	100%	Within 90 days from the date of approval of Resolution Plan by Hon'ble NCLT, Bench II, New Delhi
Unsecured	0.00	0.00	0.00	NA	NA
Financial Creditors -Creditors not having a right to vote under sub-section (2) of section 21 - Dissenting - Assenting					
Operational Creditors					
(i) Government	2,41,35,53,762 /-	2,16,51,18,783 /-	54,12,797/-	0.25%	Within 90 days from the date of approval of Resolution Plan by Hon'ble NCLT, Bench II, New Delhi
(ii) Workmen - PF dues - Other dues	0.00	0.00	0.00	NA	NA
(iii)Employees - PF dues - Other dues	0.00	0.00	0.00	NA	NA

(iv)Other Operational creditors	13,25,63,083	13,25,55,453	1,85,58,832	14%	Within 90 days from the date of approval of Resolution Plan by Hon'ble NCLT, Bench II, New Delhi
Other Debts and Dues	0.00	0.00	0.00	NA	NA
Shareholders	0.00	0.00	0.00	NA	NA
Total	**2,56,64,66,982**	**2,31,80,24,373**	**4,43,21,766**	**1.91%**	

12. We could also see that the value offered under the Resolution Plan is higher than the fair value of the Corporate Debtor. The relevant excerpt of the Form H, wherein fair value, liquidation value and the realisable amount has been mentioned, reads thus:-

7A. Realisable amount:

Sl. No.	Particulars	Description
1.	Total Realisable amount under the plan *(In case of real estate CDs, provide the monetary value of flats etc. given to allottees)*	4,76,95,714/-
2.	Fair Value	3,12,61,313/-
3.	Liquidation Value	2,23,09,716/-
4.	Percentage (%) of realisable amount to Fair Value	152.57%
5.	Percentage (%) of realisable amount to Liquidation Value	213.78%
6.	Percentage (%) of realisable amount to Principal amount	2.06% (interest, penalty & fine amount not separately available)
7.	Percentage (%) of realisable amount to Total admitted claims	2.06%
8.	Percentage (%) of realisable amount to Other than admitted Corporate Guarantee claims	do

13. Besides, we note that in terms of the judgment of Hon'ble Supreme Court in the case of ***Committee of Creditors of Essar Steel India Limited through Authorised Signatory vs. Satish Kumar Gupta & Ors.*** [Civil Appeal No. 8766-67 of 2019], it is the subject matter of commercial wisdom of CoC to take decision regarding the amount of bid offered by SRA, and the scope for this Tribunal to interfere in such issues is negligible. The above view was also reiterated by the Hon'ble Supreme Court in ***Ebix Singapore Private Limited vs. Committee of Creditors of Educomp Solutions Limited & Anr.*** (Civil Appeal No. 3224 of 2020) wherein the Hon'ble Court ruled that the scope of examination of the application for approval of the Resolution Plan by this Tribunal is confined to the provisions of Section 30(2) of the IBC, 2016. Para 153 of the Judgment reads thus: -

> *"**153.** Regulation 38(3) mandates that a Resolution Plan be feasible, viable and implementable with specific timelines. A Resolution Plan whose implementation can be withdrawn at the behest of the successful Resolution Applicant, is inherently unviable, since open-ended clauses on modifications/ withdrawal would mean that the Plan could fail at an undefined stage, be uncertain, including after approval by the Adjudicating Authority. It is inconsistent to postulate, on the one hand, that no withdrawal or modification is permitted after the approval by the Adjudicating Authority under Section 31, irrespective of the terms of the Resolution Plan; and on the other hand, to argue that the terms of the*

Resolution Plan relating to withdrawal or modification must be respected, in spite of the CoC's approval, but prior to the approval by the Adjudicating Authority. The former position follows from the intent, object and purpose of the IBC and from Section 31, and the latter is disavowed by the IBC's structure and objective. The IBC does not envisage a dichotomy in the binding character of the Resolution Plan in relation to a Resolution Applicant between the stage of approval by the CoC and the approval of the Adjudicating Authority. The binding nature of a Resolution Plan on a Resolution Applicant, who is the proponent of the Plan which has been accepted by the CoC, cannot remain indeterminate at the discretion of the Resolution Applicant. The negotiations between the Resolution Applicant and the CoC are brought to an end after the CoC's approval. The only conditionality that remains is the approval of the Adjudicating Authority, which has a limited jurisdiction to confirm or deny the legal validity of the Resolution Plan in terms of Section 30 (2) of the IBC. If the requirements of Section 30(2) are satisfied, the Adjudicating Authority shall confirm the Plan approved by the CoC under Section 31(1) of the IBC."

14. In the recent judgement of ***Torrent Power Ltd. v. Ashish Arjunkumar Rathi and Ors., (2026) ibclaw.in 109 SC,*** Hon'ble SC has categorically mentioned that commercial wisdom of COC is paramount. The relevant excerpt of the judgement reads thus:-

"***12.*** *Having concluded that neither of the issues raised by the appellants establishes any modification of the Resolution Plan or any material irregularity in the conduct of the RP, the challenge stands stripped of its factual foundation. What remains is, in substance, a challenge to the commercial decision taken by the CoC. The IBC leaves no scope for judicial intervention even here.*

12.1 *It has been the consistent view of this Court that the commercial wisdom of the CoC cannot be interfered with by the NCLT, the NCLAT or this Court as was held in* ***K. Sashidhar vs. Indian Overseas Bank, [(2019) ibclaw.in 08 SC] : (2019) 12 SCC 150*** *as under:*

> *"55. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides : (i) the payment of insolvency resolution process costs in a specified mannerin priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the*

implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.

xxx

58. Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of *the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with Section 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the grounds specified in Section 61(3) of the I&B Code, which is limited to matters "other than" enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I&B Code and not to act as a court of equity or exercise plenary powers."*

(Underlining by us)

12.2 *Similarly, in* ***Kalyani Transco,*** *decided on 26.09.2025, a three-Judge Bench of this Court held as follows:*

"179. It can thus be seen that this Court has held that the legislature purposefully did not include a means to challenge the commercial wisdom exercised by the CoC. This makes a challenge to the same non – justiciable. It has been further held that a challenge cannot be raised against the decision making of the CoC unless and until the grounds for challenge as given in the Code are satisfied. Any interference in the paramount objective of the CoC of exercising its commercial wisdom would amount to the Court rewriting the law and going against the very objectives of the IBC.

180. We are therefore of the opinion that in the present matter as well, the CoC exercised its commercial wisdom while approving the Resolution Plan whereby the Appellant – Jaldhi was classified as a contingent creditor and such a decision is deemed to be non – justiciable by this Court in view of K. Sashidhar (supra) which has been subsequently followed in a catena of judgments. The NCLT, and the NCLAT have also approved the Resolution Plan, and in light of the settled principle of law, we find no question of law being raised by the Appellant – Jaldhi and therefore, the appeal filed by it is liable to be dismissed."

(underlining by us)

12.3 *We note the observations in* ***Essar Steel India Limited****, clarifying that once the NCLT is satisfied that the CoC has applied its mind to the statutory requirements spelt out in sub-section (2) of Section 30 it must necessarily pass the resolution plan, as under:*

"73. …Thus, while the Adjudicating Authority cannot interfere on merits with the commercial decision taken by the Committee of Creditors, the limited judicial review available is to see that the Committee of Creditors has taken into account the fact that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; and that the interests of all stakeholders including operational creditors has been taken care of. If the

Adjudicating Authority finds, on a given set of facts, that the aforesaid parameters have not been kept in view, it may send a resolution plan back to the Committee of Creditors to resubmit such a plan after satisfying the aforesaid parameters. The reasons given by the Committee of Creditors while approving a resolution plan may thus be looked at by the Adjudicating Authority only from this point of view, and once it is satisfied that the Committee of Creditors has paid attention to these key features, it must then pass the resolution plan, other things being equal."

(Underlining by us)

12.4 *We also note the observations in* ***Pratap Technocrats Private Ltd. vs. Monitoring Committee of Reliance Infratel Limited, [(2021) ibclaw.in 148 SC] : (2021) 10 SCC 623*** *wherein this Court categorically held as follows:*

"29. The jurisdiction which has been conferred upon the adjudicating authority regarding the approval of a resolution plan is statutorily structured by sub-section (1) of Section 31. The jurisdiction is limited to determining whether the requirements which are specified in sub-section (2) of Section 30 have been fulfilled. This is a jurisdiction which is statutorily defined, recognised and conferred, and hence cannot be equated with a jurisdiction in equity that operates independently of the provisions of the statute. The adjudicating authority, as a body owing its

existence to the statute, must abide by the nature and extent of its jurisdiction as defined in the statute itself.

44. …the jurisdiction of the adjudicating authority and the appellate authority cannot extend to entering upon the merits of a business decision made by a requisite majority of the CoC in its commercial wisdom. Nor is there a residual equity-based jurisdiction in the adjudicating authority or the appellate authority to interfere in this decision, so long as it is otherwise in conformity with the provisions of IBC and the Regulations under the enactment."

(Underlining by us)

12.5 *The issue is no longer res integra, the law having been settled that the commercial wisdom of the CoC enjoys primacy and cannot be supplanted by judicial review. Neither the NCLT, nor the NCLAT, nor even this Court is empowered to substitute its assessment in place of the commercial decision arrived at by a requisite majority of the CoC.*

13. *The appeals before us typify the growing strategic use of the judicial system by unsuccessful resolution applicants, who seek to reopen almost every commercial decision under the guise of procedural impropriety. This converts the corporate resolution process into a protracted adversarial contest and erodes the value of the Corporate Debtor. Such an approach incentivises delay, rent-seeking, and strategic obstruction and is* *fundamentally inconsistent with the economic logic and statutory design of the IBC.*

13.1 *In the present case, the Resolution Plan stands approved by both the NCLT and the NCLAT and has since been implemented, leaving absolutely no scope for intervention by this Court.*"

15. As far as the issue of reliefs and concessions which fall in the jurisdiction of different Government Authorities, and/ or are subjected to the provisions of different laws for the time being in force are concerned, it is made clear that the amount payable by the SRA in terms of the plan to different creditors, stakeholders, and to keep the Corporate Debtor as a going concern cannot be subject to any condition, assumptions, relief/ concessions and/ or qualification. It also needs to be underlined that the provisions of Section 31(4) of the IBC, 2016 mandate the Resolution Applicant to obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under Section 31 of the IBC, 2016. In terms of the provisions of Section 14 of the Code, even during the period of CIRP, no default in payment of current dues is a precondition for continuation of the License, Permit, Registration and similar rights. Thus, even during the moratorium period, some of the facilities forming part of the reliefs and concessions sought are made available to the CD only when there is no default in payment of the current dues. On approval of the Resolution Plan, the SRA/CD cannot be put on a better footing by exempting it

from paying its legitimate dues under the law. For the sake of convenience, the explanation below Section 14 of the code is extracted below:

> ***"14. Moratorium. –***
>
> *(1) Subject to the provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare a moratorium prohibiting all of the following, namely: -*
>
> *(a) …..*
>
> *(b) …..*
>
> *(c) …..*
>
> *(d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*
>
> *Explanation.- For this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, <u>shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession,</u> clearances or a similar grant or right during the moratorium period;"*

(Emphasis Supplied)

16. In any case, in terms of the provisions of Sections 13 and 15 of the IBC 2016 read with Regulations 6, 6A, 7, 8, 8A, 9 and 9A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016, all the claimants such as Operational Creditors, Financial Creditors, Creditors in Class, Workmen and Employees and other Creditors can raise their claims before the IRP/RP. The claims are dealt with by IRP in terms of the provisions of Section 18(1)(b) of the IBC, 2016 and by RP in terms of the provisions of Section 25(1)(b) thereof read with Regulations 12A, 13 and 14 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Thereafter, the RP prepares an Information Memorandum in terms of the provisions of Regulation 36(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Memorandum contains, inter alia, a list of creditors containing the range of creditors, the amounts claimed by them, the amount of their claim admitted and the security interest, if any, in respect of such claims. As has been provided in Regulation 36(1) of the Regulations (ibid), the Information Memorandum is required to be submitted in electronic form to each member of CoC, on or before the 95th day from the Insolvency commencement date. As has been provided in Regulation 36A of the Regulations, the RP shall publish brief particulars of the invitation for Expression of Interest in Form G of Schedule I to the Regulations at the earliest, i.e. not later than the 60th day from the Insolvency commencement date, for interested and eligible Prospective Resolution Applicants to submit Resolution Plans. As can be seen from Regulation 36B of

the Regulations, the RP shall issue the Information Memorandum Evaluation Matrix (IMEM) and request for Resolution Plans within 5 days of the date of issue of the provisional list of eligible Prospective Resolution Applicants (required to be issued under Regulation 36A(10) of the Regulations). It is with reference to such Information Memorandum Evaluation Matrix that the RP issues a request for a Resolution Plan. The request for the Resolution Plan details each step in the process and the manner and purposes of interaction between the Resolution Professional and the Prospective Resolution Applicant. The Resolution Plan submitted after consideration of the IMEM and RFRP is then examined by the Committee of Creditors. Nevertheless, it needs to satisfy the requirements of Regulations 37 and 38 of the extant Regulations. Once the plan is approved by the CoC, in terms of the provisions of Regulation 39 of the aforementioned Regulations, it virtually becomes a contract entered into between the CD represented through RP, SRA and the Creditors of the CD. On being approved by this Adjudicating Authority, by operation of Section 31(1) of the Code, the plan becomes binding on the Corporate Debtor and its employees, members, creditors (including the Central Government, any 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 enforced such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan. Thus, Section 31(1) of the IBC, 2016, takes care of most of the relief/concession/waiver solicited by the Resolution Applicant.

17. Besides, in terms of the provisions of Section 32A, for an offence committed prior to the commencement of the Corporate Insolvency Resolution Process, the liability of the CD ceases and the CD is not liable to be prosecuted from the date of approval of Resolution Plan by this Adjudicating Authority, if the Resolution Plan results in change of management or control of the CD to a person who was not promotor or in the management or control of the CD or a related party of such a person or a person with regard to whom the concerned Investigating Agency has reason to believe that he had abated or conspired for the commission of the offence and has submitted or filed a report or a complaint to the relevant statutory authority or Court. In such cases, where the prosecution is instituted against the CD during CIRP, the CD stands discharged qua the same from the date of approval of the Resolution Plan. Nevertheless, every person who was a designated partner as defined in clause (j) of Section 2 of the Limited Liability Partnership Act, 2008, "an officer who is in default" as defined in Clause (60) of Section 2 of Companies Act, 2013 or was in any manner in charge of, or responsible to the CD for the conduct of his business or associated with the CD in any manner and was directly or indirectly involved in the commission of an offence as per the report submitted or complaint filed by Investigating Agency shall continue to be liable to be prosecuted and punished for such an offence committed by the Corporate Debtor notwithstanding the Corporate Debtors' liability ceases after approval of the plan.
18. In the wake of the provisions of Section 32A(2), no action is taken against the property of the Corporate Debtor in relation to an offence committed prior to the

commencement of the Corporate Insolvency Resolution Process of the CD, where such property is covered under Resolution Plan approved by this Authority under Section 31, which result in the change in the control of the CD to a person who was not a promotor or in the management or control of the Corporate Debtor or related party of such person or a person with regard to whom the Investigating Agency has reason to believe that he had abated or conspired for commission of the offence and has submitted or filed a report or complaint to the relevant statutory authority or Court.

19. The action against the property of the Corporate Debtor as referred to in Section 32A of the Code includes the attachment, seizure, retention or confiscation under such law as may be applicable to the Corporate Debtor. One may also not be oblivious of the fact that in the backdrop of the provisions of Section 31(3)(a) of the IBC, 2016, the moratorium order passed by the Adjudicating Authority under Section 14 ceases to have effect. In sum and substance, the SRA/CD would be entitled to no other relief/concession/waiver except those which are available to it as per the provisions of Sections 31(1) and 32A of IBC, 2016.

20. It is directed that the SRA shall implement the plan as per the timelines indicated in the Resolution Plan.

21. In the backdrop of the aforementioned factual position, discussion, analysis and findings, **the IA-41/2025 filed by the Applicant/ RP for approval of the Resolution Plan is allowed**. The Plan submitted by the SRA, certified by the RP by issuing a certificate in the prescribed form, viz. Form “H”, is approved.

22. As a sequel, we issue the following directions: -

i. The approved Resolution Plan shall become effective from the date of passing of this Order and shall be implemented strictly as per the terms of the plan and implementation schedule given in the Plan;

ii. The SRA/CD would be entitled to no other reliefs/ concessions/waivers except those that are available/permissible to it as per the provisions of Sections 31(1) and 32A of IBC, 2016. The SRA is at liberty to approach the relevant authorities, who would consider these claims as per the provisions of the relevant law in an expeditious manner;

iii. The following steps would be taken in terms of the resolution plan: -

SL. NO.	STEP TO BE TAKEN	TIMELINE FROM DATE OF RECEIPT OF ORDER
1.	Constitution of the Monitoring Committee	Within 5 days
2.	Payment of CIRP Cost	Within 90 days
3.	Payment to Financial Creditors	Within 90 days
4.	Payment to Operational Creditors (Statutory/ Government Dues)	Within 90 days
5.	Payment to Operational Creditors (other Operational Creditors)	Within 90 days
6.	Allotment of Equity Shares to the SPV and infusion of funds for working capital requirements by way of a loan	Within 91 days
7.	Change in Management of CD, including the appointment of new directors	Within 105 days

iv. The order of the moratorium in respect of the corporate debtor passed by this Adjudicating Authority under Section 14 of the IBC, 2016 shall cease to have effect from the date of passing of this Order;

v. The SRA shall act in terms of the provisions of Section 31(4) of IBC 2016;

vi. The Monitoring Committee shall file progress report/s regarding the implementation of the Plan before this Tribunal, every month;

vii. The RP shall forward all the records relating to the conduct of the CIRP and the Resolution Plan to the IBBI for its record and database;

viii. The RP shall also forthwith send a copy of this order to the participants and the Resolution Applicant. He would also send a copy of this order to the ROC concerned within 15 days of this order, and

ix. The RP shall intimate each claimant about the principle or formulae, as the case may be, for payment of debts under the Plan.

23. The Court Officer and Resolution Professional (RP) shall forthwith make available/send a copy of this Order to the CoC and the Successful Resolution Applicant (SRA) for immediate necessary compliance.

24. A copy of this order shall also be sent by the Court Officer and Applicant to the IBBI and RoC for their record.

-Sd/-	**-Sd/-**
(BANWARI LAL MEENA)	**(ASHOK KUMAR BHARDWAJ)**
MEMBER (T)	**MEMBER (J)**

Poonam/Vishal