



S.No.4

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
12.06.2026 AT 10:30 A.M.**

**IA (IBC)559/2026 in CP(IB) No.10/7/HDB/2022
U/s 7 of IBC**

IN THE MATTER OF:

The Canara Bank Ltd

...Petitioner

AND

Feno Plast Limited

... Respondent

C O R A M:-

SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)

SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA (IBC/559/2026)

Orders pronounced, recorded vide separate sheets. In the result, this Application is dismissed.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH, COURT-II

I.A No. 559 of 2026

IN

C.P (IB) No.10/7/HDB/2022

**[Under Section 60(5) of Insolvency and Bankruptcy Code, 2016, r/w
Rule 11 of National Company Law Tribunal Rules, 2016]**

**IN THE MATTER OF M/s. THE CANARA BANK LTD. vs. M/s.
FENOPLAST LTD.**

Between:

Mr. Krishnna Kumar Haridas,

R/o. Villa No. 112, First Leaf,

Journalist Colony, Gopanpally,

Serilingampally, K.V. Rangareddy-500032.

...Applicant/Successful Resolution Applicant

AND

BSE Limited,

Rep: Assistant Vice President

Listing Compliance and Operations,

PJ Towers, Dalal Street,

Mumbai-400001.

...Respondent

Date of Order: 12.06.2026

Coram:

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)



IN THE NATIONAL COMPANY LAW TRIBUNAL
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Counsels Present

For Applicant : Mr. Maligi Madhusudhan Reddy, Ld. Counsel

For Respondent: Ex-parte.

1. The present Application has been filed by the Mr. Krishna Kumar Haridas, a Successful Resolution Applicant (**SRA**) of M/s. Fenoplast Limited (**Corporate Debtor/CD**), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the National Company Law Tribunal Rules, 2016, seeking grant of the following essential reliefs and concessions:

a) Grant leave to the Applicant to undertake the proposed post-implementation capital restructuring of the Corporate Debtor, including the reduction, consolidation, and re-issuance of equity share capital, and the continuation of listing of equity shares of corporate debtor and continuation existing public shareholders in a proportionately diluted manner, as detailed in paragraph V(C) of this application;

b) Direct the Respondent Stock Exchange (BSE Limited), and other regulatory authorities for all necessary approvals, exemptions, and compliances required to effectuate the proposed restructuring and to continue the listing of the Corporate Debtor's shares;

c) Direct the concerned regulatory authorities to consider any such applications from the Applicant sympathetically and in accordance with law, keeping in view the successful resolution and revival of the Corporate Debtor;



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Application

2. It is submitted that this Authority vide order dated 22.01.2025 approved the Resolution Plan for submitted by the Applicant for CD and the Applicant had successfully implemented the Plan.
3. It is submitted that the Applicant infused Rs. 76,52,82,382/- through M/s. Bhavya Construction Private Limited and the payments were also made to the stakeholders resulting in closure of CIRP.
4. It is submitted that the CD was a listed public company and in the Resolution Plan at para 4.3 provides for the “cancellation of existing shares/capital reduction” while para 4.8 provided for “de-listing application to the Stock Exchanges where the shares of the Company are listed”.
5. It is submitted that the delisting was not implemented and now the Applicant considering the future growth prospects, proposes to continue listing of shares of the CD which is a value appreciative path. It is further submitted that the existing public shareholders shall continue as shareholders of the revived CD, subject to a proportionate dilution and restructuring of equity. The said approach is beneficial for the reasons as below:
 - i. Enhance the enterprise value of the CD.
 - ii. Ensures liquidity for the existing public shareholders.
 - iii. Promotes Transparency and good governance through continued regulatory oversight.
 - iv. Facilitates access to capital markets for future growth and fundraising.



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6. It is submitted that the present proposal doesn't modify, alter or dilute the core commercial terms of the approved Resolution Plan. Further, it doesn't affect the distribution framework or the rights of any creditors as all were paid in accordance with the approved plan. Also, the proposed measure is a bona-fide, forward looking and value maximising step undertaken post successful implementation of the plan.
7. It is submitted that at the time of the approval of the Plan, the equity shares of the CD held negligible or no value due to CD's financial distress. The proposed the continuation of the public shareholding without monetary consideration doesn't result in any prejudice to any stakeholder. Further, it confers a beneficial opportunity upon the public shareholders to participate in the upside of the revived entity, which they would otherwise have lost completely upon delisting and capital extinguishment.
8. The Applicant relied on decisions of the Hon'ble Supreme Court in **Committee of Creditors of Essar Steel vs. Satish Kumar Gupta (2020) 8 SCC 531** stating that the present proposal aligns with "clean slate doctrine" and **Swiss Ribbons Pvt. Ltd. vs. Union of India (2019) 4 SCC 17** reiterating the objective of the Code is to revive CD as going concern & value maximization.
9. Further, the Applicant placed reliance on the decision of the Supreme Court in **K. Sashidhar vs. Indian Overseas Bank (2019) 12 SCC 150** to state that commercial wisdom of the stakeholders, particularly post-implementation decisions of the SRA that promotes revival, deserves judicial deference.
10. It is submitted that SRA filed I.A (IBC) No. 423 of 2026 in CP (IB) No. 10/7/HDB/2022 before this Authority for which this Authority directed **"to approach the appropriate Authority in this Regard"**. Accordingly,

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the Applicant approached Bombay Stock Exchange (**BSE**) and filed an application fixing the record date for initiation of “**reduction and extinguishment of share capital**” of the CD on 11.03.2026 along with requisite documents.

11. It is submitted that the Listing Compliance and Operations Department of BSE, in response to the application by the Applicant, has not approved record date for reduction of the share capital and directed the Applicant to obtain the suitable directions from this Authority as it was not approved earlier.
12. Thus, the present Application is filed in compliance with the Listing Compliance and Operations Department of BSE, seeking appropriate directions for selective reduction and extinguishment of share capital and further listing of the equity shares of the company by filing of the same application which was filed before in this regard. Therefore, the Applicant proposes the following capital restructure to be undertaken:

i. The Existing Shareholding Pattern of the CD

Category	No. of Shares (Rs. 10/- each)	Amount (Rs.)	%
Existing Promoters	26,35,300	2,63,53,000	57.29%
Public	19,64,700	1,96,47,000	42.71%
Total	46,00,000	4,60,00,000	100%

ii. The Post-Reduction Shareholding Pattern of the CD

Category	No. of Shares (Rs. 10/- each)	Amount (Rs.)	%
Existing Promoters	-	-	0%
Public	98,235	9,82,350	100%
Total	98,235	9,82,350	100%



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13. It is submitted that according to the above pattern, the entire shareholding of the erstwhile promoters and promoter group of CD would stand cancelled and extinguished without any payment while the shareholding of the Public Shareholders other than existing promoters to the extent of 95% of their shareholding as on Record date to be announced by the Company.
14. It is submitted that upon cancellation of the Public Shareholding, a re-issue of One (1) equity share of Rs. 10/- each for every 20 equity shares of Rs. 10/- each held by the Public Shareholders on the Record date to be announced by the Company.
15. It is submitted that the cancellation shall not require any payment by the CD to any of the shareholders except by issue of One (1) Equity Share Rs. 10/- each for every 20 Equity Shares held by the Shareholders other than existing promoters as on the Record Date.
16. It is further submitted that the fractional entitlements if any, shall be aggregated and held by the trust, nominated by the Board on that behalf, who shall sell such shares in the market at such price and distribute the net sale proceeds to the said shareholder in proportion to their holding. Also, the equity shares issued as aforesaid to the shareholding shall rank in pari-passu to the existing shares of the Company and shall be listed forthwith in the stock exchanges where it is presently listed.
17. The Shareholding pattern of the CD- Post Reduction and allotment of shares to SRA and Funding Source:

Category	No. of Shares	Amount (Rs.)	(%)
Existing Promoters	-	-	0%
New Promoters	10,00,000	100,00,000	91.05%



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Public Shareholders	98,235	9,82,350	8.95%
Total	10,98,235	1,09,82,350	100%

18. It is submitted that upon completion of the above, the Company is still adhering to the Regulation 19A(5) of Securities Contracts (Regulation) Rules, 1957, by maintaining a public shareholding of 8.95% of the expanded equity as a result of implementation of the Resolution Plan.
19. It is submitted that, in view of the statutory reliefs and concessions available to companies emerging from the CIRP, and to facilitate a smooth transition of the Corporate Debtor into a fully compliant listed entity, the CD may be permitted, in terms of Rule 19A(5) of the Securities Contracts (Regulation) Rules, 1957, to increase its public shareholding to the prescribed minimum level of 25% within a period of three years from the date on which such shareholding falls below the stipulated threshold, in the manner specified by SEBI.
20. In the aforesaid circumstances and in view of the submissions made hereinabove, the Applicant has filed the present Application. We have heard the counsel for Applicant and perused entire records.

Findings

21. Under Section 60(5)(c) of the IB Code, the Adjudicating Authority has the jurisdiction to entertain and dispose of any question of law or fact arising out of or in relation to the insolvency resolution or liquidation proceedings of the Corporate Debtor, including the authority to grant necessary reliefs, immunities, or protections from past liabilities to ensure that the Successful Bidder can commence business on a clean slate. The NCLAT, Delhi in ***RMY Industries LLP vs. Apple Industries Pvt. Ltd., (Company Appeal (AT) (Insolvency) No. 1114 of 2022)*** affirmed the Adjudicating Authority's power to consider applications



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from the Liquidator or Successful Bidder regarding the terms of an auction sale, particularly when sold as a going concern, to address any arising issues.

22. We, however, note that the proposal put forth by the Applicant contemplates, inter alia, restructuring and reduction of the public shareholding in the Corporate Debtor by 95%, induction of a new promoter, and continuation of the Corporate Debtor as a listed entity after approval and implementation of the resolution plan.
23. While such measures of restructuring may, in an appropriate case, form part of an approved resolution plan, their implementation cannot be treated as automatically dispensing with compliance under other applicable statutory frameworks, except to the extent such compliance is expressly or by necessary implication overridden by the provisions of the IBC or is otherwise dealt with under an approved resolution plan in accordance with law. Where such restructuring is not part of the approved resolution plan, the benefit of any such dispensation or overriding effect under the IBC cannot be claimed. Such actions would, therefore, remain subject to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the applicable regulations framed by the Securities and Exchange Board of India, and other relevant statutory provisions, including such approvals, permissions, exemptions or sanctions as may be required from the competent authorities.
24. In the present case, the proposed restructuring does not form part of the approved resolution plan. The approved resolution plan provided for delisting of the Corporate Debtor from the stock exchanges on which its equity shares were listed, whereas the present scheme seeks continuation of the Corporate Debtor as a listed entity. Similarly, while the approved resolution plan provided for cancellation of all existing



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issued, subscribed and paid-up equity shares “completely” and for all rights of the equity shareholders to be “extinguished and written off”, the present Application seeks retention of public shareholding up to 5%, apparently for the purpose of continuing the listing of the Corporate Debtor. Further, and more significantly, while the approved resolution plan contemplated issuance of shares only to the resolution applicant, Mr. Krishna Kumar Haridas, the present Application seeks induction of unidentified “New Promoters” as shareholders.

25. In these circumstances, the Applicant cannot seek implementation of the proposed restructuring in the present proceedings on the premise that it stands covered by, or flows from, the approved resolution plan. Accordingly, no direction can be issued in the present Application for restructuring or reduction of the public shareholding of the Corporate Debtor, or for induction of a new promoter, dehors the approved resolution plan and without compliance with the applicable statutory framework.
26. It shall, however, be open to the Applicant / Corporate Debtor to take such steps as may be permissible in law before the appropriate forum or competent authority, in accordance with the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the applicable SEBI regulations, and other relevant statutory provisions. All rights and contentions of the parties in that regard are left open.

Accordingly, this I.A. No. 559 of 2026 in C.P (IB) No.10/7/HDB/2012 is **dismissed** & disposed of.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)