IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. NO. 4133 OF 2025
IN
C.P. IB NO 442 (ND) OF 2022

IN THE MATTER OF:

HUKUM CHAND GUPTA FABRICS PVT. LTD.

...Applicant

Versus

MR. AKHIL AHUJA
Resolution Professional
Bee K Bee Prints Private Limited

...Respondent

AND IN THE MATTER OF:

LOCOFAST ONLINE SERVICES PRIVATE LIMITED

...Operational Creditor

Versus

BEE K BEE PRINTS PRIVATE LIMITED

... Corporate Debtor

Order Delivered on: 09.12.2025

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM
HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Mr. Ashish Upadhayay, Ms. Vasu Bhushan, Advocates.

For the Respondent : Mr. Sunil Fernandes, Senior Advocate, Mr. Shivam Gautam, Advocates.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present Application has been filed by the Applicant, the Operational Creditor, M/s. Hukum Chand Gupta Fabrics Pvt. Ltd. under the provisions of Section 60(5) of Insolvency and Bankruptcy Code, 2016 ("Code"), seeking the following reliefs:

a) Dismiss the IA No. 30/2025 filed by the R. No. 1 (RP) under S. 30(6) and consequently reject the Resolution Plan submitted by Urbtech Finvest Pvt. Ltd. (R. No. 2);

b) Direct the RP to disclose the correct information regarding assets of the CD by updating the IM; publish fresh Form G inviting RAs to submit Plan based on the updated IM;

c) Direct the RP to conduct the CIRP fairly and in compliance with the Code and Regulations for the maximization of value of assets of the CD and recovery to the Creditors;

d) Direct and inquiry to be conducted into the relation of Urbtech Finvest Pvt. Ltd. (R. No. 2) with DTH and suspended directors of the CD and bar it from participating in the CIRP if it is found to be ineligible u/s 29A IBC:

e) and/or pass any such appropriate orders which this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of this case.

And for such acts of kindness the Applicants shall forever pray!

2. SUBMISSIONS OF APPLICANT:

i. The Applicant is the largest single Operation Creditor of the Corporate Debtor (Bee K Bee Prints Pvt. Ltd.) with an admitted claim of Rs. 9,18,11,557 (which is larger than even the total financial debt of Rs. 8,26,05,595/-). Therefore, the Applicant is a major stakeholder in the CIRP of the CD. The Applicant has been a participant in CoC meetings of the CD owing to its right to participate in CoC meetings under Section 24(4) IBC.

ii. The Respondent No. 1 is the Resolution Professional who is undertaking CIRP of the CD. The Respondent No. 2 (Urbtech Finvest Pvt. Ltd.) is the Resolution Applicant as well as a Secured Financial Creditors of the CD. Surprisingly, the Respondent No. 2 is also a related to one DTH Masters Manufacturing Pvt. Ltd. which is the beneficiary of two fraudulent and grossly undervalued sale deeds executed by the suspended directors of the CD shortly before the commencement of CIRP.

iii. It has been submitted that the Information published by the RP in the IM is grossly deficient wherein Assets of the CD worth Rs. 65.67 crore have not been mentioned in the IM. The RP had published an Information Memorandum wherein it was shown that the CD owns only one land asset, which is as under:

> "Land situated measuring 708 square yards at Plot No. 162, DLF. Phase-1, Industrial Area, Faridabad, Haryana" (ref. pg. 60 of IM)

iv. Further, perusal of this relevant portion of IM would show that details of one other land asset (Mohla factory land) are also mentioned therein, but that is only to the extent of leasehold right of the CD over the said land for 11 months.

v. In consonance with the above information showed in the IM, the fair value of the CD was assessed at Rs. 6,24,89,397 and liquidation value was assessed at Rs. 4,51,43,257/- (ref. pg. 73 of IA 30/2025).

vi. Thereafter, it eventually came to light that the CD also owns atleast four-five more pieces of prime land which had been fraudulently transferred vide sale deeds executed by the suspended directors of the CD in favour of certain third parties and related parties shortly after filing of CP(IB) No. 632/2022 by the Applicant against the CD and before the commencement of its CIRP in a similar petition [captioned CP(IB) No. 442/2022 filed by Locofast which is also an OC of the CD] on 15.04.2024. The details of the other prime lands which are also owned by the CD (but fraudulently transferred) and not mentioned in the IM are as follows:

a. Property Located at Plot No. 162, DLF Industrial Area, Phase 1. Faridabad- 121003 admeasuring 708 sq. yds. [value of property is Rs. 4,61,97,000/-; ref. para 20 of IA No. 5420/2024).

b. Property Located at Mouza Mohla, Tah: Ballabhgarh, Dist. Faridabad admeasuring 3 acres (23 kanal 18 marla) (value of property is atleast Rs. 8,82,34,462/- (actually more than this) [ref. IA No. 5528/2024).

c. Property bearing Plot No. 160 admeasuring 1603.60 sq. yds. & Plot No. 160A admeasuring 780.60 sq. yds, respectively located at DLF Industrial Area, Phase 1, Faridabad- 121003 [value of Plot No. 160 is Rs. 10,46,34,900/- and that of Plot No. 160A is Rs. 5,09,34,150/- ; ref. paras 8-9 of IA No. 253/2024].

d. Property bearing Plot No. 86/1, DLF Industrial Area, village-Atmadpur, Faridabad Khewat khata No. 125/121, Khatoni No. 252, killa 13/1 admeasuring 600 Sq. yards [value of property is Rs. 3,91,50,000/-; ref. para 11 of IA 235/2025].

vii. The combined value of the above properties not mentioned in the IM is atleast Rs. 32.91 crore. As a matter of record, the RP has himself filed IA No. 5420/2024 (w.r.t. property (a) above), IA No. 5528/2024 (w.r.t. property (b) above), IA No. 253/2025 (w.r.t. property (c) above), IA Nos. 235 & 354/2025 (w.r.t. property (d) above) seeking setting-aside of the fraudulent sale deeds and return of the said lands to the CD. So it is clear that these properties worth atleast Rs. 32.91 crore are also assets of the CD and must be added to the liquidation value of 4.51 crore.Further, as a matter of record, shortly before commencement of CIRP, the suspended directors of the CD had also made preferential transactions and paid monies to ex-directors and related parties. Broadly, these amounts are as follows:

a. An amount of Rs. 7.52 crore on account of preferential transactions made with ex-directors and related party of CD [ref. para 7 of IA 5064/2024]

b. An amount of Rs. 20.73 crore on account of related party and fraudulent/wrongful transactions made in favour of SAF Impex, SAM Apparels, Alok Industries, Arun Kumar Jha, Manoj Kumar and Jitendra Yadav [ref. para 12 of IA 5040/2024]

viii. This combined amount of Rs. 28.25 crore (7.52 crore and 20.77 crore) has also been omitted from the IM. As a matter of record, the RP has himself filed IA No. 5040/2024 (w.r.t amount (i) above) and IA No. 5420/2024 (w.r.t amount (ii) above) for return of the said amounts to the CD. So it is clear that this amount of 28.25 crore also belongs to the CD and must be added to the liquidation value of 4.51 crore.

ix. As a result of adding the values/amounts mentioned in paras 6 & 7 above, the liquidation/fair value of the CD ought to be close to Rs. 65.67 crore instead of the mere 4.51 crore considered by the RP.

x. Based upon the information gathered from above deficient IM, some Resolution Applicants (including the Applicant herein) submitted their Resolution Plans. As commercial prudence would have it, the financial proposals in these plans was ranging from Rs. 4.51 to 4.81 crore only, i.e., close to the above liquidation value (gathered on the basis of the deficient IM disclosing only one land under ownership of CD). Had the correct information about actual assets of the CD been updated by the RP in the IM, plans of much higher value would have been received from various interested persons (including the Applicant herein).

xi. Urbtech (Respondent No. 2 in this I.A.) is related to DTH, the beneficiary of two fraudulent and grossly undervalued sale deeds executed by suspended management of CD. Urbtech Finvest Pvt. Ltd. (R. No. 2 / RA) is related to DTH Masters Manufacturing Pvt. Ltd., which is the beneficiary of two fraudulent and grossly undervalued sale deeds executed by the suspended directors of the CD disposing of two prime lands (Plot Nos. 160 & 160A, DLF Industrial Area, Phase 1, Faridabad) of the CD for the benefit of DTH shortly before commencement of CIRP. The RP (R. No. 1) has already filed IA No. 253/2025 against DTH Masters Manufacturing Pvt. Ltd. seeking setting aside of the said fraudulent and grossly undervalued sale deeds and return of the said lands to the CD. The relation between Urbtech and DTH is clear from the information presented in the table below:

	DTH Masters Manufacturing Pvt. Ltd.	Urbtech Urbtech Finvest Pvt. Ltd. (R. No. 2 / RA)
Arun Kumar Ghai	•Director till 16.03.2016 •50% shareholder as on 31.03.2019	•Director till 16.02.2009 •Current shareholder
Balwant Rai Ghai	•50% shareholder as on 31.03.2019	•Current shareholder
Abhishek Ghai	•Family Member of Arun Kumar Ghai and Balwant Rai Ghai who were directors & shareholders of DTH	•Current Director •Current shareholder

xii. All of the above facts raise serious doubts on the credibility of Urbtech since it is related to DTH which acted in connivance with the suspended Directors of the CD as a matter of record . Strangely, none of these facts have ever been disclosed by Urbtech before the CoC or in the fraudulent Plan submitted, which is pending approval before this Tribunal in IA. No. 30/2025 filed by the RP.

xiii. It is submitted that the suspended directors of the CD are trying to regain control of the CD by bringing in Resolution Plan through Urbtech, which as a matter of record is related to DTH which further as a matter of record is the beneficiary of the grossly fraudulent and undervalued sale deeds executed by the suspended directors of the CD by which valuable assets of the CD have been given away to DTH. This appears to be a case of quid pro quo. However, this aspect of the matter requires greater inquiry by this Tribunal. In any case, it cannot be lost sight of the fact that the credibility of Urbtech is highly doubtful due to its relation with DTH and concealment of these material facts by it.

xiv. It has been submitted that the Plan is violative of S. 30(2)(b). The OCs are entitled to 100% recovery but getting only 0.001% under fraudulent Resolution Plan submitted by Urbtech. The fraudulent Resolution Plan submitted by Urbtech which is pending approval before this Tribunal u/s 30(6) offers a financial proposal of merely Rs. 4.51 crore. This grossly undervalued Resolution Plan further blatantly provides in clause 8.4.7 thereof that the creditors of the CD will have no stake in the amounts/properties realized from the IAs for reversal of PUFE transactions; and that the realized amount will belong to the CD/RA alone. So, by merely paying Rs. 4.51 crore, the RA is trying to get hold of assets worth atleast Rs. 65.67 crore at the cost of creditors (such as the applicant herein) by giving them considerable haircut and violating even the safeguard provided u/s 30(2)(b) IBC as a consequence. This clandestine design has been formulated by the RP (by not disclosing/updating the true position of assets of the CD in the IM) in connivance with the fraudulent RA just to give benefit to it and rip the creditors of their rightful amounts.

xv. Since currently the liquidation value has been wrongly considered as 4.51 crore only, a smokescreen has been created by the RP and the fraudulent RA to mislead this Hon'ble Tribunal to believe that the plan is compliant with S. 30(2) IBC. As per the current wrong liquidation value of 4.51 crore, in the event of liquidation and distribution as per S. 53, first an amount of 27 lac (or actual) would be paid towards CIRP Costs; then further amount of Rs. 32 lac would be paid towards dues of Workmen and Employees; remaining Rs. 3.93 crore (4.51 crore minus 27 lac minus 32 lac) would be utilized fully towards payment to secured creditors (which includes RA itself also) to whom a total of Rs. 8.26 crore is owed. As a result, nothing would be left for the other creditors such as Operational Creditors (to whom the CD otherwise owes admitted amount of Rs. 34.68 crore). So, as per the wrong liquidation value of 4.51 crore, the OCs are entitled to NIL value but the plan provides Rs. 5 lac for them. Thus it has been made to look like that the plan complies with S. 30(2) IBC. In reality this is just a charade, a smokescreen.

xvi. If the correct liquidation value of atleast Rs. 65.67 crore is considered, the position would be that after payment of Rs. 27 lac (or actual) CIRP Costs, further Rs. 32 lac towards dues of Workmen and Employees and further Rs. 8.26 crore towards Secured Creditors (including the fraudulent RA) in full, an amount of Rs. 56.82 crore would be left for distribution amongst other creditors like Operational Creditors (including the Applicant herein) to whom the CD owes an admitted amount of Rs. 34.68 crore (@pg. 408 of IA 30/2025) and government dues, etc.

xvii. This means that in the event of liquidation and distribution as per S. 53 IBC, the OCs will recover Rs. 34.68 crore which is 100% of their admitted claims. On the contrary, under the fraudulent plan pending consideration before this Tribunal, the OCs are getting only Rs. 5 lac which is merely 0.001% of their admitted claims. It is thus clear that the plan is grossly violative of the statutory safeguard contained in S. 30(2)(b) IBC.

xviii. It has been submitted that a Resolution Plan which violates the provisions of law including IBC is liable to be rejected. In this regard, reference has been made to the Hon'ble NCLAT's judgment titled ***Amit Sangal vs. Kairav Anil Trivedi and Ors. MANU/NU0146/2025***.

xix. It is the case of the Applicant that in view of the mandate of law reiterated by the Hon'ble NCLAT in Amit Sangal (supra), the Resolution Plan submitted by Urbtech and pending consideration before this Tribunal in IA No. 30/2025 filed by the RP, is liable to be rejected. The present is a case where Urbtech (R. No. 2 I RA) is trying to take over assets of the CD worth atleast Rs. 65.67 crore by paying merely Rs. 4.51 crore. All of this is being done at the cost of other creditors including the Operational Creditors like the Applicant who are entitled for 100% recovery u/s 30(2)(b) as demonstrated in para xvii above, but are being offered mere 0.001 % recovery. A charade has been created to show compliance with provisions of the Code while in reality there in none. The true value of assets of the CD has been mischievously concealed and suppressed by the R. No. 1 (RP) to support the fraudulent design of Urbtech.

xx. The present IA has been filed by the Applicant not raising any grievance in the capacity of the erstwhile Resolution Applicant, but in the capacity of the single biggest creditor/stakeholder in the CIRP of the CD showing that it is entitled to 100% recovery but being offered only 0.001% under the Resolution Plan submitted by R. No. 2. Therefore, there can be no doubt whatsoever that the Applicant has the locus to file the present IA objecting to the Resolution Plan under consideration.

xxi. Further, the Applicant has placed reliance on the following decisions:

a. TATA Steel BSL Ltd. v . Venus Recruiters Pvt. Ltd. & Ors. 2023 SCC OnLine Del 155.

b. National Sewing Thread Co. Ltd. v. Superintending Engineer, TANGEDCO & Anr. 2024 SCC OnLine Mad 2330.

3. <u>SUBMISSIONS OF RESPONDENT ON THE ISSUE OF MAINTAINABILITY:</u>

i. The present Application has been filed by M/s Hukum Chand Gupta Fabrics Private Limited, who filed its claim of ₹ 14,77,87,746/- with the office of the Resolution Professional. Upon verification, a sum of 9,18,11,557/- was provisionally admitted towards the operational debt of the Applicant. Accordingly, in terms of Section 24(3)(c) of the Code, 2016, the Applicant, in its capacity as an Operational Creditor, having their aggregate dues more than ten per cent of the debt, did participate in the meetings of the Committee of Creditors. Subsequently, pursuant to the publication of the Expression of Interest (Form G), the Applicant also submitted its Expression of Interest and subsequently the Resolution Plan, thereby assuming the role of a Prospective Resolution Applicant. Subsequently, and on its own, the Applicant withdrew the Resolution Plan from further consideration vide its email dated 17.10.2025. The said fact was duly recorded by the Resolution Professional in the application filed for approval of the Resolution Plan at Page 16 in Para 18.

ii. The conduct of the Applicant, therefore, had a dual capacity in the CIRP of the Corporate Debtor-first, as an Operational Creditor who participated in the

CoC meetings; and second, as a Prospective Resolution Applicant, having submitted, and thereafter voluntarily withdrawing its Resolution Plan.

iii. Further, the Applicant, being the participant in the meeting, had actively participated till the 11th CoC meeting out of the total of 26 CoC meetings.

iv. The Information Memorandum prepared by the Answering Respondent, in his capacity as the Resolution Professional, was in accordance with the requirements of Regulation 36 of the IBBI 3 (Insolvency Resolution Process of the Corporate Debtor) Regulations, 2016. The IM was duly circulated to all Prospective Resolution Applicants on 23.08.2024.

v. It is further submitted that, pursuant to Notification No. IBBI / 2025-26 / GN / REG128 dated 04th July, 2025 (effective from 04.07.2025), Regulation 36(ha) was inserted, mandating disclosure of all identified avoidance transactions in the IM. The RP had shared the IM vide email dated 23.08.2024, which is much prior to the said notification.

vi. It is pertinent to mention that RP has filed an application under Section 19(2) of the Code seeking various information from the members of the suspended board. Due to the absence of such information, the RP, on his own efforts, started identifying the fraudulent transactions and reported the same before the members. The details of identified and reported transactions are as follows:

S. No.	IA No.	Identified and reported to CoC on	Informed in the CoC meeting	Application Filed
1	Section 66 of IBC, 2016 (IA No. 5420/2024)	07.10.2024	10th COC	21.09.2024
2	Section 66 of IBC, 2016 (IA No.5040/ND/2024)	07.10.2024	10th COC	30.09.2024

3	Section 43 & 44 of IBC, 2016 (IA No. 5064/ND/2024)	07.10.2024	10th COC	01.10.2024
4	Section 66 of IBC, 2016 (IA No. 5528/2024)	07.10.2024	10th COC	01.10.2024
5	Section 66 of IBC, 2016 (IA No. 253/2025)	20.12.2024	14th COC	21.12.2024
6	Section 66 of IBC, 2016 (IA No. 235/2025)	01-01-2025	15th COC	05.01.2025
7	Section 66 of IBC, 2016 (IA No. 354/2025)	01-01-2025	15th COC	05.01.2025

vii. It is significant to note that there was no occasion to allege that any material information relating to avoidance transactions was suppressed or withheld at any stage, when the Applicant was actively participating in the CIRP and/ or in the CoC meetings.

viii. It is also humbly submitted that the transactions qua the PUFE Applications are disclosed by the Answering Respondents in its 9th, 10th, 11th, 12th, 13th &14th meeting of the CoC held on 30.09.2024, 07.10.2024, 28.10.2024, 19.11.2024, 12.12.2024 & 20.12.2024 and the minutes of the same was also circulated to the Applicant vide email dated 02.10.2024, 09.10.2024, 30.10.2024, 21.11.2024, 13.12.2024 & 21.12.2024 respectively. It is therefore submitted that the IM was compliant with the statutory requirements and made available to all Prospective Resolution Applicants, including the present Applicant.

ix. The belated allegations now sought to be raised are wholly misconceived and appear to be motivated by extraneous considerations with the sole intent of derailing the CIRP of the Corporate Debtor. Further, the Answering Respondent, in due compliance with his duties as per the provisions of the Insolvency and Bankruptcy Code, 2016, has fairly and truly updated the CoC members and the participants regarding the pending PUFE applications and the details with respect to the same.

x. It was submitted that for the sake of argument, even if the baseless averments of the applicant is considered, the liquidation value of the corporate debtor shall be increased, considering the PUFE applications, the Applicant himself has ignored the same while given an opportunity to increase the total resolution plan amount. The Applicant was well aware of the pendency of IA 5420/2024 and IA 5528/2024 total amounting Rs. 13,44,31,462/-, which were very well disclosed in the 10th CoC Meeting dated 07.10.2024 (meeting held before the receipt of the email dated 17.10.2024 by the applicant, withdrawing his resolution plan). The present act clearly evidences that the Applicant herein is utilising such applications just to derail the process and allege a baseless argument, which he himself has not considered in his resolution plan but wishes to be considered in the approved resolution plan.

xi. The Respondent No. 2 (Urbtech Finvest Private Limited – SRA & the member of the CoC) has provided the affidavit under the provisions of Section 29A of the IBC, 2016 qua the eligibility to file the Resolution Plan in the CIRP of the Corporate Debtor. The Resolution Professional, with the approval of the CoC, has appointed an independent consultant who undertook a comprehensive and independent verification of the eligibility of Successful Resolution Applicants under Section 29A of the IBC, 2016. The Successful Resolution Applicant, and DTH Master Manufacturing Pvt Ltd, have a common shareholder and director, such fact has already been disclosed by RP in IA 253/2025 with respect to the same.

xii. As per Regulation 35 read with Regulation 2(k) of IBBI (Corporate Persons Regulation) 2016, the Code, the Liquidation value of the Corporate Debtor was calculated as the value of the assets of the corporate debtor, if the corporate debtor were to be liquidated on the insolvency commencement date. Hence, in compliance with the same, the RP had valued the assets available as on the date of the admission of CIRP. The value derived from PUFE application had no relation to calculation of Liquidation value of the Corporate Debtor. Accordingly, any value attributable to the properties and/or transactions which are subject matter of such pending PUFE applications cannot, form part of the liquidation value of the Corporate Debtor. Accordingly, any value attributable to the properties and/or transactions which are the subject matter of such pending PUFE applications cannot, at this stage, form part of the liquidation value of the Corporate Debtor. The Resolution Plan approved by the Committee of Creditors provides for payment to the Applicant, in its capacity as an Operational Creditor, of an amount not less than the liquidation value as determined in accordance with Section 30(2)(b) of the Insolvency and Bankruptcy Code, 2016. In the present case, the Applicant has been extended precisely the protection contemplated by Section 30(2)(b) of the Code. Reliance has been placed on the decision of the Hon'ble NCLAT in the matter of BNK Power Solution Pvt. Ltd Versus Mr. Rajkumar Poddar being Company Appeal (AT) (Insolvency) No. 59 of 2022.

xiii. The Liquidation value of the Corporate Debtor was arrived at Rs. 4,51,43,257/- and the amount provided under the resolution plan is above such Liquidation value i.e. 4,51,85,225/-, which has been distributed among the stakeholders as per the financial proposal mentioned under the resolution plan.

xiv. Reliance was also placed on Masyc Projects Pvt. Ltd. Versus Mr.Pulkit Gupta, RP of Vadraj Cement Ltd. & Ors. Being Company Appeal (AT) (Insolvency) No. 831 of 2025.

xv. The Applicant himself has mentioned in his email dated 17.10.2025 that due to the pendency of the PUFE application relating to the land parcel situated at 162, DLF Phase-1, Haryana, and the intent of CoC running a Challenge Mechanism, they do not have the commercial viability to continue with their plan. Having so participated and then voluntarily exited from the process, the Applicant is now barred in law, both on principles of estoppel and acquiescence, from challenging the sanctity of the process and the validity of the Resolution Plan submitted by the Successful Resolution Applicant. It is trite law that no party can be permitted to approbate and reprobate or to take inconsistent positions at different stages of the same proceedings. The Applicant, having been an active participant as a PRA, cannot now be permitted to question the very process in which it had willingly participated. Reliance has been placed on the decision of the Hon'ble NCLAT in Kalinga

Allied Industries India Pvt. Ltd versus Hindustan Coils Ltd and Others being Company Appeal (AT) (Ins) No. 518 of 2020.

xvi. The Applicant, being an Operational Creditor, has no locus standi to question or seek rejection of a Resolution Plan duly approved by the Committee of Creditors in exercise of its commercial wisdom. Reliance has been place on K. Shashidhar v. Indian Overseas Bank (2019) 12 SCC 150, Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta (2019 SCC OnLine SC 1478)

4. <u>FINDING:</u>

i. We have heard the submissions of the Ld. Counsel for the Applicant as well as the Resolution Professional, and have perused the material placed on record.

ii. At this stage, the limited issue for consideration is whether the present Application filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 is maintainable or not.

iii. The Respondent has raised a preliminary objection that the Applicant has acted in a "dual capacity" firstly, as an Operational Creditor, and secondly, as a Prospective Resolution Applicant ("PRA"), who later withdrew its Resolution Plan. According to the Respondent, such dual participation disentitles the Applicant from invoking Section 60(5) to raise objections to the Resolution Plan presently pending approval in IA No. 30/2025. The Respondent accordingly submits that the Application is not maintainable.

iv. On the other hand, the case of the Applicant is that, irrespective of its prior participation as a PRA, it continues to be the largest single Operational Creditor of the Corporate Debtor with an admitted claim of Rs. 9.18 crores, an amount that surpasses even the admitted financial debt of the Corporate Debtor. It is therefore a significant stakeholder in the CIRP and is entitled, under law, to agitate grievances that materially affect its statutory protections under Section 30(2)(b) of the Code.

v. The Application specifically impugns material non-disclosure in the Information Memorandum, alleged suppression of assets and undervaluation affecting liquidation value computation, alleged ineligibility and non-disclosure of relationships of the Resolution Applicant under Section 29A, and alleged violation of Section 30(2)(b) owing to a drastic reduction in the distribution payable to Operational Creditors.

vi. Section 60(5) vests this Adjudicating Authority with wide residuary jurisdiction to entertain any question of law or fact arising out of or in relation to the insolvency resolution process. The proviso to Section 31(1), read conjointly with Section 30(2)(b), reinforces that the Adjudicating Authority must ensure compliance with statutory safeguards before approving a Resolution Plan. Consequently, any stakeholder whose statutory rights under Section 30(2)(b) are alleged to be infringed clearly falls within the zone of persons aggrieved for purposes of Section 60(5).

vii. We find merit in the submission that the Applicant continues to be a critical stakeholder whose statutory entitlement, particularly under Section 30(2)(b), may be affected by the alleged non-disclosure of assets and undervaluation of the Corporate Debtor. The nature of the grievances raised, pertaining to correctness of the Information Memorandum, identification and treatment of avoidance transactions, valuation impact, and alleged ineligible participation of a Resolution Applicant, are not grievances of a competing PRA, but of a creditor whose distribution is materially impacted. The Applicant's locus as a creditor with a significant admitted claim is unquestionable and is independent of its earlier role as a PRA.

viii. It is also significant to note that upon approval of a Resolution Plan under Section 31(1) of the Code, the Plan becomes binding on the Corporate Debtor and all its stakeholders, including employees, members, creditors of every class, guarantors, and any other persons affected by the Plan. It is therefore imperative that any grievance concerning non-compliance with mandatory protections accorded to Operational Creditors needs to be examined in detail by this Adjudicating Authority.

5. **ORDER:**

i. In view of the aforesaid discussion, this Adjudicating Authority is of the opinion that the present Application bearing **I.A. 4133 of 2025** is **maintainable**.

ii. Accordingly, the Application shall now be heard on merits.

iii. Issue notice to the Respondent. The Respondent is directed to file reply on merits within 10 days from the date of pronouncement of this order.

iv. The matter should be accordingly listed on **18.12.2025**.

-SD/-

ATUL CHATURVEDI
MEMBER (TECHNICAL)

-SD/-

MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)