NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH

2. IA/456/2026 C.P. (IB)/518(MB)2022

IN THE MATTER OF

Saraswat Co-op. Bank Ltd
VS
Sristi Hospitality Private Limited

U/s 7 of the Insolvency and Bankruptcy Code, 2016

Order Delivered on Order Delivered on 04.09.2026

CORAM:

MS. LAKSHMI GURUNG
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:

For the Petitioner:

For the Respondent:

ORDER

IA/456/2026: The above IA/456/2026 is listed for pronouncement of the order. The same is pronounced in open court, vide a separate order.

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)

Sd/-
LAKSHMI GURUNG
Member (Judicial)

//Rahul//

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH - V

I.A(I.B.C)/456/2026
IN
C.P.(IB)/518/MB/C-V/2022

Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of the NCLT Rules, 2016.

Rajan Deshraj Agarwal,
(Erstwhile Resolution Professional of Sristi Hospitality Private Limited)
Office No. 76B, 7th Floor, Mittal Tower, Free Press Journal Road, Nariman Point, Mumbai - 400 021.

...Applicant

<u>IN THE MATTER OF</u>

Saraswat Co-operative Bank Ltd

...Financial Creditor/Petitioner

Versus

Sristi Hospitality Pvt Ltd

...Corporate Debtor/Respondent

Order Delivered on: 04.09.2026

Coram:

Ms. Lakshmi Gurung,
Member (Judicial)

Sh. Charanjeet Singh Gulati
Member (Technical)

Appearances:

For Applicant: Rajan Agrawal (Applicant present in person), Adv. Bhavik Salia
For Suspended Director: Adv. Rohan Agarwal, Adv. Rahul Dev, Adv. Risha Alva i/b Argus Partners

ORDER

I.A(I.B.C)/456/2026

1. The present application has been filed by Mr. Rajan Deshraj Agarwal, ("**the Applicant/ erstwhile Resolution Professional**"), the Chairman of the Monitoring Committee and erstwhile Resolution Professional of Sristi Hospitality Private Limited ("**Corporate Debtor**") under 60(5) of the Insolvency and Bankruptcy Code, 2016 ("**IBC/the Code**"), seeking to take on record this Third Status Report and to relieve the Applicant from filing further status report on implementation of the Resolution Plan.

Brief Facts of the Case

2. It is submitted that, this Application has been for placing on record the Third Status Report of the Resolution Plan as per para no.24(d) of the Order of this Tribunal dated 12.07.2024 in I.A. No. 3612 of 2023 for approval of the Resolution Plan. The present Application has been filed to place on record the developments subsequent to the Second Status Report filed vide IA No. 1662 of 2025, which covered the period up to 03.03.2025.

3. The Applicant submits that as recorded in the said Status Reports, the Suspended Director filed Company Appeal (AT) (Ins.) Nos. 1378/2024 and 1383/2024 before the Hon'ble NCLAT challenging orders dated 07.05.2024 in I.A.No.2141/2024 and 12.07.2024 in I.A.No.3612 of 2023 passed by this Tribunal in C.P.(IB)/518/MB/C-V/2022, respectively.

4. IA No. 1662/2025 was heard on 07.07.2025, when this Tribunal directed the Applicant, as Chairman of the Monitoring Committee, to respond to the queries raised in the said order. On 16.07.2025, the Applicant received an email from the SRA, Consortium of Admas Industries Pvt. Ltd, Subh Ashish Exim Pvt Ltd and Mr Amit Jatia, expressing its intention to proceed with implementation of the approved Resolution Plan. Accordingly, the 10th meeting of the Monitoring Committee was convened on 23.07.2025, wherein implementation of the Resolution Plan was considered and

permitted, there being no stay from this Tribunal or the Hon'ble NCLAT. In compliance with the order dated 07.07.2025, Applicant filed an Affidavit of Compliance on 26.07.2025 in IA No.1662/2025.

5. The Members of the Monitoring Committee constituted for supervision of implementation of the Plan, are: a) One Nominee/ representative of the Secured Financial Creditor i.e. Saraswat Co-operative Bank Ltd, b) One Nominee/ representative of the Resolution Applicant, c) The Resolution Professional.

6. The Resolution Plan consideration and CIRP expenses were received from the SRA, Consortium of Admas Industries and Others, in the Corporate Debtor's bank account on 28.07.2025. It is submitted that the Resolution Plan was fully implemented on 30.07.2025. Upon receipt of all payments, the original title deeds and other documents were handed over to the SRA, followed by delivery of possession of the Corporate Debtor's assets. The order in IA No. 1662/2025 (filed for placing on record 2nd Status Report for period up to 03.03.2025) was pronounced on 06.01.2026 and uploaded on 07.01.2026, directing the Applicant, as erstwhile Chairman of the Monitoring Committee, to take necessary steps under the Code.

7. It is submitted that the Corporate Debtor's principal business is to lease/rent its shops and units and maintain the building, generating primarily rental income and that the Applicant continued to operate the Corporate Debtor as a going concern, and therefore, delay in implementation on account of pending Hon'ble NCLAT proceedings did not affect the commercial viability or feasibility of the Resolution Plan.

8. The Applicant has vide Additional Affidavit dated 23.02.2026, submitted the following:

   a. On the hearing dated 30.01.2026 of this Application, this Tribunal had observed that in the present status report, the compliance of the directions at para 20 of the order dated 06.01.2026 was not indicated. Accordingly, the Applicant undertook to file an affidavit to explain the compliance with the order dated 06.01.2026.

b. In the 2nd Meeting of the Monitoring Committee held on 20.08.2024, the SRA informed the Committee that on account of the pending litigation at Hon'ble NCLAT they would be able to take a final stance on the payment of the resolution plan amount only post the hearing to held in the matter on 09.09.2024 which was the next date of hearing. The financial creditor, Saraswat Bank did not object to the same. Subsequently, the SRA took a stand that the plan shall be implemented on favourable order from the Hon'ble NCLAT in the two appeals.

c. After the order dated 07.07.2025 in IA No. 1662/2025 was uploaded, the Applicant forwarded the same on 14.07.2025 to the other members of the Monitoring Committee and called upon the SRA to implement the Resolution Plan without further delay. The SRA, vide email dated 16.07.2025, confirmed its willingness to implement the Plan. Accordingly, the Tenth Meeting of the Monitoring Committee was convened on 23.07.2025, wherein the modalities for implementation were discussed. The Resolution Plan was thereafter fully implemented on 30.07.2025.

d. The Tribunal, vide order dated 06.01.2026 in IA No. 1662/2025, directed the Chairman of the Monitoring Committee to take all necessary and appropriate steps in accordance with law. However, as the Resolution Plan had already been fully implemented and the Corporate Debtor handed over to the SRA on 30.07.2025, nothing further remained to be undertaken by the Applicant pursuant to the said direction.

Analysis & Findings:

9. We have heard the Ld. Counsel for the Applicant and perused the documents available on record.

10. It is noted that the Resolution Plan submitted by the SRA was approved by this Tribunal vide order dated 12.07.2024. The Clause 10.3 and Clause 10.15 of the Resolution Plan stipulate as under:

*"**<u>10.3. Binding Effect</u>***

This Resolution Plan once approved by the CoC and the NCLT in accordance with Paragraph 4 (Financial Proposal) of this Resolution Plan shall be binding in accordance with its terms on the Resolution Applicant, Corporate Debtor, Stakeholders, Promoters. Creditors and all other interested parties and each of their respective successors and assigns. Further, pursuant to the Code, the Resolution Plan shall be implemented by virtue of the NCLT Approval of this Resolution Plan, and no further acts, deeds, things, approvals or instruments shall be required for this purpose."

*"**<u>10.15. Unconditionality</u>***

The Resolution Plan is not contingent or conditional except on approval of the Resolution Plan by the Adjudicating Authority."

11. Therefore, Clause 10.3 and Clause 10.15 of the Resolution Plan expressly provide that the Plan is binding and unconditional save for approval by the Adjudicating Authority, and that no further act, deed or approval is required for its implementation. Further, the Resolution Plan is not contingent or conditional after the approval by this Adjudicating Authority.

12. After approval of the said Plan, the Suspended Director preferred Company Appeal (AT) (Ins.) Nos. 1378 of 2024 and 1383 of 2024 before the Hon'ble NCLAT, in which the Hon'ble NCLAT, vide interim order dated 23.07.2024, directed that "*In the meantime, implementation of the Plan may go on which shall abide by the result of these appeals*". This direction from Hon'ble NCLAT was permissive and did not stay implementation. Accordingly, it is noted that the Applicant being the Chairman of the Monitoring Committee was duty bound either to get the Resolution Plan implemented within timelines or file for liquidation in the event of non-implementation.

13. The said Company Appeal (AT) (Ins.) Nos. 1378 of 2024 and 1383 of 2024 were dismissed by the Hon'ble NCLAT on 14.07.2026 in following terms:

"145. In the present case, the Appellant has not demonstrated any specific violation of Section 30(2) of the Code in the approved Resolution Plan. The

allegation that the plan consideration is lower than fair value goes to the commercial wisdom of the CoC and cannot form a ground of challenge under Section 61(3) of the Code. *The Adjudicating Authority's discretion under Section 31 is circumscribed by the Code, and that the Appellate Tribunal has a limited scope of judicial review under Section 61(3) of the Code, confined to specific grounds such as contravention of law or material irregularity. The CoC's decision, arrived at after thorough examination of the plan's feasibility and viability, constitutes a collective business decision that should not be interfered with by judicial body.*

146. During hearing, it has been brought out that the Resolution Plan approved by Adjudicating Authority on 12.07.2024 has been fully implemented on 30.07.2025. The Resolution Professional has filed an application bearing IA No. 456 of 2026 before the Adjudicating Authority to take on record that the third status report on implementation of the Resolution Plan and relieve the Applicant from filing status report on implementation of the Resolution Plan.

147. In view of detailed discussion, we hold that the approved Resolution Plan does not suffer from any violation of the mandatory requirements of Section 30(2) of the Code. The CoC exercised its commercial wisdom in approving the Plan at the negotiated consideration. This Appellate Tribunal, exercising appellate jurisdiction under Section 61(3) of the Code, cannot sit as a court of appeal over the commercial wisdom of the CoC or substitute its judgment for that of the collective financial creditors. No material irregularity in the exercise of powers by the Resolution Professional has been established. The challenge by the Appellant do not fall within any of the permissible grounds under Section 61(3) of the Code.

148. In view of above detailed discussions, we do not find merits in either of the appeal. Both the appeals fail and stand dismissed."

14. As per Clause 9.3 of the Resolution Plan, implementation of the Plan was required to be completed on the 46th day from the date of approval by this Tribunal, i.e., on or before 27.08.2024. However, it is noted that implementation remained at a standstill for a considerable period of around one year, as no steps were taken by the Monitoring Committee or its Chairman until this Tribunal, while considering the Second Status Report, passed its order dated 07.07.2025 in IA No. 1662/2025 calling

upon the Chairman to explain the non-implementation. It is only pursuant to the said order, that the Resolution Plan came to be implemented only on 30.07.2025. It is an admitted position that the Plan was not implemented within this stipulated timeline. Therefore, the delay in implementation is in violation of Clause 10.3, Clause 10.15 read with Regulation 38(3) of the CIRP Regulations, 2016, which mandates that a resolution plan must provide for its effective and timely implementation, and also of the direction of Hon'ble NCLAT in their order dated 23.07.2024

15. It is observed that the Clause 5.7.(ii) of the Resolution Plan sought to link payment of the Total Resolution Amount to the finality of any pending litigation. The said clause 5.7.(ii) (at Page No.43 of the Resolution Plan) is reproduced below:

> *"The Total Resolution Amount offered in this Resolution Plan for payment to the Stakeholders will be paid as per the timeline of events for implementation of Resolution Plan as per paragraph 9.3 of this Resolution Plan subject to no appeal pending before the Hon'ble NCLAT or Hon'ble Supreme Court or any stay granted by any competent Court/Tribunal on implementation of the Resolution Plan. In the event, any litigations or legal proceedings are instituted in relation to the Resolution Plan or matters pertaining to the Corporate Insolvency Resolution Process of the Corporate Debtor then the Resolution Applicant shall make the payment of the Total Resolution Amount within 7 (Seven) Business Days from the day the Resolution Plan attains finality"*

16. Further, this Tribunal, while disposing of IA No. 1662/2025 vide order dated 06.01.2026, recorded the following detailed findings on the aforesaid conduct:

> *"14. However, such a clause cannot be interpreted to have force to override Clause 10.15 of the Resolution Plan, which expressly provides that the Plan is unconditional except for its approval by the Adjudicating Authority. Also, if at all*

Resolution Plan is considered conditional, then the same either could not have been approved by the CoC or by this Authority. ***Any contrary clause having effect of postponing implementation of the plan on account of litigation is therefore contrary to the express terms of the Resolution Plan itself and accordingly, non-implementation of the plan on this account cannot be termed as justifiable.***

18. As per Section 30(2) of the Code, the Resolution Professional is required to examine the Resolution Plan submitted by the Successful Resolution Applicant and confirm its compliance with the provisions of the Code. Further, under Section 30(4), the CoC may approve the Plan after considering its feasibility and viability and ensuring that it fulfills other requirements specified by the Board. Further, Regulation 38(3) of the CIRP Regulations, 2016 mandates that a Resolution Plan must be feasible, viable, and implementable, with specific timelines for implementation. ***In the present case, the Resolution Plan stipulated a specific timeline for implementation, namely the 46th day from the date of approval by this Tribunal. However, the Plan has not been implemented within the stipulated period. Such non-implementation defeats the mandatory requirement under Regulation 38(3) of the CIRP Regulations, 2016. The continued delay in implementation of the plan is contrary to the provision of the Code and Regulation as well as the timelines expressly stipulated in the Resolution Plan, and the Monitoring Committee, has failed to take the necessary action.***

19. With regard to the Applicant's submission in the Affidavit dated 25.07.2025 that the Resolution Plan is not conditional and is protected by the commercial wisdom of the CoC, as per the terms of Resolution Plan, it is mentioned that upon *approval of the Resolution Plan, the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor comes to an end and Successful Resolution Applicant will acquire the control of the affairs of the Corporate Debtor on the Transfer date. Therefore, upon approval of the Plan, the responsibility for the its implementation vests with the Monitoring Committee. However, in any event,* ***the commercial wisdom of the CoC cannot override or contravene the provisions of laws****."*

17. This Tribunal in the above order dated 06.01.2026, held that clause 5.7.(ii) of the Resolution Plan, to the extent it purported to make implementation contingent upon finality of the NCLAT appeals, could not override the express unconditionality of the Plan under Clause 10.15 and that the interim order of the Hon'ble NCLAT dated 23.07.2024 imposed no impediment to implementation and, if anything, obligated the Monitoring Committee to proceed. Further, the continued non-implementation of the Plan within the stipulated timeline of 46 days from the date of approval of Plan by NCLT (46^{th} day from approval of NCLT being the Transfer date) was contrary to Section 30(2) and 30(4) of the Code and Regulation 38(3) of the CIRP Regulations, 2016. The Chairman of the Monitoring Committee was accordingly directed to act strictly in accordance with law and take all necessary and appropriate steps as contemplated under the Code.

18. It is noted that when the present Application came up for hearing on 30.01.2026, this Tribunal recorded that the third status report placed on record did not indicate compliance with the directions contained in the order dated 06.01.2026, and called upon the Applicant to file an affidavit explaining such compliance.

19. In compliance thereof, the Applicant has placed on record the Additional Affidavit dated 23.02.2026. However, it is observed that the Applicant has failed to furnish any cogent reason or satisfactory explanation for the inordinate delay of almost a year in implementing the Resolution Plan, the same having remained unimplemented from 27.08.2024 (the stipulated

46th day) until 30.07.2025. The record thus discloses a clear case of substantial delay in implementation of the Resolution Plan, despite the interim order of the Hon'ble NCLAT dated 23.07.2024, which, far from staying implementation, permitted the implementation of Plan to proceed pending the outcome of the said appeals (which have been decided on 14.07.2026). Despite this, the Chairman of the Monitoring Committee took no steps towards implementation for nearly a year, and it was only upon this Tribunal's observation vide order dated 07.07.2025 that implementation was set in motion. Moreover, no material has been placed on record to demonstrate that any extension of time for implementation of the Resolution Plan was ever sought by the SRA from, or granted by, the Monitoring Committee. Taking into account, the absence of any such extension, and the Hon'ble NCLAT's order permitting implementation to proceed, the SRA did not implement the Plan within the timeline stipulated in the Resolution Plan, in violation of the express terms of the Resolution Plan.

20. Considering the following aspects that:

    a. The Resolution Plan was approved on 12.07.2024 by the Adjudicating Authority and was required to be fully implemented by 27.08.2024.

    b. The Suspended Director of the Corporate Debtor had preferred an appeal challenging the Resolution Plan approval order dated 12.07.2024, but the Hon'ble NCLAT did not stay the implementation of the Plan.

    c. The SRA's stated position that it would implement the Plan only upon receipt of favourable orders from the Hon'ble NCLAT, is in complete violation of settled law and the approved Resolution Plan was binding upon it.

    d. It was only pursuant to this Tribunal's order dated 06.01.2026, the Plan was hurriedly implemented on 30.07.2025 and the Corporate Debtor was handed over to the SRA on 30.07.2025.

e. The conduct of Chairman of the Monitoring Committee (erstwhile RP) and other members in accepting the stand of the SRA that Plan would be implemented only after getting favourable order from Hon'ble NCLAT, is not in accordance with law.

This Tribunal is of the considered view that conduct of the erstwhile RP, the SRA, and the other member of the Monitoring Committee, namely, Saraswat Co-operative Bank Ltd shall be referred to the IBBI for their wisdom to take such appropriate steps as it may deem fit.

21. With the aforesaid observations, while this Tribunal takes the Third Status Report filed by the Applicant on record, it is constrained to note the unwarranted conduct of the Applicant in his capacity as Chairman of the Monitoring Committee, as discussed hereinabove.

22. The Registry is accordingly directed to forward a copy of this Order to the Insolvency and Bankruptcy Board of India (IBBI) for such action as it may deem fit.

23. Accordingly, the **I.A(I.B.C)/456/2026** is **disposed of.**

Sd/-	**Sd/-**
Charanjeet Singh Gulati	**Lakshmi Gurung**
Member (Technical)	**Member(Judicial)**

Rashmi, LRA