



NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH (COURT-II)

IN

IA-2571/ND/2026 and IA-19/ND/2026

IN

CP (IB)-55/ND/2018

IN THE MATTER OF CP NO. 55/(ND)/2018

(Under Section 9 of IBC, 2016)

Hari Kishan Sharma

**... Petitioner/
Financial Creditor**

Versus

AKME Projects Limited

**... Respondent/
Corporate Debtor**

IN THE MATTER OF IA-2571/ND/2026

(Under Section 60(5) r/w Section 31(2) of IBC, 2016)

M/s Tirath Ram Ahuja Pvt. Ltd.

B-11/49, Mohan Cooperative Industrial Estate,
Badarpur, New Delhi-110044

... Applicant

Versus

1. AKME Projects Ltd.

Through Resolution Professional
Jalesh Kumar Grover
S/o Sh. N R Grover

2. Mr. Jalesh Kumar Grover

S/o Sh. N R Grover
SCO-818, 2nd Floor, NAC Manimajra,
Chandigarh, 160101

... Respondent

IN THE MATTER OF IA-19/ND/2026

(Under Section 30(6) of IBC, 2016)

Rajiv Bajaj



Interim Resolution Professional
M/S Ascot Projects Private Limited
LG, B-269, Chattarpur Enclave, Phase-II,
New Delhi-110079

... Applicant

Order Delivered on: 11.08.2026

CORAM:

SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)

SH. ATUL CHATURVEDI, HON'BLE MEMBER (T)

PRESENT:

For the Applicant :

For the Respondent : Adv. Tariq Munner, Adv. Chanchal Gupta, Adv.
Mayank Chitkara in IA-2571/26

For the RP : Adv. Abhishek Anad, Adv. Karan Kohli, Adv.
Vanshika Dhoot

ORDER

PER: SHRI ASHOK KUMAR BHARDWAJ, MEMBER (J)

IA-2571/ND/2026

The applicant has preferred the captioned application praying therein:-

“(a) Direct the Resolution Professional to file a detailed affidavit disclosing: (i) the allocation of assets and liabilities of the Corporate Debtor post the reconstitution of the COC and the shifting of the Akme Raaga Project to the CIRP of Grandstar, and (ii) the entries made in the books of accounts of the Corporate Debtor consequent to such shifting;

(b) Set aside the entire process of approval of the Resolution Plan circulated prior to the reconstitution of the Committee of Creditors and reallocation of assets and liabilities;



- (c) *Direct the Resolution Professional to allow the Applicant to attend the meetings of the COC in terms of Section 24(3)(c) of the IBC, 2016, and to furnish to the Applicant copies of the agenda, minutes, and relevant documents of prior COC meetings;*
- (d) *Direct the Resolution Professional to disclose the basis for inclusion of Yes Bank's Penal Interest and other charges as part of the unsecured claims in the Resolution Plan, and to verify the same independently before the plan is placed for approval;*
- (e) *Direct that the Resolution Plan, before it is placed before this Hon'ble Tribunal for approval under Section 31 of the IBC, 2016, shall be in compliance with the mandatory floor under Section 30(2)(b) of the IBC, and that the amount payable to the Applicant shall be computed on the basis of the correctly verified claim and the applicable liquidation value thereof”.*

2. The salient plea espoused in the application is that once project ‘Akme Raaga’ had been transferred out of the assets of the CD, the claim of Yes Bank could not have been continued against the CD. It is also the case of the applicant that the applicant being Operational Creditor could not have been denied the opportunity to participate in CoC proceeding. In reply to the IA filed on behalf of the RP, it has been espoused that the ‘Akme Ragga Project’ was a resident housing project, developed by the CD and to complete the project, the CD availed term loan of Rs. 60 Crores from YES Bank. In August 2014, the account of CD was declared as NPA by YES Bank, thus the Bank initiated process under SARFAESI Act and took possession of the project ‘Akme Ragga’. Nevertheless, the Bank gave an undertaking in the office of the District Magistrate, Gurugram to accept the liability qua the project towards



221 homebuyers. In terms of the undertaking, the money paid to the CD by 220 homebuyers was acknowledged and rights of homebuyers were secured by YES Bank Limited. In the process initiated by YES Bank under SARFAESI Act, the Grandstar emerged as Successful purchaser of 'Akme Ragga Project' with encumbrance. Thereafter, YES Bank issued sale confirmation advice and sale certificate in favour of the CD on 17.06.2016 and 19.07.2016 respectively, after receiving full payment.

3. Though, YES Bank viz. creditor qua the CD could avail its remedy under SARFAESI Act qua project Akme Ragga but its status as creditor and right to recover unsatisfied amount of debt to which it extended financial facility had not lost. Thus, there is no merit in the plea raised by the applicant that the claim of YES Bank should not have been considered by RP or CD. As far as the issue regarding participation of applicant in CoC meetings is concerned, as can be seen from the provisions of Section 24(4) of the Code, the directors, partners and one representative of the operational creditors as referred to in sub-section (3) may attend the meetings of the CoC but shall not have any right to vote in such meetings.

4. From the aforementioned provision, it is clear that only one representative of operational creditors is entitled to attend/participate in the meetings of CoC. It is the case of the RP that it sent e-mail dated 23.04.2026 to all the operational creditors to mutually deliberate and nominate a common representative who would attend the meetings of CoC on behalf of all the creditors. However, no mutually accepted representative had been nominated by the operational creditors. As can be seen from proviso to sub-section 4 of Section 24 of the Code, absence of any director, partner or representative of



operational creditors from CoC shall not invalidate the proceedings of the CoC. Thus, nothing turns on non-participation of applicant in CoC meetings.

5. There being no merit in either of the pleas raised on behalf of the applicant, we are not inclined to grant the relief sought by him in the IA. **The IA-2571/ND/2026 is found misconceived and devoid of merits, ergo, the same is rejected.**

IA-19/ND/2026

6. The captioned application has been preferred under Section 30(6) of IBC, 2016 r/w Section 31 thereof and Regulation 39 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016 seeking approval of the Resolution Plan. Copy of the Resolution Plan sought to be approved by the Applicant is placed on record as Annexure A-69 to the application.

7. As can be seen from Chapter-VI of the Resolution Plan, it provides:- the operational creditors as also dissenting Financial Creditors will be paid in priority over Financial Creditors; the plan will deal with interest of all the stakeholders including Financial/Operational Creditors; neither the Resolution Applicant nor any of its connected parties have ever failed to implement or contributed to failure of implementation of any other Resolution Plan approved by the Adjudicating Authority; the Plan shall be implemented within 12 months from the date of approval. The Resolution Plan also contains the provisions regarding management and control of the business of the Corporate Debtor during the term of Resolution Plan as also those for adequate means for supervising implementation of the Plan. The Plan also



provides that any recovery/realization out of the litigation shall be passed on for the benefits of the creditors of the CD in accordance with Section 53 of the Code. The Plan also demonstrates that it addresses the cause of default as also for feasibility and viability of the Resolution Plan. The relevant excerpt of Chapter VI of the Resolution Plan reads thus:-

CHAPTER VI – MANDATORY CONTENTS

The proposed resolution plan has been prepared & complied in terms of the provisions of the Insolvency & Bankruptcy Code, 2016 and amendments thereon read with rules and regulations made there under. The mandatory contents as per section 30 read with regulation 38 & 37 are as stated below:

<u>CONTENTS OF RESOLUTION PLAN IN COMPLIANCE TO REGULATION 38 IBBI(CIRP) REGUALTION, 2016</u>
<u>Regulation 38 (1)(a):</u> <u>Operational Creditors shall be paid in priority over financial creditors</u> The Resolution Applicant hereby states that the payments proposed to operational creditor under the present resolution plan shall be paid in priority to other creditors of the corporate debtor.
<u>Regulation 38(1)(b):</u> <u>Priority Payment to Dissenting Financial Creditors over financial creditors who voted in favour of plan:</u> In terms of Regulation 38(1)(b) of the CIRP Regulations, payment of debts of Financial Creditors, who do not vote in favour of the resolution plan ("Dissenting Financial Creditors"), 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 and payment will be made to such creditors in priority over Financial Creditors who voted in favour of the plan. It is further clarified that Resolution Applicant (s) liability towards financial creditors will remain same as proposed in this resolution plan. Further, in line with the recent amendment to Regulation 38(1)(b), the amount payable to such dissenting financial creditors shall be made in priority to the payments to consenting financial creditors, and at a minimum, on a pro-rata basis relative to the distribution proposed for other financial creditors under the Resolution Plan. Further any surplus/deficit shall be accounted for from the amount proposed to other secured financial creditors who voted in favour of resolution plan
<u>Regulation 38(1A):</u> <u>Statement on how the plan dealt with interests of all stakeholders including financial/operational creditors</u> Although the liquidation value of the assets of the corporate debtor is not even sufficient to settle the dues of secured financial creditors, payable by the Corporate Debtor fully, the Resolution Applicant has proposed payments to all the creditors against their admitted claims in this resolution plan. Thus, this



resolution plan duly addresses the claims of all the creditors- Financial creditors (secured & unsecured) and Operational creditors (Workmen/ Employees/ Statutory Departments/ others).

Hence, the interest of all the stakeholders as specified in waterfall mechanism has been taken care of.

Regulation 38 (1B):

Statement in respect to failure in implementation of any other resolution plan by Resolution Applicant & its connected parties

The Resolution Applicant hereby confirm that neither the Resolution Applicant nor any of their connected parties have ever failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority.

Regulation 38(2)(a):

Provide for the term of plan and implementation schedule

The proposed term for implementation of this resolution plan shall be **12 months** from the effective date (Date of approval of resolution plan by Adjudicating Authority).

The schedule for Implementation of proposed resolution plan is tabulated as below:

E= Effective date i.e., date of approval of resolution Plan by Adjudicating Authority:

Action	Timeline
Approval of the Resolution Plan by the NCLT	E
Payment of unpaid Actual CIRP costs (if any)	E + 60 days
Payment to all Operational Creditors	E + 60 days
Upfront Payment to Secured Financial Creditors	E + 60 days
Upfront Payment to unsecured Financial Creditors	E + 60 days
Upfront Payment to unsecured Financial Creditors in class	E + 60 days
Appointment of new directors in the board of corporate debtor and Removal of existing directors of corporate debtor	E + 60 days
Extinguishment of all existing Shares and issue of fresh shares in f/o new board of directors	E + 60 days
Deferred Payment to Secured Financial Creditors	E+12 months
Deferred Payment to Unsecured Financial Creditors	E+12 months
Deferred Payment to Unsecured Financial Creditors in class	E+12 months

Regulation 38 (2)(b):

The management & control of the business of the corporate debtor during the term of resolution plan

From the date of approval of this resolution plan by the Adjudicating Authority, the erstwhile promoters/directors shall have no control, veto, rights, directorship or any interest in the Corporate Debtor.



W.e.f. the Effective Date, the entire control of the Corporate Debtor shall vest with the Monitoring Committee and upon fulfilment of upfront payment obligations as specified under this resolution plan, with the Resolution Applicant. It is hereby reiterated that the ownership/ control of the Corporate Debtor shall be vested in the Resolution Applicant effectively after upfront payment as envisaged under the Resolution Plan.

Thereafter, the role of Monitoring Committee shall be limited to the extent expressly specified in this resolution plan. However, the monitoring committee shall continue to supervise the implementation of the plan thereby ensuring adherence to the payment obligations as per this resolution plan and submitting timely reports before the Adjudicating Authority.

Further, the Monitoring Committee shall stand automatically dissolved w.e.f. the date on which the entire financial/non financial obligation has been discharged by the Resolution Applicant and all other obligations in terms of this resolution plan are fulfilled.

The Resolution Applicant shall appoint the reconstituted board after making proposed upfront payments mentioned in the resolution plan, without any additional approval from the shareholders. On and from the effective date, all the existing Directors shall be deemed to have vacated their office. The Resolution Applicants shall take requisite steps for necessary updation of the records of Registrar of Companies and any other requisite authorities in accordance with the applicable laws.

As already mentioned above, the reconstituted board of directors shall be as follows:

1. Sudha Agarwal
2. Anil Kumar Agarwal
3. Archit Agarwal

Since, Resolution Applicant has already stated that a SPV will be formed for implementing the resolution plan wherein a construction partner will be brought on-board; the Resolution Applicant reserve its rights to appoint additional director(s) who will also be a member of said SPV.

However, the erstwhile directors shall continue to remain liable for the deeds and acts done by them, prior to cessation of their directorships. The Resolution Applicant shall also exercise discretion as it deem fit in the interest of continuing the Corporate Debtor as a going concern.



Regulation 38(2)(c):

Adequate means for supervising implementation of resolution plan

The Resolution Applicants hereby propose that a Monitoring Committee may be constituted for monitoring and supervision of implementation of the Resolution Plan in terms of provisions of section 30(2)(d) of Insolvency and Bankruptcy Code, 2016 read with Regulation 38(2)(c) and 4(a) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

In accordance with Regulation 38 (2) (c) of the CIRP Regulations, 2016 the Resolution Applicants proposes constitution of a Monitoring Committee within 10 (Ten) business days from the Effective Date comprising of the following members:

- i. One representative of the SRA;
- ii. One representative of the COC/ Secured FC; and
- iii. Resolution Professional who shall be the Chairman of the Monitoring Committee.

The appointment of Chairman of Monitoring Committee shall be at mutually agreed terms and with approval of COC members. The fee payable to the Monitoring Professional shall be borne by the Resolution Applicant.

In compliance of Regulation 38 clause 4 (b) of the CIRP Regulations, 2016 in case the Resolution Professional is proposed to be part of the monitoring committee, the monthly fee payable to him shall not exceed the monthly fee received by him during the corporate insolvency resolution process.

In compliance of Regulation 38 clause 4 (c) of the CIRP Regulations, 2016 the Monitoring Committee shall submit regular reports to the Adjudicating Authority regarding the status of implementation of resolution plan from the Effective Date till the completion of tenure of this resolution plan.

The committee shall monitor the implementation of the Plan after the Effective date and until the term of implementation of plan. All the decisions of the Monitoring Committee shall be taken by way of a majority vote of the members.

The Monitoring Committee shall have the following responsibilities:

- Monitoring the implementation of this Resolution Plan, during the Term of the Plan.
- Obtain all original documents, and also all other agreements, deeds, contracts, correspondences, communications, letters or any other document, pertaining to whole or any division of the Corporate Debtor, transferred by the erstwhile members of the Board of Directors of the CD and/or by the Existing Promoter Group or the Resolution Professional in a peaceful and unconditional manner.
- Provide regular updates to the all the Creditors, until the Creditors receive the amounts payable to them pursuant to this Resolution Plan.
- Ensure that all assets of the CD (as on CIRP date) included in this resolution plan remain vested in the CD, free from all encumbrances and/or without any encroachments (including but not limited to occupancy of possession by the erstwhile director/s or promoter/s or their men/agents/servants) upon Implementation of the Plan.



- Issue a certificate that the Resolution Plan has been duly implemented and the payments contemplated in this Resolution Plan have been duly completed. In issuing this certificate, if a Person has not collected its payment, despite the CD having notified such person, and accordingly the CD if created a special reserve for payment of such amount, it shall be deemed to be a discharge of CD's payment obligations.
- Issuance of a certificate by the Monitoring Committee shall be a valid discharge of the RAs from their obligation to implement this Resolution Plan in accordance with its terms.
- Submission of regular reports to the Adjudicating Authority regarding the status of implementation of resolution plan.
- Any other act in accordance with the provisions of IBC read with underlying rules and regulations.

The Monitoring Committee shall be dissolved, without any further act or deed, after the payment of the creditors out of the funds received as contemplated in this Plan has been made and other completion of other events as contemplated under this resolution plan.

Regulation 38(2)(d):

Provide the manner in which proceedings in respect of avoidance transactions will be pursued after the approval of resolution plan & the manner in which proceeds thereof, if any shall be distributed

As per the terms of the approved RFRP, the Resolution Applicants hereby confirm that the application seeking avoidance of transactions covered under Sections 43, 45, 47, 49, 50 or 66 of the IBC and under Chapter III filed by the Resolution Professional with the Adjudicating Authority shall be pursued by the Monitoring Professional and once Monitoring Professional is discharged, by the financial creditors forming part of the CoC of the Corporate Debtor.

The Resolution Applicant hereby confirms that any recovery/ realization out of said litigation shall be passed on for the benefits of creditors of CD in accordance

with Section 53 of the Code, 2016, except as specifically provided under this resolution plan. Accordingly, the cost of pursuing such litigation shall also be borne by the financial creditors ('beneficiary') of said avoidance applications.

Regulation 38 (2A) : A resolution plan shall not provide for assignment of any avoidance transactions under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code that were not: (a) disclosed in the information memorandum; and (b) intimated to all prospective resolution applicants under sub-regulation (3A) of regulation 35A before the last date for submission of resolution plans

The Resolution Professional has identified and intimated the avoidance transactions, and the corresponding treatment has been duly proposed under the Resolution Plan.

Regulation 38 (3) (a):

Demonstrate that it Addresses the Cause of default

Based on the analysis made by the Resolution Applicant, the following are the causes of default:

1. Failure of the company to honour its financial obligations led to enforcement of security by secured lender which resulted into alienation of the 'Akme Raaga' project;
2. Mis-management;
3. Siphoning & Misutilization of funds by the ex-management by entering into related party transactions in order to divert the funds of the company;
4. Failure to deal with excessive commercial disputes; &
5. Failure to fulfil obligations towards the stakeholder's vis-a-vis completion of 'Akme Polis' project.

The Resolution Applicant shall infuse requisite funds as proposed under this resolution plan in a planned manner so as to implement the Resolution Plan.



Regulation 38 (3)(b):

Statement on Feasibility & Viability of Resolution Plan

The Resolution Applicant has adequate sources of funds required for successful implementation of resolution plan. The Resolution Applicant also intend to bring in funds for capex & working capital or Joint Developer/ Contractor. The term of resolution plan is of **12 months** from the effective date. The Resolution Applicant has requisite experience in the real estate sector which makes them capable of successfully implementing the proposed plan. Thus, this Resolution Plan is feasible and viable.

Regulation 38 (3) (c):

Provision for effective implementation of Resolution Plan

The Resolution Applicant has proposed to implement this Resolution plan by paying the entire resolution debt amount in **12 months** from effective date. The source of funds shall be owned funds &/or borrowed funds. Nonetheless, the Resolution Applicant has proposed to constitute a monitoring agency to supervise the implementation of resolution plan. Since the term of plan is too short and is to be paid out of own funds, it can be effectively implemented.

Regulation 38 (3) (d):

Provisions for approvals required and the timelines for the same

The Resolution Applicant shall, obtain/renew the necessary approvals, licenses or permits 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.

Regulation 38(3) (e):

Capability to implement the resolution plan

The Resolution Applicant has requisite experience in the real estate industry and have earned recognition as a successful strategic investor. Further, the Resolution Applicant has already submitted documentary evidence to demonstrate their financial capacity which clearly showcases their capability to implement this resolution plan.

Regulation 38 (3A) Every resolution plan shall include:

- (a) **a statement of beneficial-ownership, in a format notified through circular by the Board, covering details of all natural persons who ultimately owns or controls the resolution applicant, together with the shareholding structure and jurisdiction of each intermediate entity;**

The statement is attached as Annexure No. 1.

- (b) **an affidavit, in a format specified by the Board, that the resolution applicant is eligible for the benefit of section 32A.1**

Affidavit is attached as Annexure No. 2.



8. The Resolution Plan also indicates the compliance of Section 30 (2) of IBC, 2016. It also mentions that the same is in due deference to the provisions of Regulation 37 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

9. There is also mention in the Resolution Plan that the SRA does not suffer from any of the disqualifications provided in Section 29A of IBC, 2016. The SRA has also addressed the cause of default. The relevant excerpt of the Plan reads thus:-

Addressal of cause of default

The Resolution Applicant comprehend that the existing challenges faced by the Corporate Debtor (CD) necessitate a comprehensive approach, combining effective financial planning and adept project management. This entails addressing key facets, including:

- a. Infusing substantial support through equity, internal accruals, quasi-equity, or debt sourced from banks/financial institutions/funds, coupled with judicious working capital management for any potential additional fund requirements.
- b. Recognizing the prolonged delays and dynamic shifts in the real estate sector's market conditions, there's an imperative need for an alteration in the execution strategy and product mix of the project.
- c. Beyond meticulous financial planning and strategic recalibration, the resolution applicant must possess pertinent experience in executing large-scale projects at a single location.

In shaping the resolution plan, alternative considerations for the project have been explored, emphasizing the optimal utilization of resources and delivering maximum value to the stakeholders involved. The current resolution plan is meticulously formulated based on these considerations. The resolution applicant is committed to ensuring that the issues leading to the CD's insolvency under the Corporate Insolvency Resolution Process (CIRP) are rectified. The overarching goal of this resolution plan is to eliminate the loopholes and deficiencies that precipitated the CD's current insolvency status, preventing any recurrence of similar challenges. It is also pertinent to note that one of the projects of the CD is already resolved under the CIRP of another Company namely, Grandstar Reality Private Limited.



10. The Resolution Plan also take note of the claims of Creditors in Class (Allottes/Homebuyers). Relevant excerpt of the Plan reads thus:-

II. CREDITORS IN CLASS (ALLOTEES/ HOMEBUYERS)

As per the Information Memorandum, at the time of initiation of CIRP of M/s Akme Projects Limited, the homebuyers/ allottees of "Akme Raaga" filed their claims with the IRP/ RP.

However, after the initiation of CIRP of the corporate debtor, it was observed that by virtue of order dated 10.11.2015, Ld. District Magistrate-Gurugram had passed the directions allowing YES Bank to take over the possession of the housing project of the Akme Projects Limited namely "Akme Raaga" situated at Gurugram under SARFAESI Act, 2002. Consequently, the housing project named "Akme Raaga" situated at Gurgaon was bought by Grandstar Reality Private Limited through auction process on "As is where is basis", "As is what is basis", "Whatever there is basis" and "No recourse basis".

M/s Grandstar Reality Pvt Ltd also failed to commence the construction and fulfil its obligation of handing over the flats to the Home-buyers. Consequently, the homebuyers filed an application before Hon'ble NCLT under section 7 of the IB Code 2016 for initiating the CIRP proceedings against Grandstar Reality Private Limited (*since the project was bought by GRPL in 2016*). The said application was admitted by the Hon'ble NCLT, New Delhi vide order dated 26.09.2023. The RP admitted the claims of the Home Buyers, in the CIRP of Grandstar Reality Private Limited. The resolution plan in the matter of Grandstar Reality Private Limited has already been approved by the COC of Grandstar Reality Private Limited and pending before the Hon'ble NCLT for approval. The said resolution plan also addresses all the unit-holders (out of 220), who have not filed their claims in the CIRP of the Grandstar Realty Private Limited.

Since, the project "Akme Raaga" does not belong to Akme Projects Limited by virtue of sale to GS and its CIRP – leading to the approval of resolution plan by COC, the RP has filed an application before the Hon'ble Adjudicating Authority for the exclusion of claims submitted by the Homebuyers of "Akme Raaga" project out of the ongoing CIRP proceedings of Akme Projects Limited on account of addressal of their claims in the COC approved Resolution Plan of Grandstar Reality Pvt. Ltd. As per the information provided by the RP, the said application has been allowed by the Adjudicating Authority. Consequently, the homebuyers of the Akme Ragga Projects have been excluded from the CIRP of the Corporate Debtor.

As per the Information Memorandum, as on date, the claims of following allottees, which have not been addressed in the CIRP of Grand Star are required to be addressed in the present CIRP of Akme Projects Limited:-



(Amt in Rs.)

Sr. No.	Name of Creditor	Amount Claimed	Amount verified by RP	Amount not verified
1	Godawari Capital Private Limited	500,000	774,986	-
2	Sawalka Autotech Private Limited	600,000	882,509	-
3	Kuljit Singh Saini	24,675,000	1,615,565.7	23,059,434.3
	Total	25,775,000	3,273,060	23,059,434.3

NOTE:

An application was filed by the RP, in the CIRP of Grandstar Reality Pvt. Ltd. for removal of name of 2 allottees namely (Sawalka Autotech and Godawari Capital), which is pending before the Hon'ble NCLT, Delhi. Accordingly, as on date, they are treated as creditors in the CIRP of the Corporate Debtor. Further, if the said application is not allowed and these claims are addressed in the CIRP of Grandstar Reality Pvt. Ltd., the amount proposed against these allottees shall be distributed to the Secured Financial Creditors.

11. The Resolution Plan also make reference to the statutory dues, employees dues, dues of Operational Creditors and those of other creditors. The Resolution Plan also contains Financial Proposal by the RA. The relevant excerpt of the Plan reads thus:-

CHAPTER V – FINANCIAL PROPOSAL

In formulating the Financial Proposal, careful consideration has been given to the Information provided by the Resolution Professional through the Information Memorandum, subsequent correspondences and independent assessment of the RA. This information serves as the foundation for determining the sealed amounts pertaining to the claims of the creditors of the Corporate Debtor (CD) up to the date of submission of this Resolution Plan.

In affirming the effectiveness of this Resolution Plan, the Resolution Applicant (RA) assert that, irrespective of any contrary provisions within this plan or other associated documents, including definitive agreements, no conditions, assumptions, or qualifications are imposed for the approval of this plan by the Hon'ble Adjudicating Authority (AA).

This stance underscores the commitment to a transparent and comprehensive resolution process, with a clear acknowledgment that the Resolution Plan stands on its merits without any contingent conditions or qualifications hindering its approval by the Hon'ble AA. This commitment ensures a smooth and unencumbered path towards the realization of the proposed resolution objectives.



Financial Proposal by the Resolution Applicant

The Resolution Applicant presents this comprehensive Resolution Plan with the primary objective of addressing the insolvency challenges faced by the Corporate Debtor. This plan strategically tackles the outstanding dues of all the creditors, aiming to deliver enhanced value and recognition for the invaluable support extended to the Corporate Debtor.

Within this chapter, in conjunction with the Business Plan where applicable, a meticulous account is provided on how the interests of all stakeholders, including Financial Creditors and Operational Creditors, have been meticulously handled by the Resolution Applicant (RA). This meticulous consideration aligns with the regulatory framework as outlined in Regulation 38(1A) of the Corporate Insolvency Resolution Process (CIRP) Regulations.

The essence of Regulation 38(1A) is encapsulated in the acknowledgment that a resolution plan must encompass a detailed statement elucidating how the interests of all stakeholders, spanning financial and operational creditors, have been addressed for the Corporate Debtor in question. The commitment to transparency and equitable treatment of stakeholders permeates every facet of this Resolution Plan.

In essence, this chapter stands as a testament to the Resolution Applicant's dedication to adhering to regulatory guidelines, fostering a balanced and inclusive approach that endeavours to safeguard the rights and interests of all stakeholders involved in the insolvency resolution process. This plan unfolds as a well-crafted strategy aimed at not only resolving financial intricacies but also at fortifying the foundation for sustained corporate rejuvenation. For the Said Purpose RA may propose (Subject to the approval of CoC) Resolution Professional to approach the respective Govt Departments and Authorities for Renewal and Reinstatement of Licenses and Approvals which may have lapsed or as may be required. RA for the said purpose may provide such amount as required (Not Exceeding Rs 5.00 Cr) which shall be treated as Interim Finance @ 16% p.a (Monthly Compounding) and will constitute as part of the CIRP cost in case of Non-Approval of the Plan By AA. In case of Approval of Plan by AA the said amount shall be treated as part of the proposed Infusion.

12. There is also provision made in the plan for payment of CIRP cost in priority as also IBBI Fee on Resolution Plan. The relevant excerpt of the Plan reads thus:-



A. Proposal for CIRP Costs:

Based on the information provided by the Resolution Professional, the unpaid CIRP cost amounts to **Rs. 5.25 Crores** (estimated). The Resolution Applicant proposes to pay the unpaid CIRP costs of Rs. 5.25 crores (as per actuals; as on Effective Date) within 60 days of the Effective Date.

In accordance with the provisions of Section 30 (2) (a) of the IBC read with Regulation 38 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the CIRP Cost will be paid within 60 days of Effective Date in priority of payment to any other class of creditors.

Any increase in the unpaid CIRP cost shall be paid out of funds proposed to the secured FCs. Simultaneously, in case actual CIRP cost comes out to be less than Rs. 5.25 crores the resultant surplus shall be paid to the secured FCs.

B. IBBI Fee on Resolution Plan @0.25%

Pursuant to Regulation 31A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, a regulatory fee of 0.25% of the realizable value to creditors i.e. Rs.5,08,875/- under an approved resolution plan is required to be paid to the Insolvency and Bankruptcy Board of India ("IBBI").

The abovementioned regulatory fee forms part of the CIRP cost and thus, will also be paid on priority.

13. The certificate furnished by the RP, certifying that the Resolution Plan is inconsonance with the mandatory requirements and provisions of law is available on record as Annexure A-76 of the application. In the certificate given by him, the RP has mentioned that the Resolution Plan could be approved by members of CoC with 91.82% voting share. In clause 7A of the certificate, the RP has mentioned that the value of the Plan is more than the fair value. The clause 7A 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)	Rs.17,19,91,125/- (INR 17.20 crores)
2.	Fair Value	Rs. 4,97,19,035 (INR 4.97 crores)



3.	Liquidation Value	Rs. 3,79,81,108 (INR 3.80 crores)
4.	Percentage (%) of realisable amount to Fair Value	345.93%
5.	Percentage (%) of realisable amount to Liquidation Value	452.83%
6.	Percentage (%) of realisable amount to Principal amount	48.82%
7.	Percentage (%) of realisable amount to Total admitted claims	22.27%
8.	Percentage (%) of realisable amount to Other than admitted Corporate Guarantee claims	22.27%

14. In clause 7B of the certificate, the RP has given the details of realizable value and distribution. The clause 7B reads thus:-

7B. Details of Realisable amount:

Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed	Amount Admitted	Realisable amount under the plan	Amount realizable in plan to amount claimed (%)	
Secured Financial	20,29,56,759	19,15,55,798	12,81,58,332	63.15%	The SRA has
Creditors - Creditors not having a right to vote under sub-section (2) of section 21 - Dissenting - Assenting					proposed Rs. 12.82 Crores to Secured Financial Creditor to be paid within 12 months from Effective Date, Rs. 6.40 Crores upfront within 60 days from Effective Date and deferred payment in Four equal instalments.



Unsecured Financial Creditors -Creditors not having a right to vote under sub-section (2) of section 21 - Dissenting - Assenting	37,72,09,623	28,10,31,079	2,45,38,386	6.51%	<i>The SRA has proposed Rs. 2.45 Crores to Unsecured Financial Creditor to be paid within 12 months from Effective Date, Rs. 0.12 Crores upfront within 60 days from Effective Date and deferred payment in Four equal instalments. The SRA has proposed Rs. 0.03 Crores to Unsecured Financial Creditor in a class (other than Homebuyers of AKME RAAGA; who have been addressed in Grandstar Realty Pvt. Ltd.) to be</i>
Unsecured Financial Creditor in a class i.e., Allottees	2,75,57,000	32,73,060	3,27,307	1.27%	<i>paid within 12 months from Effective Date, Rs. 0.002 Crores upfront within 60 days from Effective Date and deferred payment in Four equal instalments.</i>
Operational Creditors					
(i) Government					
-VAT Dues	2,08,30,332	2,08,30,332	1,39,36,308	66.90%	<i>The SRA has proposed total Rs. 1.51 Crores to Statutory Authorities to be paid within 60 days from Effective Date.</i>
- PF Dues	26,31,397	11,29,239	11,29,238	42.91%	
-Other Statutory Dues	749815940	65,85,387	65,854	0.009%	



(ii) Workmen	-	-	-	-	Date.
- PF dues					
- Other dues					
(iii) Employees	2,42,35,125	1,47,01,020	28,84,925	11.90%	The SRA has proposed Rs. 0.29 Crores towards employees' dues to be paid within 60 days from Effective Date. Further, the gratuity claims have been proposed to be paid in full. The gratuity claims shall be verified by the Resolution Applicant and paid accordingly. Any surplus amount remaining after
- PF dues	-	-	-	-	
- Other dues	-	-	-	-	

					settlement of the gratuity claims shall be distributed to the secured financial creditors.
(iv) Other Operational creditors	65,87,06,047	7,50,77,512	7,50,775	0.11%	The SRA has proposed Rs. 0.08 Crores to Operational Creditors (Supplier of Goods and Services) to be paid within 60 days from Effective Date. Further, the payments proposed to operational creditor shall be paid in priority to other creditors of the corporate debtor.



Other Debts and Dues	17,81,12,876	17,81,12,876	2,00,000	0.11%	debtor. The SRA has proposed Rs. 0.02 Crores to Other Creditors to be paid within 60 days from Effective Date.
Shareholders					
Total	2,24,02,73,099	7,22,96,302	17,19,91,125	85.01%	

(1) The amount of resolution plan is exclusive of the fee payable to IBBI in compliance with Regulation 31 (A) (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 equivalent to 0.25% of the realizable value to creditors, amounting to Rs. 5,08,875 (Rupees Five Lacs Eight Thousand Eight Hundred Seventy-Five only) inclusive of GST.

15. The affidavit furnished by the SRA under Section 29A of IBC, 2016 has been placed on record as Annexure A-77 to the application. The applicant has also transferred an amount of Rs. 2.25 Lakh to CD as Performance Security. The remittance advice has been enclosed as Annexure A-74 to the application.

16. 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 on such issues is negligible. The above view was also reiterated by 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 Resolution Plan by this Tribunal is confined to the provisions of Section 30(2) of 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.”

17. In the recent judgement of **Torrent Power Ltd. v. Ashish Arjankumar 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 manner in 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 re-submit such 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 in regard to 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 into entering upon 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.”*

18. In the wake of the aforementioned, once the CoC comprising of homebuyers has approved the Resolution Plan, there is hardly any scope for us to interfere with the same. We have already dealt with the objections raised by one of the Corporate Debtors. 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 IBC, 2016 mandates 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 provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for 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 the purposes of 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, 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, clearances or a similar grant or right during the moratorium period;”



(Emphasis Supplied)

19. 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 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 95th day from the Insolvency commencement date. In terms of the Regulation 36A of the Regulations the RP 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 60th day from the Insolvency commencement date, from interested and eligible Prospective Resolution Applicants to submit Resolution Plans. The Regulation 36B of the Regulations provides that the RP shall issue



Information Memorandum Evaluation Matrix (IMEM) and request for Resolution Plans, within 5 days of the date of issue of 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 request for Resolution Plan. The request for 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 Regulation 37 and 38 of the extant Regulations. Once the plan is approved by the CoC, in terms of the provisions of Regulations 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 IBC, 2016, takes care of most of the relief/concession/waiver solicited by the Resolution Applicant.

20. 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.

21. 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.

22. 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 be not oblivious of the fact that in the backdrop of 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 Section 31(1) and 32A of IBC, 2016.

23. In the backdrop of aforementioned factual position, discussion, analysis and findings, **the IA-19/ND/2026 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 prescribed form viz. Form “H” as also the Addendum/Affidavit thereto (supra) is approved.

24. However, in ***State Bank of India & Ors. vs. The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch & Anr. (Civil Appeal Nos. 5023-2024 of 2024)***, Hon’ble Supreme Court viewed that the NCLT should exercise discussion as regard to altering the binding terms of the Resolution Plan and the time line must be kept at a minimum. The para 176 of the order reads thus:-



“176. The IBC, 2016 is silent as regards the phase of implementation of the Resolution Plan by the Successful Resolution Applicant. This is mostly due to the fact that each Resolution Plan might be unique and customized to the specific needs of the Corporate Debtor and an excessive amount of statutory control over the implementation of the Plan may prove to be counterproductive to the cause of the Corporate Debtor. However, this has unfortunately led to the consequence of giving excessive leeway to the Successful Resolution Applicants to act in flagrant violation of the terms of the Resolution Plan in a lackadaisical manner. The SRAs repeatedly approach the Adjudicating Authority or the NCLAT for the grant of reliefs in relation to relaxation of the strict compliance to the terms of the Plan, including the timelines imposed therein. The NCLT and NCLAT more often than not, accede to such requests in exercise of their inherent powers under Rule 11 or their power to extend time under Rule 15 of the NCLT and NCLAT Rules, 2016 respectively. It is reiterated that the NCLT and NCLAT must not entertain such repeated attempts at violating the integrity of a CoC approved Resolution Plan by accommodating the incessant requests of the Successful Resolution Applicants. The exercise of discretion as regards altering the binding terms of the Resolution Plan, including the timelines imposed, must be kept at a minimum, at best. The NCLTs/NCLATs need to be sensitised of not exercising their judicial discretion in extending the timelines fixed under IBC, 2016 or the Resolution Plan, in such a way that it may make the Code lose its effectiveness thereby rendering it obsolete.”

25. 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 term 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 are available/ permissible to it as per the provisions of Section 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. When the 'E' would be the date of approval of Resolution Plan by this Tribunal, following steps would be taken in terms of the resolution plan:

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SL. NO.	STEP TO BE TAKEN	TIMELINE
1.	Payment of unpaid Actual CIRP costs (if any)	E + 60 days
2.	Payment to all Operational Creditors	E + 60 days
3.	Upfront Payment to Secured Financial Creditors	E + 60 days
4.	Upfront Payment to Unsecured Financial Creditors	E+60 days
5.	Upfront Payment to Unsecured Financial Creditors in class	E + 60 days
6.	Appointment of new directors in the board of corporate debtor and Removal of existing directors of corporate debtor	E + 60 days
7.	Extinguishment of all existing Shares and issue of fresh shares in f/o new board of directors	E + 60 days
8.	Deferred Payment to Secured Financial Creditors	E+12 months
9.	Deferred Payment to Unsecured Financial Creditors	E+12 months
10.	Deferred Payment to Unsecured Financial Creditors in class	E+12 months

iv. The order of the moratorium in respect to 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 homebuyers would not be liable to pay any additional amount over and above Rs. 4 Cr. as CIRP cost.
 - vi.** The SRA shall act in terms of the provisions of Section 31(4) of IBC 2016;
 - vii.** The Monitoring Committee shall file progress report regarding implementation of the Plan before this Tribunal, every month;
 - viii.** 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;
 - ix.** 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;
 - x.** The RP shall intimate each claimant about the principle or formulae, as the case may be, for payment of debts under the Plan.
- 26.** 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.
- 27.** A copy of this order shall also be sent by the Court Officer and Applicant to the IBBI and RoC for their record.

Sd/-
(ATUL CHATURVEDI)
MEMBER(T)

Sd/-
(ASHOK KUMAR BHARDWAJ)
MEMBER(J)