



**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
BENCH- I**

I.A. (IBC) (PLAN) No. 81 of 2025

IN

CP(IB) No. 2156 of 2019

Under Section 30 (6) of the Insolvency and Bankruptcy Code, 2016, r/w. Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the Resolution Plan under the provisions of Section 31(1) of the Code.

In the Application of

Pankaj Sham Joshi

...Applicant/Resolution Professional

ALONGWITH

IA No. 3610 of 2025

IN

CP(IB) No. 2156 of 2019

Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016

In the Application of

Consortium of Govindrao Sable, Shobha G. Sable & Pravin G. Sable

...Applicant

Versus

Pankaj Sham Joshi

...Respondent No. 1/

Resolution Professional

COC of KGS Sugar & Infra Corporation Private Limited

...Respondent No. 2

Grainotch Industries Limited

...Respondent No. 3



ALONGWITH

IVN. P. No. 96 of 2025 IN IA (IBC)(PLAN) No. 81 of 2025

IN

CP(IB) No. 2156 of 2019

Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016

In the Application of

Consortium of Govindrao Sable, Shobha G. Sable & Pravin G. Sable

...Intervenor

In the matter of

Canara Bank

**...Financial Creditor/
Petitioner**

Versus

KGS Sugar & Infra Corporation Private Limited

**...Corporate Debtor/
Respondent**

Order Delivered on : 01.10.2025

Coram:

Hon'ble Member (Judicial) : Sh. Sushil Mahadeorao Kochey

Hon'ble Member (Technical) : Sh. Prabhat Kumar

Appearances:

For the Resolution Professional : Sr. Adv. Mustafa Doctor a/w Adv. Neha Naik, Adv. Madhuri Doshi & Adv. Shivani Varade i/b Phoenix Legal

For the CoC : Adv. Kunal Mehta i/b Shanay Bafna



For the Unsuccessful Resolution

Applicant :Adv. Rohit Gupta a/w Adv. S. Satiya, Adv. Vaibhav Ugle & Adv. Priyansh R. Jain

For the Successful Resolution

Applicant :Adv. Pulkit Sharma a/w Adv. Dhruvad Vaghani, Adv. Gayatri Mohite and Adv. Kamakshi i/b Anchostone Legal

ORDER

1. The Resolution Professional of **KGS Sugar & Infra Corporation Private Limited** (“**Corporate Debtor**”), Mr. Pankaj Sham Joshi (“Resolution Professional” / “Applicant”), has filed an Application bearing **IA (IBC) (PLAN) No. 81/2025** in **CP(IB) No. 2156/2019** seeking approval of Resolution Plan dated 07.11.2024 read with One Time Amendment dated 25.03.2025 and Addendum dated 02.06.2025 submitted by the Successful Resolution Applicant, **Grainotch Industries Limited** (“**GIL/SRA**”) in terms of Section 31 of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) after the approval of Committee of Creditors (“**CoC**”) of the Corporate Debtor with 99.86% at the 44th CoC meeting dated 17.06.2025.
2. An Application bearing **IA No. 3610/2025** was filed by the Consortium of Govindrao Sable, Shobha G. Sable & Pravin G. Sable, an unsuccessful Resolution Applicant (“**Unsuccessful Resolution Applicant**”/“**URA**”/“**Intervenor**”) challenging the process, resulting into approval of Resolution Plan before us, followed by the Resolution Professional of the Corporate Debtor seeking following reliefs :



- (a) Set aside the decision / resolution passed by Respondent No. 2 (Committee of Creditors) approving the resolution plan submitted by Respondent No. 3 ;*
- (b) Direct Respondent No. 2 to consider afresh and vote upon the Applicant's Resolution Plan dated 1 November 2024 read with the Addendum dated 7 February 2025 and one time Amendment dated 1 April 2025 in accordance with law;*
- (c) declare the Negotiation Process conducted between 12 March 2025 and 18 March 2025 to be vitiated and of no legal effect, and further direct that a fresh negotiation process / challenge mechanism be conducted strictly in accordance with law;*
- (d) Direct appropriate disciplinary proceedings be initiated against Respondent No. 1 for the material irregularities committed by him in the CIRP of the Corporate Debtor;*
- (e) Remove Respondent No. 1 as the Resolution Professional of the Corporate Debtor and appoint any other qualified Resolution Professional as this Hon'ble Court may deem fit and proper;*
- (f) Pending hearing and final disposal of the present Application, pass an Order staying all further proceedings in Interlocutory Application No. 81 of 2025, filed by Respondent No. 1 seeking approval of the Respondent No. 3's resolution plan under Section 31 of the IBC;*
- (g) Pass any such order(S) that this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case;*

3. The aforesaid Unsuccessful Resolution Applicant also filed an Intervention Application, **IVN. P. No. 96/2025** seeking intervention in the Plan Approval Application :

- (a) Allow the present Application and permit the Applicant to intervene in Interlocutory Application No. 81 of 2025;*
- (b) Direct the Resolution Professional to provide a complete copy of Interlocutory Application No. 81 of 2025 along with its exhibits to the Applicant;*



- (c) Direct the Resolution Professional to provide the Applicant copies of the Minutes of Meetings of the Committee of Creditors where the resolution plans were considered and evaluated including the Minutes of the 43rd Meeting of the Committee of Creditors held on 5 May 2025;*
- (d) Direct the Resolution Professional to disclose and produce before this Hon'ble Tribunal the full and unedited audio-visual recordings of the Negotiation Process conducted between 12 March 2025 and 18 March 2025, and provide a copy of the same to the Applicant;*
- (e) Ad-interim reliefs in terms of prayers (c) to (e) above;*
- (f) Pass any such order(s) that this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case;*

4. We are of the opinion that the outcome of these Applications could have a bearing on the decision regarding approval of the Resolution Plan and hence, they need to be adjudicated first.
5. Since the above captioned Applications have been filed by the same Applicant, both seek rejection of the IA (IBC)(PLAN) No. 81/2025, and the facts and pleadings in both the matters are similar and interconnected, hence they were heard together with the Plan approval application, therefore, all applications, including the plan approval application, are being disposed of by this common order.

Brief Background

6. The Corporate Debtor was incorporated on 15.10.1998 and is engaged in the manufacturing and trading of sugar and its allied products. This Tribunal, vide order dated 10.10.2019, admitted the present Petition for initiation of the Corporate Insolvency Resolution Process (“**CIRP**”) of the Corporate Debtor and appointed Mr. Balady Shetty as the Interim Resolution Professional (“**IRP**”).



7. The IRP published a Public Announcement in Form-A on 04.11.2019, inviting claims from the creditors of the Corporate Debtor and the CoC was constituted accordingly. At the 1st CoC meeting, Mr. Balady Shetty was confirmed as the Resolution Professional (“**RP**”).
8. The RP published Form-G on 17.01.2020, inviting Expression of Interest (“**EoI**”) from Prospective Resolution Applications, qua the Corporate Debtor.
9. The Applicant Resolution Professional was appointed as the Resolution Professional (“**RP**”) of the Corporate Debtor, replacing Mr. Balady Shetty, vide order dated 27.05.2020 passed by this Tribunal.
10. The Resolution Plan submitted by Gangamai Industries and Construction Ltd. was approved by the Committee of Creditors (“**CoC**”) and also approved by this Tribunal vide order dated 11.08.2023. However, Gangamai Industries and Construction Ltd. failed to implement the Resolution Plan.
11. Pursuant to the Order dated 18.06.2024, passed by this Tribunal in IA No. 1405 of 2024, the CIRP process in case of the Corporate Debtor was permitted to be re-run consequent upon failure in implementation of the earlier approved Resolution Plan by Gangamai Industries and Construction Ltd.
12. The final updated constitution of the CoC, nature of the security and the respective voting share of each member of the CoC is as below :



Sr. No.	Name of CoC member	Nature of security	Voting share
1.	Canara Bank	Secured	65.8%
2.	Central Bank of India	Secured	17.9%
3.	Indian Overseas bank	Secured	15.8%
4.	Samata Nagari Sahakari Patsantha Maryadit	Secured	0.3%
5.	Mrs. Sheetal Anand Rajesh	Unsecured	0.06%
6.	Karda Buildcon Private Limited	Unsecured	0.14%

13. On 14.08.2024, the RP published a fresh Form-G calling for EoI(s) from PRA(s). On 09.09.2024, the RP published the Provisional List of PRA(s) which included 14 eligible PRA(s).

14. On 02.10.2024, the RP published the Final List of PRA(s). Subsequently, on 04.10.2024, the RP shared the Information Memorandum (“**IM**”) with the PRA(s) and on 07.10.2024, the Request for Resolution Plan (“**RFRP**”) and Evaluation Matrix (“**EM**”) were shared with the PRA(s), stating the last date for submission of the Resolution Plans to be 08.11.2024.

15. Mr. Shirish Sharma and Mr. Kedar Chikodi were appointed as Registered Valuers for determination of fair value and liquidation value of the assets, being Land & Building and Plant & Machinery, so that the latest valuation can be obtained for the benefit of the stakeholders.

16. At the 37th CoC meeting, held on 11.11.2024, the CoC was informed that out of the 16 eligible PRA(s) in the Final List, 5 eligible PRA(s) had submitted their Resolution Plans along with the Earnest Money Deposit



(“**EMD**”). The sealed envelopes containing the Resolution Plans were opened; however, the Resolution Plan Amounts were not disclosed to anyone.

17. The CoC was requested to extend the timeline for the submission of Resolution Plans; however, at the 39th CoC meeting, held on 11.01.2025, the CoC decided not to grant such an extension, and the 5 PRA(s) who had submitted their Resolution Plans were found to be eligible u/s 29A of the Code. The CoC also approved the appointment of one Mr. Harshad Deshpande to evaluate the five compliant Resolution Plans in accordance with the Evaluation Matrix.

18. At the 40th CoC meeting, held on 23.01.2025 and 24.01.2025, the 5 PRA(s) presented their Resolution Plans to the CoC. Pursuant to the changes suggested by the CoC and the RP, each PRA submitted an Addendum to their Resolution Plans, which is recorded in the 41st CoC meeting.

19. Subsequently, on 01.03.2025, the RP intimated that a Negotiation Process was to be held for price discovery and value maximisation of the assets of the Corporate Debtor and a Process Note for the Negotiation Process was shared with the Resolution Applicants. A revised Process Note was shared on 07.03.2025, and the Negotiation Process was held on 12.03.2025.

20. The Negotiation Process commenced virtually on 12.03.2025, and after 27 rounds of bidding, it stood concluded on 18.03.2025.

21. At the start of the 1st round of negotiations, 4 PRA(s) were present as one PRA had decided not to participate in the Negotiation Process and declared their earlier Resolution Plan as the Final Offer. In the 1st round, each PRA submitted its commercial bid, which was reviewed by



Mr. Harshad Deshpande in order to compute the NPV. The highest NPV in the 1st round was Rs. 100 crores and was notified to all participating bidders. Thereafter, each PRA was accorded 60 minutes to decide its next commercial bid, with a minimum increment of Rs. 2 crores or multiples thereof. In the 2nd round, another PRA wished to retain its first-round bid as final and withdrew further participation. Consequently, from the 2nd round onwards, only 3 PRA (s) participated, viz. Twenty One Sugars Limited, the Unsuccessful Resolution Applicant and Grainotch Industries Limited.

22. In the 24th round, the Unsuccessful Resolution Applicant was the highest bidder having NPV of Rs. 160 crores and did not participate in the 25th round. In the 25th round, GIL as well as Twenty One Sugars Limited submitted a bid having NPV of Rs. 162 crores and did not participate in the 26th round. In the 26th round, the Unsuccessful Resolution Applicant submitted a bid having NPV of Rs. 170 crores, which was the highest for the 26th round. Since Twenty One Sugars Limited and GIL had not increased their bids having NPV beyond Rs. 162 crores in the 26th round and the Unsuccessful Resolution Applicant declined to submit a fresh bid in the 27th round, therefore, the RP announced that the Negotiation Process has been concluded with the Unsuccessful Resolution Applicant as highest bidder having NPV of Rs. 170 crores, followed by Twenty One Sugars Limited and GIL having NPV of Rs. 162 crores each.

23. At the 42nd CoC meeting, held on 07.05.2025, it was recorded that all 5 Resolution Plans received complied with Regulation 39(3)(b) of the CIRP Regulations. On 02.06.2025, the RP requested all PRAs to submit an addendum to their Resolution Plans in view of the amendment to Regulation 38(1)(b) of the CIRP Regulations, which were duly received.

24. The Resolution Plans were put to a vote between 10.06.2025 and 16.06.2025, pursuant to CoC's resolution at the 43rd CoC meeting held



on 05.06.2025. On 16.06.2025, the e-voting results were published, which stated that the CoC approved the Resolution Plan, along with all the Addendum(s), submitted by Grainotch Industries Limited with 99.86% votes in its favour.

25. At the 44th CoC meeting, held on 17.06.2025, Grainotch Industries Limited was declared as the SRA.

Salient Features of the Resolution Plan

26. The key features and summary of the final Resolution Plan submitted by the Successful Resolution Applicant and as approved by the CoC are as under:

26.1.1. Financial terms of the Resolution Plan

- a. The Resolution Applicant proposes to pay a total sum of Rs.162,00,73,142 (Rupees One Hundred and Sixty. Two Crores Seventy Three Thousand One Hundred and Forty Two only) (inclusive of contingency fund) to the Secured/ Unsecured Financial Creditors and operational creditors, as a one-time settlement of the obligations of the SRA. The SRA proposes to pay the resolution amount of Rs. 161,89,73,142 (Rupees One Hundred and Sixty One Crores Eighty Nine Lakhs Seventy Three Thousand One Hundred and Forty Two only) within 29 days from Effective Date and resolution amount of. Rs 11,00,000 (Rupees Eleven Lakhs only) in equal monthly instalments for 11 months from 29 days of Effective Date.
- b. The Resolution Plan of the SRA proposes to make payment of CIRP Costs, and payment to Secured and Related Party Financial Creditors, Operation Creditors (Workmen, Employees, Farmers, Government Dues), Operation Creditors other than Workmen/Employee/Farmers, Other Creditors



and provide the Contingency Fund, within a period of 29 days from Effective Date. The. Unsecured Financial Creditors will be paid an amount of Rs. 1,00,000/- (Rupees One Lakh only) within 29 days from the Effective Date and the balance of Rs. 11,00,000/- (Rupees Eleven Lakhs only) shall be paid within 365 days from the Effective Date.

26.1.2. Sources of Funds of the Resolution Applicant

Sr. No.	Particulars	From NCLT Approval of Resolution Plan		
		29 days	365 days	Total
I.	Infusion for resolution of KGS Sugar			
A.	Internal accruals/Personal funds of Resolution Applicant			
1.	As equity Share Capital (Note-The total sum of Rs. 50 crores shall be infused within 29	50,00,00,000	11,00,000	50,11,00,000



	<i>days from the NCLT approval order and the same shall be availed from the available cash balance with the RA and its group entities.)</i>			
B.	External accruals/ Borrowed funds of Resolution Applicant			
1.	Borrowed loan from Bank <i>(Note – The funds shall be borrowed from any Banking companies/PSUs in India at such Terms & conditions under relevant Indian banking laws as applicable and in a manner as decided by SRA by mortgage of securities of SRA or other group entities, The SRA have</i>	110,00,00,000		110,00,00,000



	<i>received in principle loan approval of Rs. 120 crores for acquisition and Rs. 20 crores for refurbishment from Yes... Bank considering credibility)</i>			
	Unsecured loan from GIL <i>(Note- the same shall be from the available cash balance with the SRA and its group entities.)</i>	1,89,73,142		1,89,73,142
	Total Amount for Resolution	161,89,73,142	11,00,000	1,62,00,73,142
II.	Infusion for operations of KGS Sugar			
A.	Personal funds of SRA and Bank Loan			
1.	Working Capital <i>(Note- This shall be met out of SBA's personal funds or from group entities.)</i>		40,00,00,000	40,00,00,000



2.	Refurbishment <i>(Note – This shall be met from RA’s personal funds and Loan from Yes Bank)</i>		40,00,00,000	40,00,00,000
	Total Amount for Revival		80,00,00,000	80,00,00,000
	Total (I + II)	161,89,73,142	80,11,00,000	2,42,00,73,142

26.1.3. Term of the Resolution Plan and Implementation Schedule

The Resolution Plan would be effective from the date of approval of Resolution Plan by Adjudicating Authority under Section 31 of IBC, 2016. The Resolution Plan will be concluded on the 365th (Three Hundred and Sixty Fifth) day from the NCLT Approval Order or all the payments made under the Resolution Plan whichever is earlier. The scheme period is 365 (Three Hundred and. Sixty Five) days during which full and final settlement of all the agreed liabilities would be made for Rs. 1,62,00,73,142/- (Rupees One Hundred and Sixty Two Crores Seventy Three Thousand One. Hundred and Forty Two only) and Rs. 80,00,00,000 (Rupees Eighty Crores only) shall be infused for revival of the company in phases. An indicative activity schedule is provided at Table 29 of the Addendum dated 25.03.2025.

26.1.4. Supervision of the Resolution Plan

The Resolution Plan provides for the setting up of a Monitoring Agency to oversee the implementation of the Resolution Plan, and provides a detailed procedure in respect of its functioning. The Resolution Plan inter alia provides that the Monitoring Agency shall be formed at the earliest from the NCLT Approval Date, consisting of one authorised representative each from Canara Bank and Indian



Overseas Bank, two members of SRA, along with their consultants and will be chaired by the Resolution Professional for the implementation of the Resolution Plan.

26.1.5. Effect of proceedings in respect of preferential transactions

The Resolution Plan provides that in the event any transaction is termed as avoided, fraudulent or preferential or set aside by the Adjudicating Authority in terms of Sections 43, 45, 47, 49, 50 or 66 of the IBC, and any application/proceedings have been initiated by the RP, such proceedings/litigation shall be pursued to by the RP/ CoC. The Resolution Plan inter alia also provides that any amount if received by the Resolution Professional/Resolution Applicant for and on behalf of the Corporate Debtor in furtherance thereof, such sums shall be for the benefit of the Financial Creditors and shall be accorded treatment as a pass-through amount to the Financial Creditors. Further, all the cost/fees in continuing such proceedings (including in any appeal or related matters) shall be borne by the Financial Creditors; and any liability or obligation arising on the Corporate Debtor in relation to such proceedings will be deemed to be permanently extinguished qua the Corporate Debtor/Successful Resolution Applicant by virtue of the order of this Tribunal approving this Resolution Plan.

Objections of Unsuccessful Resolution Applicant/ Consortium of Govindrao Sable, Shobha G. Sable & Pravin G. Sable/(URA) in its Interlocutory Application and Intervention Application

27. The URA, who has objected to the consideration of CoC approved Resolution Plan before us, had emerged as the bidder having the highest NPV during the challenge process and had submitted its Resolution Plan on 01.11.2024 along with an EMD of Rs. 50,00,000/- in accordance with the terms of the RFRP.



28. Under URA's Resolution Plan, it had provided two payment proposals, one was a deferred payment plan contemplating payment of Rs. 101.35 crores to be paid within 48 months, and the other was a bullet payment plan contemplating payment of Rs. 85.85 crores to be paid over 12 months.
29. On 11.11.2024, at the 37th CoC meeting, the RP, in the presence of the Resolution Applicants, opened the Resolution Plans for discussion and evaluation. Pursuant to the RP's invitation dated 21.01.2025, URA gave a presentation on its Resolution Plan to the CoC on 23.01.2025. The CoC raised certain observations, which were communicated to URA on 30.01.2025 by the RP, and consequently, URA submitted an Addendum to its Resolution Plan dated 07.02.2025.
30. Subsequently, on 01.03.2025, the RP intimated that a Negotiation Process was to be held for price discovery and value maximisation of the assets of the Corporate Debtor and a Process Note for the Negotiation Process was shared with the Resolution Applicants. A revised Process Note was shared on 07.03.2025, and the Negotiation Process was scheduled to be held on 12.03.2025.
31. As per the Process Note, in the first round of the Negotiation Process, each Resolution Applicant was required to submit its best commercial offer in the prescribed format within 15 minutes from the time intimated by the RP. Once all the bids were received, the RP was to declare the highest Net Present Value ("NPV") among the bids as the "Base Bid Price", which would be disclosed anonymously to all the PRAs.
32. After the first round, the RP was to initiate subsequent negotiation rounds, where PRAs were to be invited to improve their commercial offers by a minimum increment of Rs. 2 crores over the disclosed Base Bid Price, within a maximum period of 60 minutes. This process was to



continue until all Participating Resolution Applicants confirmed their inability to further improve their bids. The closure of the Negotiation Process was to be intimated to all the Resolution Applicants. The Resolution Applicant who would submit the last highest bid, in terms of NPV, would emerge as the highest bidder.

33. It is submitted that after the Negotiation Process was over, the RP, on 19.03.2025, called upon the Resolution Applicants to submit – (i) their respective final bids in sealed envelopes within 4 days (ii) proof of source of funds within 8 days; and (iii) one-time amendment to their respective original Resolution Plans. No details of the Negotiation Process were disclosed. Accordingly, URA submitted its final bid dated 18.03.2025 with a NPV of Rs. 170 crores to the RP, its proof of source of funds on 26.03.2025 along with a letter dated 25.03.2025 from the Bank of Maharashtra granting in-principle sanction for a loan of Rs. 160 crores as well as Net Worth Certificates of the members of the Applicant Consortium issued by a Chartered Accountant certifying a cumulative net worth of Rs. 161.59 crores. URA also submitted its One-Time Amendment to the Resolution Plan dated 01.04.2025.

34. After various reminders seeking updates from the RP, URA received an email on 19.06.2025 stating that its Resolution Plan was placed before the CoC in its 43rd Meeting held on 05.05.2025, along with all other compliant Resolution Plans and e-voting on the same had already concluded on 16.06.2025. However, URA's Resolution Plan secured only 17.9% voting share and thus, was not approved.

35. The Applicant submits that the CIRP of the Corporate Debtor suffers from the following material lapses:

35.1 Procedural lapses in the Negotiation Process, including - (a) the prolonged continuation of the bidding over 5 days between 12.03.2025 to 18.03.2025 including 27 rounds of bidding; (b) the



- RP's failure to declare the highest bid within the stipulated 15 minutes after password submission, and (c) the deactivation of video cameras by the Resolution Applicants during the process.
- 35.2 Failure to evaluate and rank the Resolution Plans as per the Evaluation Matrix prior to commencement of voting on the plans, as required under Regulation 39(3)(a) of the CIRP Regulations and Clause 13.4 of Part III of the RFRP.
- 35.3 Failure to provide written intimation to URA of its position as the highest bidder as per Clause 1.1 of Part IV of the RFRP.
- 35.4 Failure to invite URA to the CoC meeting where its plan was opened and was discussed, in breach of the provisions of Section 30(5) of the Code and Clause I(7) of the Process Note on the Negotiation Process.
- 35.5 Failure to give URA, as the highest bidder, an opportunity to address concerns or provide any clarifications, prior to commencement of voting on the Resolution Plans, including on the issue of liquidity of funds available with URA;
- 35.6 Failure to provide minutes of the 43rd CoC meeting where the URA's plan was allegedly discussed and considered. This failure is alleged to have deprived URA of basic transparency and has prevented it from ascertaining whether its plan was duly considered or summarily disregarded.
- 35.7 Failure to adhere to the Request for Resolution Plan and the Process Note governing the Negotiation Process.
- 35.8 The selection and approval of a financially inferior plan of Respondent No.2, that offers a NPV that is Rs. 8 crores lower and a total plan value that is Rs. 23.20 lower than the Applicant's plan, on the ground that it offered quicker repayment despite conducting a Negotiation Process / Challenge Mechanism on the basis of NPV.
- 35.9 The possession of the Corporate Debtor's manufacturing facilities is stated to have been handed over to SRA immediately after CoC approval, even though no approval had been granted by this



Tribunal under Section 31 of the Code. Further, SRA is stated to have issued a public advertisement claiming the Corporate Debtor's plant as its own and inviting job applications immediately after its declaration as the SRA by the CoC, before the plan has been approved by this Tribunal. Thus, URA has also alleged bias and collusion between the RP, CoC members, and SRA.

35.10 The RP has been involved in prior misdeeds in the CIRP of this very Corporate Debtor, which led to disciplinary proceedings and the order dated 30.01.2023. Thus, it is clear that the RP has a pattern of deflecting from procedural norms to benefit certain stakeholders for extraneous considerations.

36. URA has further submitted that once the CoC had taken a conscious decision to conduct the Negotiation Process based on Net Present Value as the determining parameter, it was not open to the CoC to later disregard the outcome of this process on the ground that another Resolution Plan offered quicker repayment, and it has been emphasized that if URA had been informed that the CoC would consider repayment timelines despite the bidding being based on NPV, it would have structured its bid accordingly and matched SRA's timeline.

37. Finally, URA submitted that the rejection of their Resolution Plan is not dictated by commercial wisdom.

Submissions advanced by the Resolution Professional

38. URA has participated in the resolution process and Negotiation Process and has never, at any stage, raised any objections to the manner in which the process was being conducted by the RP and CoC. The Applicant has raised objections as an afterthought, only after realising that its Resolution Plan has not been approved by the CoC.



39. It is further submitted that, considering the failure of the earlier approved Resolution Plan, the CoC, at the 33rd CoC meeting, suggested certain changes in the Evaluation Matrix, such as –

- i. that 80% score be given towards the quantitative aspects of the resolution plan and only 20% be given to the qualitative aspects of the resolution plan;
- ii. that the tiered rate of discount of NPV be from 0 to 6 months, 6 to 12 months, 12 to 18 months and 18 months to 24 months.

40. Under the said Evaluation Matrix, the parameter of upfront cash recovery carried a weightage of 56%, whereas the parameter of NPV carried a weightage of 24%.

41. It is submitted that the sealed envelopes containing the Resolution Plans were opened at the 37th CoC meeting held virtually on 11.11.2024, without disclosing the Plan Amounts. At the 39th CoC meeting held on 11.01.2025, it was declared that all 5 PRA(s) were eligible under Section 29A and all the Resolution Plans received were compliant with the Code. The commercials and the implementation timelines were discussed, and the CoC appointed Mr. Harshad Deshpande to prepare the Evaluation Matrix for the 5 compliant Resolution Plans.

42. At the 40th CoC meeting held on 23.01.2025 and 24.01.2025, the 5 PRA(s) presented their Resolution Plans, and the CoC recommended changes to the same. Thereafter, the Note for Negotiation Process (“**Process Note**”) dated 01.03.2025, as revised on 07.03.2025, was issued to the PRA(s).

43. The Respondent No. 1 submits that at the start of the 1st round of negotiations, 4 PRA(s) were present as one PRA had decided not to participate in the Negotiation Process and declared their earlier



Resolution Plan as the Final Offer. In the 1st round, each PRA submitted its commercial bid, which was reviewed by Mr. Harshad Deshpande in order to compute the NPV. The highest NPV in the 1st round was Rs. 100 crores. Thereafter, each PRA was accorded 60 minutes to decide its next commercial bid, with a minimum increment of Rs. 2 crores or multiples thereof. In the 2nd round, another PRA wished to retain its first-round bid as final and ceased further participation. Consequently, from the 2nd round onwards, only 3 PRA (s) viz. Twenty One Sugars Limited, URA and SRA participated.

44. In the 24th round, URA was the highest bidder with an NPV of Rs. 160 crores and did not participate in the 25th round. In the 25th round, GIL as well as Twenty One Sugars Limited submitted a bid of Rs. 162 crores and did not participate in the 26th round. In the 26th round, URA submitted a bid of Rs. 170 crores NPV, which was the highest for the 26th round. Since Twenty One Sugars Limited and SRA had not increased their bids above Rs. 162 crores in the 26th round and URA declined to submit a fresh bid in the 27th round, therefore, the RP announced that the Negotiation Process has been concluded with URA as highest NPV bidder at Rs. 170 crores, followed by Twenty One Sugars Limited and SRA at Rs. 162 crores each.

45. After the conclusion of the Negotiation Process, Mr. Harshad Deshpande shared the Quantitative scoring of the Resolution Plans of all the Resolution Applicants who took part in the Negotiation Process, to the CoC on 15.04.2025. Therefore, each CoC member had the scoring as per the Evaluation Matrix before them, thus enabling them to vote upon the Resolution Plans.

46. The 42nd CoC meeting was held on 07.05.2025, before which, the Resolution Plans, Addendum, and One-Time Amendment Documents (including the final commercial bids) submitted by all five PRA(s) were



made available to all participants via a Google Drive link in the notice of the meeting. During the meeting, the CoC deliberated upon the feasibility and viability of the Resolution Plans.

47. On 02.06.2025, all the PRA(s) were requested to submit an addendum to their Resolution Plans to comply with the amendment to Regulation 38(1)(b) of the CIRP Regulations.

48. At the 43rd CoC meeting, held on 05.05.2025, the CoC evaluated the Resolution Plans and resolved to conduct e-voting on the Resolution Plans from 10.06.2025 to 16.06.2025. The e-voting results were declared at midnight on 16.06.2025, whereby the CoC, with 99.86% votes in favour, approved GIL's Resolution Plan. GIL was formally declared the Successful Resolution Applicant ("**SRA**") at the 44th CoC meeting held on 17.06.2025. On 19.06.2025, GIL was informed of its selection as SRA and, as directed, GIL furnished the Performance Bank Guarantee within 15 days therefrom. The Letter of Intent ("**LoI**") was issued to GIL on 19.06.2025.

49. The minutes of the 45th CoC meeting record that under the quantitative criteria, GIL was the only PRA to propose an upfront payment of >50% within 29 days, while no other PRA offered even 30%. On the basis of its highest composite score and commercial viability, the CoC approved GIL's plan as a balanced proposal ensuring fair and equitable distribution to key stakeholders and backed by a proven track record, funding, and management capability.

50. It is submitted that GIL's composite score (quantitative + qualitative) under the Evaluation Matrix was 95, Twenty One Sugar Limited's score was 40, and that of the URA was 35.



51. It is submitted that all protocols were strictly followed, and proactive steps were taken, for the stakeholders' benefit, including suggesting independent valuers for fresh asset valuation and appointing an external consultant to assist in the negotiation rounds for NPV computation and thereafter to prepare the quantitative score sheet for all the resolution plans as per the Evaluation Matrix.
52. Further, it is submitted that Clause 15(2)(c) of the RFRP and Clause II.3, Clause II.6 and Clause II.12 of the Process Note clearly states that the Negotiation Process was solely for price discovery and maximisation of value and that the highest bidder would not automatically be selected as the SRA. It is submitted that URA had submitted an undertaking dated 06.03.2025 confirming the acceptance of the Negotiation Process. Additionally, the minutes of the 42nd CoC meeting record that in case of a tie between two PRAs with the same NPV, "*the higher score of the Evaluation Matrix between the two shall be taken as the second level of tie breaker*". This tie-breaker mechanism was communicated to all PRAs, including URA, by email dated 17.05.2025.
53. It is further submitted that Clause II.13 of the Process Note allows the RP and the CoC to modify the timelines and process outlined in the Process Note.
54. It is submitted that URA's allegation regarding non-receipt of minutes of the 43rd CoC meeting is contrary to the scheme of the Code, as Unsuccessful Resolution Applicants do not have a statutory entitlement to such minutes.
55. It is further submitted that the possession of the Corporate Debtor has not been handed over to SRA. The factory is not operational and stands closed. After approval of its Plan, SRA's technical team was allowed to assess the cost and time required for project completion by inspecting the



machinery (without undertaking any run test) and preparing a list of the machines and inventory. The RP is still in control and custody of the Corporate Debtor's assets. As regards the advertisement issued by the SRA claiming ownership of the factory, it is submitted that the same was done without any approval, intimation or authorisation from the RP and upon knowledge of such advertisement on 05.08.2025, RP issued an email to SRA directing them to refrain from issuing such advertisements concerning the Corporate Debtor.

Submissions advanced by Respondent No. 2/CoC and Respondent No. 3/GIL/SRA

56. The submissions made by the RP were also restated by the CoC and the SRA. Since those submissions have already been reproduced in the foregoing paragraphs, for the sake of brevity, they are not repeated again.

Analysis and Findings

57. Heard learned Counsel and perused the material available on record.

58. These Applications have been filed by the Consortium of Govindrao Sable, Shobha G. Sable & Pravin G. Sable, an Unsuccessful Resolution Applicant, objecting to the approval of the Resolution Plan submitted by Grainotch Industries Limited alleging that the manner of evaluation of the Resolution Plans in the CIRP of the Corporate Debtor and the approval of GIL's Resolution Plan is in contravention of the CIRP Regulations, the RFRP and the Process Note.

59. The Applicant has contended that the CIRP of the Corporate Debtor suffered from the following material irregularities – (i) the selection and approval of a financially inferior plan of SRA, that offers a NPV that is Rs. 8 crores lower and a total plan value that is Rs. 23.20 lower than the URA's plan, on the ground that it offered quicker repayment despite conducting a Negotiation Process / Challenge Mechanism on the basis



of NPV, (ii) the prolonged continuation of the bidding over 5 days between 12.03.2025 to 18.03.2025 including 27 rounds of bidding, (iii) the RP's failure to declare the highest bid within the stipulated 15 minutes after password submission, (iv) failure to evaluate and rank the Resolution Plans as per the Evaluation Matrix prior to commencement of voting on the plans, (v) failure to provide written intimation to URA of its position as the highest bidder, (vi) failure to invite URA to the CoC meeting where its plan was open was discussed, (vii) failure to give URA, as the highest bidder, an opportunity to address concerns or provide any clarifications, prior to commencement of voting on the Resolution Plans, and (viii) failure to provide minutes of the 43rd CoC meeting where the URA's plan was allegedly discussed and considered.

60. The jurisdiction of this Tribunal when considering the approval of a Resolution Plan is limited, as held by the Hon'ble Supreme Court in ***Committee of Creditors of Essar Steel India Ltd. Vs. Satish Kumar Gupta & Ors. [2020 8 SCC 531]*** at paragraph 73 in the following words –

“This being the case, judicial review of the Adjudicating Authority that the resolution plan as approved by the Committee of Creditors has met the requirements referred to in Section 30(2) would include judicial review that is mentioned in Section 30(2)(e), as the provisions of the Code are also provisions of law for the time being in force. 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.....”

61. In the case of **M.K. Rajagopalan v. Dr. Periasamy Palani Gounder & Anr., (2023) ibclaw.in 60 SC**, it was explained at Para 47 that “*the commercial wisdom of CoC means a considered decision taken by CoC with reference to the commercial interests and the interest of revival of the corporate debtor and maximization of value of its assets. This wisdom is not a matter of rhetoric but is denoting a well-considered decision by the protagonist of CIRP i.e., CoC..... This Court also observed in K. Sashidhar that ‘there is an intrinsic assumption that financial creditors are fully informed about the viability of the corporate debtor and feasibility of the proposed resolution plan.....It follows as a necessary corollary that to be worth its name, the commercial wisdom of CoC would come into existence and operation only when all the relevant information is available before it and is duly deliberated upon by all its members, who have direct and substantial interest in the survival of corporate debtor and in the entire CIRP’.* It is concluded at para 47.1 that “*In light of the aforesaid position of law and its operation in relation to the decision-making process of CoC, it needs hardly any emphasis that each and every aspect relating to the resolution plan, and more particularly its financial layout, has to be before the CoC before it could be said to have arrived at a considered decision in its commercial wisdom.*”

62. There is no dispute in the present case, each and every aspect relating to the Resolution Plan of all the Resolution Applicants were not placed before the CoC.

63. In the case of **IMR Metallurgical Resources AG v. Ferro Alloys Corporation Ltd., (2020) ibclaw.in 132 NCLAT**, the allegation was that the Evaluation Matrix has unfairly given undue advantage to the Successful Resolution Applicant over the Appellant. It was held that “*It is settled position of law*



that approval or rejection of Resolution Plan depends upon the commercial wisdom of the CoC, which involves evaluation of the Resolution Plan based on its feasibility. Such commercial wisdom of the CoC with the requisite voting majority is non-justiciable. The powers of the Adjudicating Authority under Section 31 of the Code is limited to the matters covered under Section 30(2) of the Code when the Resolution Plan does not conform to the stated condition. Therefore, the Appellant cannot question the commercial wisdom of the CoC in rejecting the Resolution Plan, with the requisite majority and in approving the Resolution Plan of SPTL”.

64. The Applicant has argued that the Resolution Plans were not evaluated and ranked as per the Evaluation Matrix prior to the commencement of voting on the Resolution Plans in contravention of Regulation 39(3)(a) of the CIRP Regulations and Clause 13.4 of Part III of the RFRP.
65. Per Contra, the Respondent RP has submitted that one Mr. Harshad Deshpande had been appointed at the 37th CoC meeting, held virtually on 11.11.2024, to prepare the Evaluation Matrix for the 5 compliant Resolution Plans. Further, the Respondent RP has submitted that during the Negotiation Process conducted between 12.03.2025 to 18.03.2025, Mr. Harshad Deshpande calculated the NPV to declare the highest NPV after each round, and pursuant to the closure of the Negotiation Process, Mr. Harshad Deshpande prepared the Evaluation Matrix for each of the Resolution Applicants who participated in the Negotiation Process and shared quantitative scoring of the Resolution Plans as per the Evaluation Matrix with the CoC on 15.04.2025.
66. On perusal of the email dated 15.04.2025 along with its attachments, sent by Mr. Harshad Deshpande to the various members of the CoC, we observe that each of the 5 Resolution Plans have been scored as per the Evaluation Matrix provided in Appendix I of the RFRP dated 29.09.2024. We further note that the extract of the 42nd CoC meeting held



on 07.05.2025, at Item No. 12, record that – *“Upon receipt, the one-time amendment document from the PRAs along with their Resolution Plans, Addendums containing the last commercial offer were sent to the consultant appointed by the CoC, CMA Harshad Deshpande for scoring the Quantitative Part of the Resolution Plans as per the Evaluation Matrix. The Quantitative scoring was submitted by the consultant on 15 April 2025 to the members of the Committee. The quantitative scoring along with the copies of the Resolution plan and one time amendment were shared with the CoC members for their analysis, evaluation and scoring of qualitative part as per the Evaluation Matrix.”*

67. Further, the minutes of the 43rd CoC meeting, held on 05.05.2025, at Item No. 5, record that – *“e. The Chairman took note that the that the CoC members have internally evaluated of the Resolution Plans by the as per the Evaluation Matrix in compliance with regulation 39(3)(a) of the CIRP Regulations, 2016. The RP enquired if they could share the Evaluation Matrix score at this stage. The Authorized Representative of Canara Bank, being the lead member of the consortium with 65% voting power, mentioned that they would share the scoring of the Evaluation Matrix after the votes are cast and published, to maintain confidentiality.”*

68. It is after taking note of such compliance that the CoC, at the 43rd meeting, at Item No. 6, resolved to put the compliant Resolution Plans to a vote. Consequently, the e-voting took place between 10.06.2025 to 16.06.2025. The minutes of the 45th CoC meeting, held after the conclusion of the voting on the Resolution Plans, record the scores of the 3 PRAs who had participated in the Negotiation Process as follows-

PRA	Quantitative	Qualitative	Total
Grainotch Industries Limited	80	15	95



Twenty One Sugars Limited	24	16	40
Govind Sable Consortium	24	11	35

69. URA has also submitted that, as per Clause 1.1.e. and 1.1.f. of Part IV of the RFRP, the Resolution Plans were to be evaluated as per the Evaluation Matrix at 2 distinct stages, i.e. after the initial submission of the Resolution Plans and after the completion of the Negotiation Process. These clauses read as under –

*“e. **Step IV:** Negotiations by CoC with prospective Resolution Applicant(s) having the [Top 3] (Three) Highest Evaluated Compliant Resolution Plan. Top Three Resolutions Highest Evaluated Complaint Resolution Plan will be communicated their individual scores and their individual ranking only. Resolution Applicant(s) will not be communicated scores of other Resolution Applicant(s).*

*f. **Step V:** Evaluation of the negotiated Compliant Resolution Plan by the CoC/ and approval of the Resolution Plan of Successful Resolution Applicant(s) by the CoC, Further evaluation of the negotiated Complaint Resolution Plan will be done using the same Evaluation Matrix forming part of Appendix-I of this RFRP. In case of any change in the Evaluation Matrix, Resolution Applicant will be informed/intimated at least 15 days prior.”*

70. We are of the opinion that had the CoC not resolved to initiate the Negotiation Process through the challenge mechanism and had negotiated with the Resolution Applicants directly/individually, this argument may have held some substance; but since the CoC chose to initiate the challenge mechanism as per the Process Note, the CoC was required to evaluate the Resolution Plans only once, i.e. after the Negotiation Process.



71. Further, the CoC had undertaken the evaluation process at their end to keep confidentiality of the process after the challenge mechanism before putting it to a vote. Hence, we find no merit in the Applicant's argument that the CoC did not evaluate the Resolution Plans prior to the voting on the Resolution Plans.

72. The Applicant has further argued that the RP failed to provide written intimation to the Applicant of its position as the highest bidder as per Clause 1.1 of Part IV of the RFRP and did not invite the Applicant to the CoC meeting where its plan was opened and was discussed, in breach of the provisions of Section 30(5) of the Code and Clause I(7) of the Process Note, thereby denying the Applicant an opportunity to clarify the issue of liquidity of funds available with the Applicant.

73. It is pertinent to note that clause I.7 of the Negotiation Process note contemplates that, *upon receipt of the revised Resolution Plans submitted by the Resolution Applicants, the RP shall open each resolution plan in front of the respective Resolution Applicants and the CoC and any other participants invited to the COC meeting.* Even if the amended plan of URA was not opened in the presence of URA, it cannot be construed as a material breach of the procedure, because the URA has not alleged that the score assigned to its plan was not in conformity with the amended plan it had presented. Further, the said clause does not contemplate the presence of other Resolution Applicants while the amended plan of one Resolution Applicant was to be opened.

74. It is pertinent to also note Clause I.5, which sets out the background of the Negotiation Process. The said clause reads as “*Accordingly, in order to conclude the CIRP of KGS in a time bound manner and to conduct the Negotiation Process (defined hereinunder) in a fair, reasonable and transparent manner in order to maximize the value of the assets of the Corporate Debtor through price discovery and to ensure the transparency between the Resolution*



Applicants as per terms and conditions of Negotiation Process as set out herein the COC in its 41st meeting has unanimously decided to convene a Negotiation Process.”

75. Clause II.3 further makes it clear that the Negotiation Process was conducted solely for value maximisation of the Corporate Debtor’s assets and that the CoC was under no obligation to approve the Resolution Process that scored the highest as per the Evaluation Matrix or under the Negotiation Process. In this regard, we find it prudent to extract the relevant clauses of the Process Note-

“II. KEY NOTES

.....

3. This Negotiation Process is solely for the purposes of price discovery and maximizing the value of the Corporate Debtor's assets. It does not ensure that the highest bidder will be selected as the Successful Resolution Applicant.

...

6. It is made abundantly clear that the CoC is under no obligation to any of the Resolution Applicants or any other person to solely approve a Resolution Plan which has scored the highest as per the Evaluation Matrix or under this Negotiation Process.

...

12. Each Resolution Applicant agrees and acknowledges that it does not have a right to demand compliance or seek evidence of compliance by the Resolution Professional or the CoC regarding the adherence to the aforesaid steps and/or its exclusion or selection following the aforesaid steps or any other steps adopted by the Coe. Each Resolution Applicant also agrees and acknowledges that it does not have any right, vested or otherwise, in the resolution process of the Company and / or under any clause / term of this RFRP, including against the CoC and/or the Resolution Professional.

...



13. The timelines and the process outlined in this Process Note for Negotiation are indicative in nature and the Resolution Professional and CoC reserves the right, in their absolute discretion, to modify the same.”

76. These clauses of the Process Note clearly establish that the CoC was well within its right to approve a Resolution Plan that may have scored less in the Negotiation Process in the exercise of its commercial wisdom. The Respondent RP has placed on record an undertaking by the Applicant dated 06.03.2025, wherein the Applicant has agreed to abide by the terms and conditions of the Negotiation Process as set out in the Process Note and cannot be allowed to object to the terms stated in such process note.

77. Further, the Evaluation Matrix shared with all the Resolution Applicants vide email dated 07.10.2024, clearly laid down the qualitative and the quantitative parameters, wherein the maximum score accorded to “Upfront Payment as per Resolution Plan” was 56, and the maximum score accorded to “Net Present Value as % of Resolution Plan Value” was 24. URA was aware of a higher score weight assigned to upfront payment of more than 50% clearly indicating the mindset of CoC leaning in favour of the plan offering the highest upfront payment. It cannot be contended that since the Base Bid Price of the Negotiation Process was the highest NPV, the entire Negotiation Process was solely guided by that one value, and that the evaluation criteria stood altered to that extent. Further, Clause II.4 of the Negotiation Process note dated 1.3.2025 clearly states that *“The Resolution Professional / CoC reserves the right to evaluate the revised Resolution Plans as per the Evaluation Matrix given under the RFRP, check the revised Resolution Plans for compliance with the provisions of IBC and the RFRP, and accept or reject the revised Resolution Plans. The Resolution Applicants shall provide us clarifications as may be required by Resolution Professional or the CoC.”* It is also stated in Clause II.6 of the said note that *“It is made abundantly clear that the CoC is under no obligation to any of the Resolution Applicants or any other persons to solely approve a*



Resolution Plan which has scored the highest as per the Evaluation Matrix or under this Negotiation Process". This clause makes it clear that even if a Resolution Applicant may have the highest NPV, which URA had, or the highest Plan score, which SRA had, the CoC still could have, in its commercial wisdom, rejected either of the Plans.

78. It leads us to the conclusion that URA's principal grievance is that it could also have offered upfront payment, had the CoC, after evaluating the plans, offered it an opportunity to increase the upfront payment under its Revised Plan submitted after the Negotiation Process. The decision not to offer further opportunity to the Resolution Applicants was within the commercial wisdom of CoC and is non-justiciable as held in a plethora of decisions; hence, this Tribunal cannot find any error in the decision of CoC not to call the Resolution Applicants, including URA, for further negotiation after submission of their Amended Plans post the Negotiation Process. The Applicant was well aware of the evaluation matrix and ought to have taken into account the criteria mentioned in the Evaluation Matrix while revising its bids in the Negotiation Process.

79. As regards the contention of approval of an inferior plan, we reiterate that the CoC's commercial wisdom is paramount and cannot be reviewed by this Tribunal. The CoC has recorded its discussions regarding the viability and feasibility of the Resolution Plans under consideration in the minutes of the 42nd, 43rd, 44th and 45th CoC meetings.

80. As regards the allegation of the transfer of the possession of the Corporate Debtor's assets, we note that the RP still retains their custody and hence, no material irregularity qua the RP or the CoC can be contended by the Applicant. Nonetheless, it is pertinent to refer to Clause 7.C.i of the CoC approved Resolution Plan contemplates that "*On approval of the Resolution Plan by the Committee of Creditors, the RA shall have access to all records, premises of KGS Sugar and documents with respect to the CD in consultation*



with the Resolution professional to finalise the further course of action required for restarting/continuing the affairs of the CD.”

81. As regards RP’s past misconduct, we are of the considered view that such conduct does not have any bearing on his role as Resolution Professional in this process, as RP holds a valid Authorisation for Assignment and IBBI, the regulator, has not suspended him from continuing as Insolvency Professional. Every human being, even if had past bad antecedents, has the right to lead a reformed life.

82. At last, it is pertinent to note that in case of *Kanoria Energy & Infrastructure Ltd. v. Avishek Gupta RP, (2024) ibclaw.in 117 NCLAT*, it was observed that *“It is well settled that no resolution applicant has any vested right to have its plan approved”*.

83. In light of the above discussions, we do not find that there are any material irregularities in the process followed for the approval of the Resolution Plan before us so as to warrant interference in the exercise of the commercial wisdom of the CoC.

84. Accordingly, **I.A. No. 3610/2025 and IVN. P. 96/2025 are dismissed and disposed of.**

85. Having said so, we proceed to examine the Resolution Plan of the SRA as approved by CoC in the light of Section 30(2) of the Code.

Statutory Compliance:

86. In compliance with Section 30(2) of IBC, 2016, the Resolution Professional has examined the Resolution plan of the Successful Resolution Applicant and confirms that this Resolution Plan:



- a) Provides for payment of Insolvency Resolution Process cost in a manner specified by the Board in the priority to the payment of other debts of the corporate debtor;
- b) Provides for payment of debts of Operational Creditor in such manner as may be specified by the board which shall not be less than
 - (i) the amount to be paid to such creditors in the event of liquidation of the Corporate Debtor under Section 53; or
 - (ii) the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with sub-section (1) of Section 53 in the event of liquidation of the corporate debtor.
- c) Provides for management of the affairs of the Corporate Debtor after approval of Resolution Plan;
- d) The implementation and supervision of Resolution Plan;
- e) Does not prima facie contravene any of the provisions of the law for time being in force,
- f) Confirms to such other requirements as may be specified by the Board.
- g) As per the Affidavit, the Resolution Applicant is not covered under Section 29A.

87. In compliance of Regulation 38 of CIRP Regulations, the Resolution Professional confirms that the Resolution plan provides that:

- a) The amount due to the Operational Creditors under Resolution Plan shall be given priority in payment over Financial Creditors.
- b) It has dealt with the interest of all Stakeholders including Financial Creditors and Operational Creditors of the Corporate Debtor.
- c) A statement that neither the Resolution Applicants nor any related parties have failed to implement nor have contributed to



the failure of implementation of any other Resolution Plan approved by the Adjudicating Authority in the past.

- d) The terms of the plan and its implementation schedule.
- e) The management and control of the business of the Corporate Debtor during its term.
- f) Adequate means of Supervising its implementation.
- g) The Resolution Plan Demonstrates that it addresses
 - i. The cause of the Default
 - ii. It is feasible and viable
 - iii. Provision for effective implementation
 - iv. Provisions for approvals required and the time lines for the same.
 - v. Capability to Implement the Resolution Plan

88. The Resolution Professional has submitted Form-H under Regulation 39(4) of the CIRP Regulations to certify that the Resolution Plan as approved by the CoC meets all the requirements of the Code and its Regulations, the relevant parts of which are reproduced below:

FORM H

COMPLIANCE CERTIFICATE

*[Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India
(Insolvency Resolution Process for Corporate Persons) Regulations, 2016]*

I, Pankaj Sham Joshi, an insolvency professional enrolled with Indian Institute of Insolvency Professionals of ICAI and registered with the Board with registration number IBBUIPA-002/IP-N00507/2017-2018/11556, am the resolution professional for the corporate insolvency resolution process (CIRP) of 'KGS Sugar & Infra Corporation Limited' (CD).

Note:

Pursuant to the Hon'ble NCLT, Mumbai Bench order dated 18.06.2024 in IA No. 1405 of 2024 ("Re-run Order") in CP(IB) No. 2156/MB/2019, the CIRP of KGS



Sugar & Infra Corporation Limited was directed to be re-run, owing to the failure of implementation of the earlier approved resolution plan i.e. the resolution plan of Gangamai Industries and Construction Limited It is clarified that the Insolvency Commencement Date (ICD) and all earlier timelines pertaining to the CIRP remain unchanged. A fresh Form G was published in accordance with Regulation 36A for inviting Expression of Interest from prospective resolution applicants. The resolution plan submitted by M/s. Grainotch Industries Limited has now been approved by the Committee of Creditors and is being placed before the Hon'ble NCLT, Mumbai Bench for approval under Section 30(6) of the Code.

1A. The details of the CIRP are as under:

<i>Sl. No.</i>	<i>Particulars</i>	<i>Description</i>
<i>1.</i>	<i>Name of the CD</i>	<i>KGS Sugar & Infra Corporation Limited</i>
<i>2.</i>	<i>Date of Initiation of CIRP</i>	<i>10.10.2019</i>
<i>3.</i>	<i>Date of Appointment of IRP</i>	<i>04.11.2019</i>
<i>4.</i>	<i>Date of Publication of Public Announcement</i>	<i>05.11.2019</i>
<i>5.</i>	<i>Date of Constitution of CoC</i>	<i>18.11.2019</i>
<i>6.</i>	<i>Date of First Meeting of CoC</i>	<i>25.11.2019</i>
<i>7.</i>	<i>Date of Appointment of RP</i>	<u><i>First CIRP</i></u> <i>25.11.2019 – Mr. Balady Shekhar Shetty</i> <i>27.05.2020 – Mr. Pankaj Sham Joshi</i> <u><i>Re-run of CIRP</i></u> <i>18.06.2024 – Mr. Pankaj Sham Joshi</i>



		<i>(Note- Mr. Joshi was reinstated as the RP pursuant to the Order of NCLT, Mumbai in IA No. 1405 of 2024. The said Order directed rerun of the CIRP and in paragraph 5 of the said Order, the NCLT allowed Mr. Joshi as the Resolution Professional, as recommended by the CoC.)</i>
8.	<i>Date of Appointment of Registered Valuers</i>	<i>Valuers for valuation of assets were appointed on 08.01.2020 pursuant to the approval of the CoC during its 2nd meeting held on 03.01.2020. In view of the earlier valuation having been conducted in 2020 and over four years having elapsed since then, fresh valuers were appointed for the valuation of Land & Building and Plant & Machinery on 14.08.2024, pursuant to the approval of the CoC in its 34th meeting held on 01.08.2024. The valuers for Securities or Financial Assets remained unchanged.</i>
9.	<i>Date of Issue of Invitation for EoI (In case of multiple issuance of EoI, please specify all such dates)</i>	<i><u>Re-Run of CIRP</u> 14.08.2024-Copies of the Form G published in Dainik Agniban, Jansatta, Maharashtra Times, Times of India. 15.08.2024 – Economic Times (Ahmedabad, Bangalore, Chandigarh, Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai and Pune)</i>
10.	<i>Date of Final List of Eligible Prospective Resolution Applicants</i>	<i>02.10.2024</i>



11.	<i>Date of Invitation of Resolution Plan</i>	07.10.2024
12.	<i>Last Date of Submission of Resolution Plan</i>	8.11.2024
13.	<i>Date of submission of Resolution Plan to the RP</i>	8.11.2024
14.	<i>Date of placing the Resolution Plan before the CoC</i>	11.11.2024
15.	<i>Date of Approval of Resolution Plan by CoC</i>	16.06.2025
16.	<i>Date of Filing of Resolution Plan with Adjudicating Authority</i>	08.07.2025
17.	<i>Date of Expiry of 180 days of CIRP</i>	NA
18.	<i>Date of each order extending / excluding the period of CIRP on request filed by RP</i>	(Note- The CIRP was initiated against the Corporate Debtor by way of the Admission Order dated 10.10.2019. However, a copy of the Admission Order was made available to the IRP only on 4.11.2019. The period of 180 days of CIRP of the Corporate Debtor thus ended on 2 May 2020. Thereafter, 3 applications were filed for exclusions of certain time periods, and 1 application for extension of CIRP period, which were allowed, following which the Resolution Plan of Gangamai Industries and Construction Limited was approved.
19.	<i>Date of Expiry of Extended Period of CIRP</i>	



		<i>However, upon failure of the said plan's implementation, the Committee of Creditors resolved to re-run the CIRP with the sole objective of achieving a viable resolution. The Hon'ble NCLT, vide Order dated 18 June 2024 in IA 1405 of 2024, acknowledged that the resolution plan of GIACL had failed, declared it as "not implemented" and allowed the re-run of CIRP for the Corporate Debtor.</i>
20.	<i>Fair Value</i>	<i>INR 104,63,94,566</i>
21.	<i>Liquidation Value</i>	<i>INR 80,25,55,297</i>
22.	<i>Number of Meetings of CoC held</i>	<i>45 (Forty-Five)</i>

2. I hereby certify that -

- (i) *the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (IBC/Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.*
- (ii) *the Resolution Applicant **Grainotch Industries Limited** has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.*
- (iii) *the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by **99.86** % of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.*
- (iv) *~~The voting was held in the meeting of the CoC on 20.01.2025 where all the members of the CoC were present.~~*

or

*I sought vote of members of the CoC by electronic voting system which was kept open at least for 24 hours as per regulation 26 – **The E-Voting was open from 10.06.2025 to 16.06.2025.***

7A. Realisable Amount:

<i>Sl. No.</i>	<i>Particulars</i>	<i>Description</i>
1.	<i>Total Realisable amount under the plan</i>	<i>Resolution Plan Value is INR162,00,73,142 (Rupees One Hundred Sixty- Two Crores Seventy-Three Thousand One Hundred Forty-Two Only) + CIRP Cost at actuals</i>
2.	<i>Fair Value (Securities or Financial Assets)</i>	<i>INR 104,63,94,566</i>
3.	<i>Liquidation Value (Securities or Financial Assets)</i>	<i>INR 80,25,55,297</i>
4.	<i>Percentage (%) of realisable amount to Fair Value</i>	<i>154.83%</i>
5.	<i>Percentage (%) of realisable amount to Liquidation Value</i>	<i>201.87%</i>
6.	<i>Percentage (%) of realisable amount to Principal amount</i>	<i>27.77%</i>
7.	<i>Percentage (%) of realisable amount to Total admitted claims</i>	<i>29.10%</i>
8.	<i>Percentage (%) of realisable amount to Other than admitted Corporate Guarantee claims</i>	<i>-</i>

7B. Details of Realisable amount:

(Amount in Rupees in Crores)

<i>Stakeholder Type</i>	<i>Amount(s)</i>	<i>Payment Schedule</i>
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	<i>Amount Claimed</i>	<i>Amount Admitted</i>	<i>Realisable amount under the plan</i>	<i>Amount Realizable in plan to amount claimed (%)</i>	
Secured Financial Creditors <i>Creditors not having a right to vote under sub-section (2) of section 21</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>Within 29 days from the Effective Date</i>
<i>- Dissenting</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	
<i>-Assenting</i>	<i>502.86</i>	<i>502.86</i>	<i>152.20</i>	<i>30.27 %</i>	
Unsecured Financial Creditors <i>(a) Creditors not having a right to vote under sub-section (2) of section 21</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>INR 1,00,000 within 29 days from the Effective Date</i>
<i>-Dissenting</i>					



-Assenting	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>INR</i>
-Abstained	<i>0.48</i>	<i>0.30</i>	<i>0.036</i>	<i>7.50%</i>	<i>11,00,000</i>
	<i>0.919</i>	<i>0.70</i>	<i>0.08</i>	<i>9.14%</i>	<i>within</i>
					<i>365</i>
					<i>days from</i>
					<i>the</i>
					<i>Effective</i>
					<i>Date</i>
<i>Related Party</i>	<i>26.23</i>	<i>36.23</i>	<i>NIL</i>	<i>NIL</i>	
<i>Financial</i>					
<i>Creditors</i>					
<i>(Unsecured)</i>					
<i>Operational</i>					
<i>Creditors</i>					
<i>(i) Government</i>	<i>165.01</i>	<i>11.46</i>	<i>1.87</i>	<i>1.13%</i>	<i>Within</i>
					<i>29 days</i>
					<i>from the</i>
					<i>Effective</i>
					<i>Date</i>
<i>(ii) Farmers</i>	<i>6.37</i>	<i>6.36</i>	<i>6.36</i>	<i>99.87%</i>	<i>Within</i>
					<i>29 days</i>
					<i>from the</i>
					<i>Effective</i>
					<i>Date</i>
<i>(iii) Employees</i>	<i>9.65</i>	<i>1.97</i>	<i>1.38</i>	<i>14.32%</i>	<i>Within</i>
					<i>29 days</i>
					<i>from the</i>
					<i>Effective</i>
					<i>Date</i>



<i>(iv) Other Operational creditors - Unsecured</i>	<i>94.19</i>	<i>10.04</i>	<i>0.03</i>	<i>0.03%</i>	<i>Within 29 days from the Effective Date</i>
<i>(v) Other Creditors (Other than FC and OCs)</i>	<i>64.80</i>	<i>0.41</i>	<i>0.001</i>	<i>0.001%</i>	<i>Within 29 days from the Effective Date</i>
<i>Contingent Fund</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>0.05</i>	<i>-</i>
<i>Total</i>	<i>410,868,963.20</i>	<i>399,463,763.85</i>	<i>57,50,000/-</i>	<i>1.44%</i>	<i>As above</i>

89. On perusal of the Resolution Plan, we find that the Resolution Plan provides for the following:

- a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
- b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
- c) For management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified U/s 30(2)(c) of the Code.
- d) The implementation and supervision of Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.

90. The RP has complied with the requirement of the Code in terms of Section 30(2)(a) to 30(2)(f) and Regulations 38(1), 38(1)(a), 38(2)(a), 38(2)(b), 38(2)(c) & 38(3) of the CIRP Regulations.



91. The RP has filed Compliance Certificate in Form-H along with the Resolution Plan. On perusal, the same is found to be in order. The Resolution Plan has been approved by the CoC by majority of 82.19%.
92. In Section 8 of the Resolution Plan, the SRA has sought various reliefs, concessions, and waivers. Such reliefs & concessions as prayed for shall be available in accordance with the principle laid down by the Hon'ble Supreme Court in the case of *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited* {(2021) 13 S.C.R 737} and *Municipal Corporation of Greater Mumbai vs. Abhilash Lal and Ors. (2019) ibclaaw.in 480 NCLAT*. Further, it is clarified and ordered that -
- a. Any increase in the authorised capital shall be subject to payment of the prescribed fee, if any applicable, and filing of the prescribed forms with the Registrar of Companies.
 - b. The Applicant shall file necessary forms and pay prescribed fees, if any, in terms of provisions of the Companies Act, 2013 in relation to reduction in capital and issuance of fresh capital, however, the Registrar of Companies shall waive the additional fees, if any, payable on such filing.
 - c. The SRA may approach prescribed authorities for waiver/reduction in fees, charges, stamp duty, and registration fees, if any arising from actions contemplated under the Resolution Plan and such request shall be subject to the relevant law/statute and adherence to the procedure prescribed thereunder.
 - d. The SRA may file appropriate application, if required, for renewal of all Business Permits, rights, entitlements, benefits, subsidies and privileges whether under applicable Law, contract, lease or license granted in favour of the Corporate Applicant or to which the Corporate Applicant is entitled to or accustomed to, which have expired on the Effective Date, and follow the due procedure prescribed for the purpose upon payment of prescribed fees. The



contract with third parties shall be subject to consent of such parties. It is clarified that continuance of approvals shall not be refused on account of extinguishment of any dues under Code and extension or renewal thereof shall not be denied on account of past insolvency of the Corporate Applicant. No action shall lie against the Corporate Applicant for any non-compliances arising prior to the date of approval of Resolution Plan, however, such non-compliances shall be cured, if necessitated to keep the approval in force, after acquisition by the Corporate Applicant within period stipulated in the Resolution Plan.

- e. No orders levying any tax, demand of penalty from the Corporate Applicant in relation to period up to approval of the Resolution Plan shall be passed by any authority and such demand, if created, shall not enforceable as having extinguished in terms of approved Resolution Plan. Further, as laid down by the Hon'ble Supreme Court in *Vaibhav Goel v. Deputy Commissioner of Income Tax, (DCIT) and Anr. (2025) ibclaw.in 90 SC*, any dues owed to the creditors, including statutory authorities, not included in the Resolution Plan shall stand extinguished.
- f. The carry forward of losses and unabsorbed depreciation shall be available in accordance with the provisions of Income Tax Act, and the Income Tax Department shall be at liberty to examine the same.
- g. An application for compounding/condoning shall be filed in accordance with the procedure specified in respective law or concerned authority, however, no fine or penalty shall be imposed for non-compliances till the date of approval of this Plan or such further period as is permitted in terms of this Order.
- h. ROC shall update the records and reflect the Corporate Applicant as 'Active' upon filing of pending returns/forms after payment of normal fees (not additional fee). In case such filing is not permitted by the e-filing portal, the ROC shall accept such



forms/returns in physical format and manage to upload the same by back-end. The Corporate Applicant shall be exempted from using the words “and reduced”.

- i. The Compliances under the applicable law for all the statutory appointments by the Corporate Applicant shall be completed within 12 months, whereafter, the necessary consequence under respective law shall follow.
- j. The Successful Resolution Applicant, the Corporate Debtor and the assets of the Corporate Debtor forming part of Resolution plan shall have immunity, privileges and protection as is available in the form and manner stated in Section 32A of the Code.
- k. The contracts and agreements between the parties shall be subject to their mutual consent and agreement after the approval of the Plan.
1. It is clarified that any relief, concession or waiver prayed in the Resolution Plan but not specifically dealt with in Para 92(a) to (j) above, save as otherwise permissible in terms of ***Ghanshyam Mishra and Sons Private Limited*** (supra) or specific provisions of the Code read with the Regulations, shall be deemed to be denied or rejected.

93. In ***K Sashidhar v. Indian Overseas Bank & Others*** (in Civil Appeal No.10673/2018 decided on 05.02.2019) the Hon’ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per Section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2) of the Code. The Hon’ble Apex Court further observed that the role of the NCLT is ‘no more and no less’. The Hon’ble Apex Court further held that the discretion of the Adjudicating Authority is circumscribed by



Section 31 of the Code and is 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) of the Code when the Resolution Plan does not conform to the stated requirements.

94. In view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A) and 39(4) of the CIRP Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same needs to be approved. Hence, ordered.

95. The Resolution Plan is hereby **approved**. It shall become effective from this date and shall form part of this order with the following directions:

i. It shall be binding on the Corporate Applicant, 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 in force is due, guarantors and other stakeholders involved in the Resolution Plan.

ii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/liabilities of the Corporate Applicant and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of the Hon’ble Supreme Court in *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited*, the relevant paragraphs of which are extracted herein below:



“95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;

(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.”

iii. The Memorandum of Association (“**MoA**”) and Articles of Association (“**AoA**”) shall accordingly be amended and filed with the Registrar of Companies (“**RoC**”), Mumbai, Maharashtra for information and record.

iv. The Successful Resolution Applicant, for effective implementation of the Resolution Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed. It is clarified that the authorities shall not withhold the approval/consent/extension for the reason of insolvency of the Corporate Applicant or extinguishment of their



dues upto approval of Resolution plan in terms of the approved plan. Any relief or concession as sought on the plan shall be subject to the provisions of the relevant Act.

- v. The moratorium under Section 14 of the Code shall cease to have effect from this date.
- vi. The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.
- vii. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- viii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

Sd/-

Prabhat Kumar
Member (Technical)

/SP/

Sd/-

Sushil Mahadeorao Kochey
Member (Judicial)