NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Ins) No. 02 of 2026

IN THE MATTER OF:

Consortium of Shantech International Pvt Ltd and Worldfa Exports Pvt Ltd.
having its address at Pheidon House, First Floor, 64 Rajni Shivaji CHS, off Senapati Bapat Road, Pune, Maharashtra – 411 016 **...Appellant(s)**

Versus

1. Mr. Amit Chandrashekhar Poddar, Resolution Professional of Unijules Life Sciences Limited.
having his address at Akshat, 7, Vijay Nagar, Katol Road, Nagpur, Maharashtra – 440 013

2. Assets Reconstruction Company (India) Limited.
Having its registered office at The Ruby, 10th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai 400028.

3. Punjab National Bank
Asset Recovery Management Branch, Pnb House, Kingsway,Nagpur - 440001 bo6795@pnb.co.in Ph: 0712-6630484, 6467088

4. Indian Bank
Having its registered office at 7th Floor Bajaj Bhavan, Nariman Point, Mumbai, Maharashtra 400021

5. Bank of Maharashtra
Having its registered office at Street No 45/47, Mumbai Samachar Marg, Fort, Opposite Stock Exchange, Mumbai, Maharashtra 400001

6. Bank of Baroda
Having its registered office at Nariman Point Nirmal Nariman Point, Maharashtra, Mumbai 400021

7. Corporation Bank
Having its registered office at Abdul Rehman St, Mumbadevi Area, Bhuleshwar, Mumbai, Maharashtra

8. Canbank Factors
having its registered office at 67/1, KANAKAPURA MAIN ROAD BASAVANAGUDI, BANGALORE, Karnataka, India, 560004

9. Satsai Finlease Private Limited,
having its address at PVT NO. 9, Plot No. 51, KH NO. 355/3, Ground Floor, G.T.K Road, Block C, Mehendur Enclave, Northwest, Delhi -11033

10. Pranav Financial Services Private Limited,
a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 2 La – Citadelle, 99 M. K. Road, Mumbai – 400 020

...Respondent(s)

Present:

For Appellant : Mr. Anshumaan Sahni and Mr. Ahmed Chunawala, Advocates.

For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Bharat Gupta, Mr. Varun Tyagi, Mr. Vishesh Chauhan, Ms. Shagun Gupta, Mr. Ishan Srivastava and Ms. Snigdha Jena, Advocates for R1/ RP.
Adv. Sharanya Shivaraman, Advocate for R-2, 3 & 5.
Mr. Krishnendu Datta Sr. Advocate with Mr. Shyam Dewani, Mr. Shakul R. Ghatole, Mr. Sumit Khanna and Ms. Niharika Sharma, Advocates for SRA.

With
Company Appeal (AT) (Ins) No. 69 of 2026 & I.A. No. 239 of 2026

IN THE MATTER OF:

Consortium of India E Hub Services Pvt Ltd & New World Landmark LLP,
Having their address at 602, PULACHI WADI, DECCAN GYMKHANA PUNE, Maharashtra, India - 411004 **...Appellant(s)**

Versus

1. Mr. Amit Chandrashekhar Poddar,
Resolution Professional of Unijules Life Sciences Limited, having his address at Akshat, 7, Vijay Nagar, Katol Road, Nagpur, Maharashtra – 440 013

2. S.S. Fabricators and Manufacturers Private Limited,
B Wing, Ground Floor, 206/1A, BG 01/02, Swami Sadan Apartment, GPO Square Behind Yes Bank, Civil Lines, Nagpur - 440001. **...Respondent(s)**

Present:

For Appellant : Mr. Maulick Choksi, Advocate
For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Bharat Gupta, Mr. Varun Tyagi, Mr. Vishesh Chauhan, Ms. Shagun Gupta, Mr. Ishan Srivastava and Ms. Snigdha Jena, Advocates for R1/ RP.
Mr. Krishnendu Datta Sr. Advocate with Mr. Shyam Dewani, Mr. Shakul R. Ghatole, Mr. Sumit Khanna and Ms. Niharika Sharma, Advocates for SRA.

With

Company Appeal (AT) (Ins) No. 71 of 2026 & I.A. No. 244 of 2026

IN THE MATTER OF:

Consortium of Shantech International Pvt Ltd and Worldfa Exports Pvt Ltd, ...Appellant(s)
having its address at Pheidon House, First Floor, 64 Rajni Shivaji CHS, off Senapati Bapat Road, Pune, Maharashtra – 411 016

Versus

1. Mr. Amit Chandrashekhar Poddar,
Resolution Professional of Unijules Life Sciences Limited, having his address at Akshat, 7, Vijay Nagar, Katol Road, Nagpur, Maharashtra – 440 013

2. S.S. Fabricators and Manufacturers Private Limited,
B Wing, Ground Floor, 206/1A, BG 01/02, Swami Sadan Apartment, GPO Square Behind Yes Bank, Civil Lines, Nagpur - 440001. ...Respondent(s)

Present:

For Appellant : Mr. Anshumaan Sahni and Mr. Ahmed Chunawala, Advocates.
For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Bharat Gupta, Mr. Varun Tyagi, Mr. Vishesh Chauhan, Ms. Shagun Gupta, Mr. Ishan Srivastava and Ms. Snigdha Jena, Advocates for R1/ RP.
Mr. Krishnendu Datta Sr. Advocate with Mr. Shyam Dewani, Mr. Shakul R. Ghatole, Mr. Sumit Khanna and Ms. Niharika Sharma, Advocates for SRA.

With
Company Appeal (AT) (Ins) No. 73 of 2026

IN THE MATTER OF:

Satsai Finlease Private Limited.
having its address at Room No. PVT No. 9, Plot No. 51, KH No. 355/3, Ground Floor, G.T.K. Road, Block C, Mehendur Enclave, Northwest, Delhi India - 110033 **...Appellant(s)**

Versus

1. Mr. Amit Chandrashekhar Poddar, Resolution
Professional of Unijules Life Sciences Limited.
having his address at Akshat, 7, Vijay Nagar, Katol Road, Nagpur, Maharashtra – 440 013

2. Assets Reconstruction Company (India) Limited.
Having its registered office at The Ruby, 10th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai 400028.

3. Punjab National Bank
Asset Recovery Management Branch, Pnb House, Kingsway,Nagpur - 440001 bo6795@pnb.co.in Ph: 0712-6630484, 6467088

4. Indian Bank
Having its registered office at 7th Floor Bajaj Bhavan, Nariman Point, Mumbai, Maharashtra 400021

5. Bank of Maharashtra
Having its registered office at Street No 45/47, Mumbai Samachar Marg, Fort, Opposite Stock Exchange, Mumbai, Maharashtra 400001

6. Bank of Baroda
Having its registered office at Nariman Point Nirmal Nariman Point, Maharashtra, Mumbai 400021

7. Corporation Bank
Having its registered office at Abdul Rehman St, Mumbadevi Area, Bhuleshwar, Mumbai, Maharashtra

8. Canbank Factors
having its registered office at 67/1, KANAKAPURA MAIN ROAD BASAVANAGUDI, BANGALORE, Karnataka, India, 560004

9. Pranav Financial Services Private Limited,
A company incorporated under the provisions of the Companies Act, 1956 having its registered office at 2 Lacitadelle, 99 M. K. Road, Mumbai – 20

10. Consortium of Shantech International Pvt Ltd and Worldfa Exports Pvt Ltd,
Having its address at Pheidon House, First Floor, 64 Rajni Shivaji CHS,off Senapati Bapat Road, Pune, Maharashtra – 411 016

11. India E Hub Services Pvt Ltd & New World Landmark LLP,
Having their address at 602, PULACHI WADI, DECCAN GYMKHANA PUNE, Maharashtra, India - 411004.

12. Shriniwas Spintex Industries Limited,
Having their address at House No. 9, Gandhi Ward, Hinganghat – 442301

13. Faiz Vali,
Suspended Director, Having his address at Unijules Life Sciences Ltd, MIDC Kalmeshwar - Nagpur 441 501

14. S.S. Fabricators and Manufacturers Private Limited,
B Wing, Ground Floor, 206/1A, BG 01/02, Swami Sadan Apartment, GPO Square Behind Yes Bank, Civil Lines, Nagpur – 44 0001 **...Respondent(s)**

Present:

For Appellant : Mr. Sumesh Dhawan, Mr. Amir Arsiwala, Ms. Neha Arya and Ms. Vaishnavi Dhure, Advocates.

For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Bharat Gupta, Mr. Varun Tyagi, Mr. Vishesh Chauhan, Ms. Shagun Gupta, Mr. Ishan Srivastava and Ms. Snigdha Jena, Advocates for R1/ RP.
Adv Sharanya Shivaraman, Advocate for R-2,3 & 5.
Mr. Krishnendu Datta Sr. Advocate with Mr. Shyam Dewani, Mr. Shakul R. Ghatole, Mr. Sumit Khanna and Ms. Niharika Sharma, Advocates for SRA.

With

Company Appeal (AT) (Ins) No. 89 of 2026 & I.A. No. 306 of 2026

IN THE MATTER OF:

Satsai Finlease Private Limited **...Appellant(s)**
having its address at Room No. PVT No. 9, Plot No. 51, KH No. 355/3, Ground Floor, G.T.K. Road, Block C, Mehendur Enclave, Northwest, Delhi India - 110033

Versus

1. Mr. Amit Chandrashekhar Poddar, **...Respondent(s)**
Resolution Professional of Unijules Life Sciences Limited, having his address at Akshat, 7, Vijay Nagar, Katol Road, Nagpur, Maharashtra – 440 013

2. S.S. Fabricators and Manufacturers Private Limited,
B Wing, Ground Floor, 206/1A, BG 01/02, Swami Sadan Apartment, GPO Square Behind Yes Bank, Civil Lines, Nagpur - 440001.

Present:

For Appellant : Mr. Sumesh Dhawan, Mr. Amir Arsiwala, Ms. Neha Arya and Ms. Vaishnavi Dhure, Advocates.

For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Bharat Gupta, Mr. Varun Tyagi, Mr. Vishesh Chauhan, Ms. Shagun Gupta, Mr. Ishan Srivastava and Ms. Snigdha Jena, Advocates for R1/ RP.
Mr. Krishnendu Datta Sr. Advocate with Mr. Shyam Dewani, Mr. Shakul R. Ghatole, Mr. Sumit Khanna and Ms. Niharika Sharma, Advocates for SRA.

With

Company Appeal (AT) (Ins) No. 205 of 2026 & I.A. No. 748 of 2026

IN THE MATTER OF:

Faiz Vali,
Suspended Director of the Corporate Debtor, Having his address at 1505, Universal Pharmacy, Shanti Nagar, Nagpur-440 002 **...Appellant(s)**

Versus

1. Mr. Amit Chandrashekhar Poddar,
Resolution Professional of Unijules Life Sciences Limited, having his address at Akshat, 7, Vijay Nagar, Katol Road, Nagpur, Maharashtra – 440 013

2. S.S. Fabricators and Manufacturers Private Limited,
B Wing, Ground Floor, 206/1A, BG 01/02, Swami Sadan Apartment, GPO Square Behind Yes Bank, Civil Lines, Nagpur - 440001. **...Respondent(s)**

Present:

For Appellant : Mr. Nitesh Ramani and Ms. Sukhda Kalra, Advocates.
For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Bharat Gupta, Mr. Varun Tyagi, Mr. Vishesh Chauhan, Ms. Shagun Gupta, Mr. Ishan Srivastava and Ms. Snigdha Jena, Advocates for R1/ RP.
Mr. Krishnendu Datta Sr. Advocate with Mr. Shyam Dewani, Mr. Shakul R. Ghatole, Mr. Sumit Khanna and Ms. Niharika Sharma, Advocates for SRA.

J U D G M E N T
(Hybrid Mode)

Per: Barun Mitra, Member (Technical)

The present set of six appeals filed under Section 61 of Insolvency and Bankruptcy Code, 2016 (**'IBC'** in short) challenges the common Order dated 13.11.2025 (hereinafter referred to as '**Impugned Order**') passed by the Adjudicating Authority (National Company Law Tribunal, Mumbai Bench-I) in IA No. 67 of 2025, IA No. 3566 of 2025 and IA No. 5056 of 2025 in CP(IB)No. 3080/MB/2018. By the impugned order, the Adjudicating Authority has approved the resolution plan submitted by the Successful Resolution Applicant (**"SRA"** in short) and dismissed the objections filed by the Dissenting Financial Creditor (**"DFC"** in short) and Unsuccessful Resolution Applicant (**"URA"** in short) regarding the approved resolution plan. Aggrieved by the said order, the present set of six appeals have been preferred.

2. The facts and issues raised in these appeals are similar and therefore we are of the considered views that for reasons of convenience, it would suffice

to refer to the facts and pleadings in CA(AT)(Ins) No. 73 of 2025 field by the DFC and CA(AT)(Ins) No. 02 of 2026 filed by the URA for deciding all the appeals. We also propose to decide these appeals by a common judgment.

3. Coming to the relevant facts of the case which are required to be noticed for consideration of the present matter, the salient points are as under:

- The Corporate Debtor-Unijules Life Sciences Ltd. was admitted into Corporate Insolvency Resolution Process (**"CIRP"** in short) on 08.03.2019.
- The IRP appointed for the conduct of CIRP who was subsequently confirmed as Resolution Professional (**"RP"** in short) published the second round of Form-G inviting EoIs on 11.04.2024. The RP had constituted the CoC comprising of Assets Reconstruction Company Ltd., PNB, Indian Bank, Bank of Maharashtra, Bank of Baroda, Corporation Bank, Can Bank Factors, Pranav Financial Services Pvt. Ltd. and Paisalo Digital Ltd. and some others.
- The RP issued the provisional list of Prospective Resolution Applicants (**"PRAs"** in short) on 04.05.2024 followed by the final list of PRAs issued on 09.05.2024.
- Resolution plans were received from four Resolution Applicants namely Consortium of India Ehub Services Pvt. Ltd. and New World Landmark LLP; **("Ehub"** in short) Consortium of Shantech International Pvt. Ltd. and Worldfa Exports Pvt. Ltd. (**"Shantech"** in short); Shriniwas Spintex Industries Pvt. Ltd. and S.S. Fabricators and Manufacturers Pvt. Ltd. (**"S.S Fab"** in short).

- In the 37th CoC meeting held on 28.02.2025, draft plans were shared with CoC members and PRAs were informed of the negotiation process. Three rounds of negotiations were also held by the RP alongwith CoC members and the PRAs. Thereafter, the RP informed the PRAs by email on 01.03.2025 to submit their final resolution plan on or before 04.03.2025.
- Following decision taken in the 39th CoC meeting, the e-voting on the resolution plan commenced on 26.03.2025. On 06.05.2025, the Adjudicating Authority directed the CoC to conclude the voting on the plan on or before 20.05.2025 while disposing of IA No. 1849 of 2025 which had been filed by the RP. However, the voting continued beyond 20.05.2025 and concluded on 23.05.2025. This order of the Adjudicating Authority also observed that the extended period of CIRP will expire by 31.05.2025.
- The resolution plan received from S.S Fab-SRA was approved by the CoC with a voting of 98.54% on 24.05.2025 on which date Shantech-URA was also informed by the RP regarding rejection of their resolution plan.
- The RP thereafter filed IA No. 67 of 2025 before the Adjudicating Authority on 03.06.2025 for approval of the resolution plan submitted by SRA-S.S Fab.
- On 14.08.2025, after the resolution plan of the SRA had already been approved by the CoC, an Assignment Agreement was entered into between Paisalo Digital Ltd. holding 1.13% voting-share and Satsai

Finlease (**"Satsai"** in short) whereby Paisalo Digital Ltd. was substituted by Satsai as the DFC.

- Shantech-URA filed IA No. 3566 of 2025 objecting to the plan approval IA No. 67 of 2025 filed by the RP.
- Another IA No. 5056 of 2025 was filed by the DFA-Satsai on 26.10.2025 objecting to the approval of the plan of SRA.
- On 13.11.2025, the Adjudicating Authority allowed IA No. 67 of 2025 approving plan of SRA and by the same order dismissed IA No. 3566 of 2025 and IA No. 5056 of 2025 filed by URA-Shantech and DFC-Satsai respectively by which they had objected to the plan approval of SRA.
- Aggrieved by the impugned order, the following six appeals have been filed as below:

    (a) CA(AT)(Ins) Nos. 89 and No.73 of 2026 has been filed by Satsai-DFC assailing the approval of the resolution plan of SRA and stay thereof besides seeking remand of the matter to the CoC to conduct fresh bidding.

    (b) CA(AT)(Ins) Nos. 71 and 02 of 2026 has been filed by Shantech-URA assailing the approval of the resolution plan of the SRA and stay thereof besides seeking conduct of fresh Swiss Challenge round among all eligible Resolution Applicants.

    (c) CA(AT)(Ins) No. 205 of 2026 has been filed by suspended director of the Corporate Debtor assailing

the approval of the resolution plan of the SRA submitted by RP in IA No. 67 of 2025.

(d) CA(AT)(Ins) No. 69 of 2026 has been filed by one of the PRAs, E-hub assailing the approval of the resolution plan of the SRA submitted by the RP in IA No. 67 of 2025.

4. We have heard Shri Sumesh Dhawan, Ld. Counsel appearing for Satsai; Shri Abhijeet Sinha, Ld. Sr. Counsel for the RP; Shri Krishnendu Datta, Ld. Sr. Counsel for the SRA; Shri Maulik Choksi, Ld. Counsel for the E-hub; Shri Anshumaan Sahni, Ld. Counsel for Shantech; Shri Nitesh Ramani, Ld. Counsel for the Suspended Director of the Corporate Debtor and Ld. Counsel, Ms Sharanya Shivaraman appearing for CoC members.

5. Shri Sumesh Dhawan, Ld. Counsel making submissions on behalf of the DFC-Satsai, contended that the approval of the resolution plan of SRA-S.S Fab was vitiated by grave procedural and substantive material irregularities which undermined the integrity of the CIRP. Narrating these irregularities, it was submitted that the RP had acknowledged an outstanding EPF liability of Rs 13.89 Cr. but failed to include the same in the Net Present Value (**"NPV"** in short) for evaluating the competing resolution plans. The failure to adjust the NPV scores based on statutory liabilities of EPF was clearly a procedural irregularity which created ambiguity in the plan comparison of PRAs. Moreover, the RP had disclosed the comparative NPV of other PRAs as well as their evaluation matrix score in breach of the RFRP which unduly helped SS Fab to bridge their plan value gap with other PRAs and improve their position. It was also pointed out that post-plan approval,

redistribution of proceeds was allowed including shifting of EPF dues on to the secured financial creditors and the capping of CIRP cost to Rs 25 lakhs which was contrary to the statutory provisions of Section 30(2)(a) of the IBC. It was added that while the plan was put for voting in the 39th CoC meeting, the pay-out distribution amongst the creditors was decided in the 40th and 41st CoC meetings. By allowing the SRA to alter their position regarding CIRP cost allocation during the voting period it tantamount to post-submission modification and procedural impropriety. This also shows that the financial terms given by the SRA were neither final nor statutorily compliant at the time of voting and that the impugned order by sanctioning a conditional resolution plan had committed an error. Further, it was also contended that allowing of undisclosed post-deadline clarification after submission of their plan was another grave irregularity which enabled S.S Fab to enhance their bid at the last moment when bid alteration was not permissible. The SRA had suddenly increased its bid by 29% outside the structured bidding process while the other PRAs did not get similar opportunity to match or revise their bids. It was pointed out that the objections raised by DFC-Satsai against the selective and private correspondence exchanged between certain CoC members and PRAs has been ignored by the Adjudicating Authority though this resulted into unauthorised plan modifications. These mis-steps on the part of the RP and the CoC dented the core principles of transparency and fairness in the conduct of the CIRP. Moreover, the e-voting process was not conducted properly. The e-voting time-lines were extended without approval of Adjudicating Authority. Allowing the e-voting to continue beyond the judicially mandated outer limit was yet another deviation from the statutory provisions

rendering vitiation of voting process. Thus, when the process followed by the RP and CoC was riddled with material irregularities and statutory violations which rendered the plan approval ex-facie unsustainable in law, the defence of commercial wisdom of CoC could not have come to the rescue of the plan approval process. Reliance has been placed on the judgment of the Hon'ble Supreme Court in the case of ***Kalyani Transco Vs M/s Bhushan Power and Steel Co. in Civil Appeal No. 1808 of 2020*** which held that the plan has to pass the test of judicial scrutiny and commercial decisions of the CoC cannot be a ground to overlook procedural irregularity in the conduct of CIRP or to overlook mandatory compliances of IBC and CIRP Regulations. The impugned order therefore deserved to be set aside and hence their appeal.

6. The Ld. Counsel appearing on behalf of URA-Shantech submitted that they fully supported the arguments canvassed on behalf of DFC-Satsai. It was emphatically asserted that the CIRP process had been vitiated due to material procedural irregularities on the part of the RP in the conduct of CIRP, lack of transparency, selective back-channel negotiations without knowledge of full CoC, suppression of material information before the CoC, violation of orders of Adjudicating Authority in extending time-line of e-voting and for submission of plan approval after expiry of extended CIRP period. It was also asserted that their plan was rejected without assigning any reason at a time when on 03.03.2025, the RP had informed URA-Shantech that their plan proposal was ranked No.1 in terms of NPV and No.2 as per evaluation matrix while that of SS Fab was ranked No.3 in both NPV and evaluation matrix. The URA-Shantech submitted that their final resolution plan amounting Rs 66.50 Cr. on 04.03.2025 was higher than that of the SRA. Moreover, though they

were willing to enhance their bid amount, they were not allowed to exercise this offer. The Ld. Counsel for the E-hub, who was also an unsuccessful resolution applicant added that though, their plan amount was Rs 75 Cr. which was higher than the amount offered by SRA, it was arbitrarily rejected in breach of the goal of value maximisation. The Ld. Counsel representing the interest suspended management of the Corporate Debtor submitted that they do not wish to traverse the same pointers which have been highlighted above by the other two URAs and the DFC as they were entirely in agreement with them for setting aside of the impugned order.

7. Refuting the contentions raised by the URA-Shantech and DFC-Satsai, it was submitted by Shri Abhijeet Sinha, Ld. Sr. Counsel for the RP that when the plan had been approved with requisite majority by the CoC in the exercise of their commercial wisdom, the frivolous grounds raised for objecting to the resolution plan by the URA with 1.13% vote-share has been rightly rejected by the Adjudicating Authority. It was contended that the objection raised by the DFC that the plan did not provide for payment of CIRP costs was misconceived since the plan clearly mentioned that CIRP costs was payable at actuals and in any case, there lies no unpaid CIRP costs post implementation. On the issue of EPF claim, it was asserted that the matter was still sub-judice EPFO and the liability had not yet crystallised. There was nothing improper in the plan for having set aside the EPFO dues in an escrow by the SRA to be distributed to the secured financial creditors if no orders with respect to EPF liability was passed against the Corporate Debtor on completion of 90 days of plan approval. Furthermore, the purported back-channel communication independently by secured financial creditors which

has been harped upon by the Satsai-DFC to demonstrate procedural violation is also misplaced since similar communications had also been addressed to other PRAs. Moreover, the reply of the SRA to the secured financial creditor on the said query was clarificatory in nature and did not alter the final plan value. It was also pointed out that the EPF claims could not be a ground for the DFC to claim prejudice when the said amount was to be deducted from the share of the secured financial creditor. Moreover, the DFC having been paid more than the liquidation value which was nil under the waterfall mechanism, they cannot claim to have been aggrieved on this count. It was also contended that all the PRAs had been allowed to participate during the extended e-voting period and when the Adjudicating Authority had allowed time till 31.05.2025 to complete the CIRP, there was no material breach or irregularity committed by the RP. It was also submitted that the contention of the URA to restart the bidding process or hold a challenge mechanism lacks merit as it is the sole discretion of the CoC to decide any method or process for evaluation of resolution plan as has been clarified by this Tribunal in ***Ashdan Properties Pvt. Ltd. Vs. Hemant J. Mehta & Ors. in CA(AT) (Ins) No. 1608 of 2025.*** It was also added that in terms of Step IV(f) of the RFRP, the RP acting on the instructions of COC could decide any method or process for negotiations and that in terms of Step V(e) of the RFRP, it was the discretion of the COC to declare any Resolution Applicant as SRA either on evaluation criteria or any other criteria as per their commercial wisdom even though the SRA may or may not be highest bidder. Reliance was placed on the judgment of this Tribunal in ***PNC Infratech Ltd. Vs Deepak Maini in CA(AT)(Ins) No. 143 of 2020*** to assert that it is the commercial wisdom of

CoC to approve or reject a plan as it is a business decision involving evaluation of feasibility of plan besides viability of Corporate Debtor. There is no mechanism under IBC that gives right to unsuccessful resolution applicant to challenge the score granted as per evaluation matrix as technical issues of evaluation and score matrix lies in the exclusive domain of CoC.

8. Shri Krishnendu Datta, Ld. Sr. Counsel for the SRA supporting the arguments canvassed by the RP further added that the resolution plan stood fully implemented. It was pointed out that tenure of the resolution plan was 90 days and that in terms of the decision taken in the third meeting of the Implementation and Monitoring Committee (**"IMC"** in short), the total plan value had already been paid up by the SRA. It was also added that on remittance of the entire plan amount, the 4th IMC meeting on 01.01.2026 had approved the appointment of the 3 directors of the SRA as the new directors of the Corporate Debtor and had approved the removal of erstwhile directors and CFO. The Financial Creditors of the Corporate Debtor had also issued their No Due Certificates. The Corporate Debtor was now being managed by the SRA and the entire 100% paid up share capital of the Corporate Debtor was owned by the SRA and its nominees. It was strenuously contended that Satsai-DFC had only 1.13% vote share in the CoC while the plan of SRA was approved with 98.54% vote share. Moreover, DFC-Satsai had stepped into the shoes of their Assignor-Paisalo Digital three months after the plan was approved by the CoC and had objected to the plan approval after the Adjudicating Authority had already reserved the order on 16.10.2025. This puts serious question mark on their locus to challenge the plan. It was also contended that the impugned order approving the resolution plan is well

reasoned as it had dealt with all the objections taken by Shantech and Satsai besides noticing that the plan of the SRA was compliant with the requirements of the IBC and CIRP Regulations.

9. We have duly considered the arguments advanced by the Ld. Counsels for all the parties and perused the records carefully.

10. The first submission made by the DFC-Satsai and URA-Shantech in objecting to the plan was that any plan that capped CIRP costs or diluted the first charge of CIRP costs on the creditors was statutorily non-compliant plan. In the present case, the SRA had illegally put an artificial cap on the CIRP cost at Rs 25 lakhs in violation of Section 30(2)(a) of the IBC which mandates that CIRP costs must be paid in full and in priority and cannot be shifted onto the creditors. The SRA had failed to make adequate provision for payment of CIRP dues at actuals. The plan of the SRA provided that CIRP costs beyond Rs 25 lakhs was to be paid from the share of Secured Financial Creditors which plan-feature rendered the resolution plan defective.

11. Per contra, it was contended by the SRA that their plan had duly provided for payment of CIRP costs at actuals since the SRA was informed in terms of the Information Memorandum and during CoC meetings that there was no unpaid CIRP cost at the time of submission of the resolution plan. Moreover, as the Corporate Debtor was a going concern, the plan provided that the CIRP costs would be funded from internal cash flow accruals from the operations of the Corporate Debtor.

12. To return our findings on this aspect, it may be relevant to notice the relevant provisions of the plan of the SRA. The amount for unpaid CIRP costs as proposed by the SRA under their resolution plan has been shown to be as

"At Actuals" with Note 1 as a caveat therein. It will be useful to extract "Note 1" which reads as under:

> *"*As per the information Memorandum shared on 9th May, 2024*
>
> ***Note 1:** Unpaid CIRP Costs Payable at actuals, shall be funded from the internal accruals and cashflows of the Corporate Debtor. If the internal accruals or cashflows are insufficient to meet the Unpaid CIRP Costs, such costs shall be paid by the Resolution Applicant to the extent not exceeding of Rs. 25 Lakhs (Rupees Twenty-Five Lakhs only). However, in the event that such costs exceed Rs. 25 Lakhs (Rupees Twenty-Five Lakhs only), the same shall be met out of Upfront Cash Recovery to Secured Financial Creditors."*

13. On the rationale for capping CIRP cost at Rs 25 lakhs, averment was made by the SRA that the RP had clarified to the predecessor-in-interest of Satsai during the 41st CoC meeting of 19.05.2025 that from the time of CIRP commencement, there were no unpaid CIRP dues as the cash flow was sufficient towards meeting the CIRP costs and that there would be no unpaid CIRP costs. Thus, the CoC was fully conscious that if any CIRP costs remained unpaid beyond Rs 25 lakh, it would be allocated from the share of the Secured Financial Creditor.

14. At this stage, we may advert our attention to the relevant excerpt of the 41st CoC meeting wherein the capping on CIRP expenses by the SRA was discussed which is as reproduced below:

> *"….Mr. Raghava Lakhotiya further asked about the capping on CIRP expenses of Rs.25.00 Lakhs mentioned by S.S. Fabricators And Manufacturers Private Limited in their Resolution Plan to which the RP clarified that it was being assumed by him that there would be no unpaid CIRP dues in the matter and also that the EPF dues if any, would be borne by all the Resolution Applicants….."*

15. In this backdrop, when the SRA had expressly clarified in "Note 1" of their plan that if any CIRP costs remained unpaid beyond Rs 25 lakh, it would be allocated from the share of the Secured Financial Creditor and this plan had been accepted by the CoC in its business wisdom wherein the Secured Financial Creditors have more than the requisite majority share, we do not find any merit in the DFC raising their objection to the plan on this score. In any case, the DFC-Satsai being an Unsecured Financial Creditor cannot be seen to raise objections on this ground since any allocation proposed to be made beyond Rs 25 lakhs for unpaid CIRP costs was to go from the kitty of the Secured Financial Creditor without having any bearing on the distribution of proceeds earmarked for the Dissenting Financial Creditor. Moreover, this contention of the DFC has become redundant since the resolution plan already stands implemented and there is no CIRP cost which remains unpaid post implementation of the plan.

16. This brings us to the next ground for objecting to the plans by URA and DFC. It was contended that the approved resolution plan of the SRA was defective as it did not provide for payment of EPFO dues of the Corporate Debtor amounting Rs 13.89 Cr. though EPF dues enjoyed statutory protection under Section 36(4)(a)(iii) of the IBC. By not factoring in the EPF dues and deferring the EPF dues violated Section 30(2)(e) of the IBC and rendered the plan of the SRA ineligible for consideration. Attention was also drawn to the judgement of the Hon'ble Supreme Court in ***Jalan Fritsch Consortium Vs Regional Provident Fund Commissioner & Anr., 2023 SCC Online SC 106,*** wherein it was held that a resolution plan must provide for payment towards statutory dues including provident fund and gratuity.

17. It was also added that SRA's shifting of the burden of EPF dues on to the Secured Financial Creditor stood in sharp contrast to the plans submitted by the other PRAs who dealt with EPF dues as contingent liability without reducing the pay-out earmarked for the Secured Financial Creditors. The plan of SRA on the other hand provided that EPF dues and its distribution to stakeholders was to be kept in a separate account and payment was to be deferred until the expiry of the appeal period under Section 61 of the IBC. Tying the payment to potential litigation infused instability and uncertainty in the resolution process. This clearly shows that the financial terms of the plan were neither final nor statutorily compliant at the time of voting of the plan. It was also contended that when the EPFO liability was a crystallised liability, the impugned order committed a mistake in holding that the EPFO dues being sub-judice, it would suffice that the relevant amount was appropriately placed in the Escrow Account. Moreover, in the present case, since the plan of the SRA provided for withholding of EPFO dues, this had a direct bearing on the computation of NPV which was one of the criteria to evaluate and rank the competing resolution plans. However, the Adjudicating Authority had grossly failed to appreciate this glaring material irregularity. Hence the impugned order cannot be sustained as it approved a plan which did not fall in line with the discipline of insolvency process of plan finality.

18. Per contra, it is the contention of the RP that the EPFO liability had not crystallised since the matter was sub-judice. The RP also asserted that the claim of EPFO had been rejected by the Adjudicating Authority on 04.08.2023 which order had not been challenged by the EPFO. However, the EPFO had once again filed a claim of Rs 13.89 Cr. on 06.03.2025 which is presently sub-

judice before the Central Government Industrial Tribunal, Nagpur. Moreover, it was also contended by the RP that no claim could have been made by the EPFO on the basis of assessment carried out during the moratorium period. It was therefore contended that the deferment of the payment of EPF dues and its distribution to stakeholders till the expiry of appeal period did not make the plan conditional. The plan of the SRA clearly provided that an amount of Rs 3.39 Cr. would be kept aside in respect of EPF dues and that if the liability to pay the same stood discharged, since the RP had challenged the EPFO liability, the said amount would be paid to the secured financial creditors. In the given circumstances, when the EPFO dues had been set aside in an escrow account by the SRA in its resolution plan with a provision that the same would be distributed to the secured financial creditors if no orders with respect to EPF liability was passed against the Corporate Debtor, the DFC could not have raised any objection to the plan that the SRA was trying to evade the liability of making full and specific provision for PF and gratuity dues in the resolution plan.

19. Having noted the rival contentions, it would be useful now to see how the EPF liability has been treated in the resolution plan of the SRA. The relevant portion of the resolution plan is as extracted below:

10.SETTLEMENT AND TREATMENT OF STAKEHOLDERS

The amount provided for the stake holders under the Resolution Plan is as under: -

(INR in Cr)

UNIJULES LIFE SCIENCES LIMITED						
SETTLEMENT OF OUTSTANDING DUES						
Sr. No	**Particulars**	**Amount Claimed***	**Amount Admitted***	**Amount proposed under Resolution Plan**	**Upfront Payment (In 30 days)**	**Balance Payment (In 90 days)**
1.	Unpaid CIRP Cost	-	At Actuals	At Actuals (See Note I)	At Actuals	-
2.	Secured Financial Creditors	422.47	422.47	59.36 (See Note 2&3)	40.43	18.93
3.	Unsecured Financial Creditors	11.03	7.28	0.25	0.25	-
4.	Operational Creditors	17.32	15.72	0.08	0.08	-
5.	Government Dues	226.87	226.76	1.13	1.13	-
6.	Workmen & Employees	4.49	4.44	4.44	4.44	-
7.	Other Creditors	13.91	13.89	0.00	0.00	-
Total		**696.09**	**690.56**	**65.26**	**46.33**	**18.93**

**As per the information Memorandum shared on 9th May, 2024*

Note 1: ……

Note 2: ……

Note 3: As informed by the Resolution Professional vide email dated

14.09.2024, there are certain EPF dues assessed by the EPFO office to the time of Rs.3,39,23,057/- by way of passing 14 orders, the lability for payment of which might come on the Resolution Professional out of resolution plan amount, or on the successful resolution applicant if the said orders are not challenged by way of appeals. The Resolution Professional also confirmed that he was in the process of challenging the said orders. However, as the liability for the same is pending and outstanding, the said amount of Rs.3,39,23,057/-is kept aside out of the above resolution plan amount from the share of secured financial creditors. If the liability to pay the same is discharged, then the said amount shall be appropriated paid to the secured financial creditors.

20. When we look at above the terms and conditions of the resolution plan of the SRA, the plan clearly provided that while Rs 59.36 Cr. was to be paid to the secured financial creditors, Rs 40.43 Cr. thereof was to be paid upfront while Rs 18.93 Cr. was to be paid after 90 days. The "Note 3" above clearly states that Rs. 3.39 Cr would be kept aside out of the above resolution plan amount from the share of the secured financial creditors to be distributed to these creditors once the EPF assessment proceedings came to an end within the period prior to expiry of appeal period.

21. We further notice that the CoC was also seized of the matter and had deliberated on this issue in its 41st meeting. It was none else but the Assignor of Satsai who had themselves raised a query in the 41st CoC as to when the EPF amount of Rs 3.39 Cr. would be paid. RP stated that the SRA had clarified that the amount specifically set aside for EPF dues would be distributed to the secured financial creditors if no orders were passed against the Corporate Debtor post 90 days of the approval of the plan by the Adjudicating Authority.

22. It would be instructive to notice the relevant deliberations during the 41st CoC meeting which is as reproduced below:

> *"….Mr. Raghava Lakhotiya asked the RP few queries regarding the expenses of renewal of certification, cash flows of the Corporate Debtor and the calculation of interest of NCDs to be issued by one of the Resolution Applicants. He had also asked regarding the EPF amount set aside by S.S. Fabricators And Manufacturers Private Limited to which the RP clarified that on the request of one of the CoC members, he had asked them for clarification of the said amount to which they replied that the said amount set aside for EPF dues would be distributed to the Secured Financial Creditors, if no orders would be passed against the Corporate Debtor post 90 days of approval of Resolution Plan by Hon'ble NCLT, Mumbai Bench. He also informed that the recent claim filed by the EPF Department had been rejected by him and they had not filed any application against the same with*

Hon'ble NCLT, Mumbai Bench till date. He added that earlier also their Application was rejected by Hon'ble NCLT, Mumbai Bench post which they had passed various orders against the Corporate Debtor which was challenged by him before Hon'ble CGIT Nagpur, and if any order would be passed against Corporate Debtor than the said amount would be deducted from the share of the Secured Financial Creditors irrespective of whose Resolution Plan would be approved in the matter. Mr. Raghava Lakhotiya questioned that the S.S. Fabricators And Manufacturers Private Limited had specifically set aside the amount for EPF dues and other Resolution applicants had mentioned that the same would be taken care of by contingent liability. The RP clarified that in none of the Resolution Plans apart from S.S. Fabricators And Manufacturers Private Limited, there was specific mention about the EPF dues which were informed to them. He also informed him that he had filed appeals for almost all the orders passed by the EPF Department and that he was of the view that all the orders passed by them would eventually get disposed of. He further informed the members that they were not having any backlog of any statutory dues including EPF as on date.…"

23. It is amply clear from the above minutes of the CoC meeting that the treatment of EPF dues in the plan of the SRA has been deliberated upon by the CoC and accepted by it. The CoC in the 41st meeting also recorded that the RP had reconfirmed that the Corporate Debtor did not have any backlog statutory dues including EPF. Since the CoC had approved this plan of the SRA, after due deliberations, we do not find any infirmity in the finding returned by the Adjudicating Authority that the purported allegation made by the DFC of post-facto modification having been made in SRAs approved plan which materially altered the financial parameters and consequential NPV valuations is unfounded.

24. Further, when we look at the pleadings of the DFC-Satsai in CA No. 73 of 2025, we find that Satsai have themselves admitted that the EPFO liability was sub-judice and that being so the Appellant's contention that the EPFO

dues was a crystallised liability is also clearly a contradiction. The relevant pleadings are reproduced below for easy reference:

> *"7. It is further revealed from the minutes of the 41st meeting that the Resolution Professional/ Respondent No.1 had informed the members that the application filed by the EPFO had been earlier rejected by the Adjudicating Authroity and that the EPFO had subsequently passed adverse orders against the Corporate Debtor. These orders were under challenge before the Hon'ble Central Government Insdustrial Tribunal (CGIT), Nagpur, where the matter remains sub judice."*

In any event, Satsai being a dissenting financial creditor also could not have claimed to have been prejudicially impacted in any manner for even if the EPFO dues were payable by the Corporate Debtor it would imply that the said amount would be deducted from the share of the SFC and not from the share of the DFC.

25. This brings us to yet another ground of objection raised by URA-Shantech and DFC-Satsai to the plan approval in that when the Adjudicating Authority had categorically directed that CoC should complete the voting process by 20.05.2025, the continuation of the voting process until 23.05.2025 was a clear violation of the directions of the Adjudicating Authority which was a material irregularity which has been erroneously overlooked. The RP by extending the e-voting time-line beyond the outer limit of 20.05.2025 fixed by the Adjudicating Authority acted without jurisdiction and action taken pursuant thereto was non-est in the eyes of law. Assertion was made that the RP had committed this infraction despite being conscious that he could not permit such voting beyond 20.05.2025 as in his earlier email dated 20.05.2025, the RP had turned down the request to extend e-voting lines as it would amount to breach of directions of the Adjudicating Authority.

However, the RP on the subsequent request of certain financial creditors extended the voting period till 23.05.2025 which was a serious procedural irregularity. The RP had also not provided any reason for departing from his earlier decision of 20.05.2025 of not agreeing to extension of voting lines. Thus, the RP did not act in a transparent manner by allowing e-voting to happen illegally and by not closing the e-voting lines despite clear directions of the Adjudicating Authority. The repeated last-minute extension of the voting period after 20.05.2025 until 23.05.2025 at the behest of some financial creditors for unexplained reasons had opened the door to behind-the-scene influence and negotiations. Submission was pressed that even the plan approval application was also filed on 03.06.2025 which was after the expiry of CIRP period and hence impermissible. Thus, the plan approval application was dehors the time-line set out for this purpose by the Adjudicating Authority which tantamount to procedural irregularity and violation of the statutory provisions of IBC.

26. Per contra, it is the contention of the Respondent-RP that the extension of voting timeline was not granted on his own volition but allowed on the request received from certain CoC members. It was submitted that the RP while extending the timeline also clearly adverted attention to the directions of the Adjudicating Authority for completing the voting by 20.05.2025. Moreover, each time the extension of timeline was allowed, the Financial Creditor seeking the extension was kept apprised and cautioned about the deadline of 20.05.2025 fixed by the Adjudicating Authority for completion of voting process and that CoC would have to bear the consequences for voting period being extended. It was also stoutly submitted that all the PRAs had

been informed about the extended voting lines but none of the PRAs had raised any objection in this regard.

27. To return our findings on whether e-voting done after 20.05.2025 by the RP without seeking any permission from the Adjudicating Authority in this regard had rendered the voting process illegal, at this stage, it would be relevant to take notice of the order of the Adjudicating Authority dated 06.05.2025 extending the CIRP period. The relevant paras of the said order is as below:

> *"4) Having considered the submission and taking note of facts and circumstances of the present case, this Bench deems it fit and appropriate to allow the present Interlocutory Application thereby extending the period of Corporate Insolvency Resolution Process by 60 days, which will be expired latest by 31.05.2025.*
>
> *5) As the voting lines are still open and Committee of Creditors is seeking time and again extension in the matter, it is made very clear to the Committee of Creditors that they should exercise their vote by 20.05.2025, failing which, no further extension in CIRP will be granted."*

When we look at the above order, it becomes clear the Adjudicating Authority extended the period of CIRP by 60 days up to 31.05.2025. It also directed the CoC to exercise their vote by 20.05.2025 so that the entire process could be completed by 31.05.2025.

28. A pointed query was made by this bench to the RP as to whether the continuation of voting beyond 20.05.2025 would not tantamount to breach of directions of the Adjudicating Authority and therefore impermissible. The Ld. Counsel for the RP admitted that while the order of the Adjudicating Authority of 06.05.2025 did indicate the voting window to be open till 20.05.2025 but the order concurrently laid down that the entire process be completed by

31.05.2025 which deadline was fully complied with. Thus, the extension of the voting timeline till 23.05.2025 did not contravene or violate the over-arching time-line of 31.05.2025 by which time the CIRP was to be completed. It was also asserted that the time-line of 31.05.2025 had not been breached though of course the plan approval application could be formally placed before the Adjudicating Authority only on 03.06.2025 but this delay was for genuine and bonafide reasons on account of technical glitch in the Bharat Kosh Portal which had been contemporaneously notified by way of a circular by the NCLT Registry.

29. We also observe that the RP while extending the voting window each time had sensitised the CoC members of the possible consequences arising out of the order dated 06.05.2025 of the Adjudicating Authority as may be seen from one of such replies as sent to PNB and Bank of Baroda on 21.05.2025 which is as extracted below:

> *"Pursuant to requests received from Punjab National Bank and Bank of Baroda, the undersigned has extended the e-voting lines till 05:00 PM on 21.05.2025. The CoC members are requested to take a note of the fact that it was already informed that extension of e-voting beyond 20.05.2025 would be a breach of the directions of Hon'ble NCLT, Mumbai Bench. Accordingly, the CoC members would bear all the consequences, if any, before Hon'ble NCLT, Mumbai Bench, due to such extension requested and granted."*

We have also noticed that each time the RP had extended the voting window, it had taken due care to sound the CoC of the likely consequences. However, as has already been noticed in the preceding paragraph 28, the RP had completed the voting process by 31.05.2025 which was the outer date fixed by the Adjudicating Authority. Thus, this cannot be viewed as a material irregularity which rendered the voting process ultra vires.

30. It is also an uncontroverted fact that all the PRAs were aware that the voting window on the plan was extended up to 23.05.2025. Neither the DFC-Satsai nor any other PRA at any point of time had raised any objection against extension of voting time-line. Having participated in the voting process and thereafter questioning the extension of voting window, and that too, after the voting had concluded and the plan of the SRA had emerged successful is clearly an act of approbation and reprobation which therefore cannot be accepted. Extended time-line cannot be seen to have materially affected the fairness and transparency of the e-voting process since this was not a case where participation by any PRAs was supressed in any manner or where PRAs or CoC members were kept in the dark regarding the extensions being allowed.

31. This now brings us to another argument taken by DFC-Satsai that there was selective and private communications exchanged between the PRAs and individual CoC members during the period of voting which amounted to allowing clarifications to be given by PRAs post submission of the plan which is not permissible in terms of Regulation 39(1A) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (**"CIRP Regulations"** in short). Elaborating further, it was submitted that these clarifications were clearly sought after submission of final resolution plans and the clarifications not having been routed through the CoC or the RP, hence, was an instance of procedural irregularity. Further, when the response received from the PRAs on these queries had not been shared with the DFCs, the CoC ought not to have taken cognisance of such response received from some PRAs to selective queries raised by the individual CoC

members. When the 37th CoC meeting had clearly recorded that all PRAs were to submit their final resolution plan by 04.03.2025, such selective, non-transparent engagement by the individual Financial Creditors with the PRAs materially undermined the sanctity, fairness and equal treatment of all PRAs as mandated under the CIRP framework. These responses also led to change in the plan matrix which vitiated the integrity of the resolution process.

32. Repelling the arguments canvassed by DFC-Satsai, it has been contended by the RP that it was misplaced on the part of the DFC-Satsai to contend that selective clarifications were obtained from PRAs or that these clarifications influenced the voting plan. While admitting that clarifications on the respective resolution plans had been obtained from the concerned PRAs directly by certain Financial Creditors since the JLM had sought for such clarifications, it was nevertheless denied by the RP that this had led to any sort of express or implied alteration of the final resolution plan value. It was vehemently denied that this led to any kind of irregularity in the conduct of the CIRP process.

33. When we look at the material placed on record, we find that it is an undisputed fact that clarification had been sought by one of the SFCs viz. Punjab National Bank (**"PNB"** in short). However, it is equally pertinent to note that the query had not been selectively sought only from the SRA but was sought from other PRAs also and the response received from them was brought to the knowledge of other SFCs except minority CoC members. Thus, this is a case where equal opportunity was given to all PRAs to submit their clarifications on queries raised before them. Even Shantech-URA which is now objecting to the approval of the plan of SRA had also provided

clarifications to the query raised unto them by PNB without any demur or protest. Thus, when PRAs including Shantech had never objected to the clarifications sought from them and to the contrary had in fact furnished their respective responses, raising of belated objections now after their plan was rejected by the CoC clearly shows that it was an afterthought. When the SFC members who constituted 98.54% of the CoC had no objections at clarifications being sought, DFC-Satsai and other similarly placed members of the CoC who constitute barely 1.46% of the CoC cannot claim to have been prejudiced. In any case, the question of any post-plan modification does not arise as the queries made were in the nature of seeking clarification on the final resolution plan submitted by the PRAs on 04.03.2025.

34. Yet another ground of objection to the plan advanced by the Appellant and for challenging the impugned order was that the CoC did not conduct the Swiss Challenge Mechanism which would have maximised the value of the Corporate Debtor and fulfilled one of the avowed objectives of the IBC framework. The right course of equitable action should have been holding a supervised Swiss Challenge Mechanism to fulfil the mandate of value maximisation. It was also contended that the plan of the URA had been rejected on 24.05.2025 without assigning any reasons though it had scored high both in terms of NPV and evaluation matrix during the negotiation process. This rejection of their plan without disclosure of the reasons for rejection violates the principles of taking informed decision and transparency.

35. Repelling the above contentions, it was contended by the RP and CoC that there was no breach or violation of the negotiation process as laid down in the RFRP. When the CoC in its various meetings had deliberated on the

plans before it and the 39th CoC meeting took a decision to conduct voting on the resolution plans received without any further negotiations, the submission of the URA that there was a breach of procedure by CoC in not adopting Swiss Challenge Mechanism lacks basis. There was no breach in following the procedure laid down in the RFRP either by the RP or the CoC.

36. We find that the Adjudicating Authority in the impugned order has taken the effort of noticing at length the chronological sequence of events leading to the plan approval. It has been observed that 33rd CoC meeting had finalised the negotiation process to be adopted. Negotiation process was discussed and it was decided that the process of increasing amount in every round shall be followed. Accordingly, three rounds of negotiations were conducted with PRAs during the 37th CoC. Thus, the RP had conducted the negotiation process in a transparent manner with all PRAs having been allowed to submit their revised offer at the end of each round. It was open for all PRAs each time to submit their best offers. On completion of the negotiation process, the last date for submission of commercial offers of 04.03.2025 was communicated to all the parties. The closure of all the rounds was achieved on the last date fixed for submission of the resolution plan. The final plans of PRAs were opened in the 38th CoC. RP provided Comparative Chart and Summary of Plans based on evaluation scores and NPV to CoC. The PRAs were also informed about voting on their plans including the extended time-line of voting. The Adjudicating Authority also took notice of the fact that request was made by certain PRAs to conduct further negotiations, however, the CoC in its 39th CoC meeting categorically decided that no further negotiations would be allowed and resolved to proceed with e-

voting on the final revised resolution plans already received. The minutes of the 39th and 40th CoC deliberations also show that the final revised plans were opened and evaluated before all other members of the CoC. There is no record of any alteration or modification of the plan having been permitted selectively for any PRA including the SRA once plan was frozen. The 41st CoC meeting had only discussed the EPF liability and sought clarifications on how the EPF payments kept in Escrow Account would be appropriated and hence the Adjudicating Authority has made no mistake in holding that there were no material alterations or deviation that was allowed in the plan. Similarly, clarifications were sought on the Notes relating to CIRP costs in the plan of the SRA and as such no deviation was allowed from the plan that was circulated by the SRA for consideration and vote.

37. We also notice that the Adjudicating Authority has taken notice of the fact that Shantech and E Hub had both offered to revise their plans and enhance their NPV including modification of payment timelines and offering interest. Request was also made for either plan modification or Swiss challenge in the interest of a more competitive and value-maximising process. These proposed revision of financial offers were admittedly made after 04.03.2025 which was the last date for making the best revised commercial offer and therefore amounted to post-submission modification attempt. We therefore agree with the Adjudicating Authority that the RP rightly did not entertain this request since Regulation 39(1A) of the CIRP Regulations expressly prohibits any modification of the Resolution Plan after submission, except as may be permitted by the CoC prior to its approval. Once the time fixed for submission of the revised resolution plan had expired, no resolution

applicant could have claimed as a matter of right to enhance its financial offer. The Adjudicating Authority had also noticed that the CoC had allowed all the PRAs to revise their bid once and submit their final resolution plan by 04.03.2025. In any case, CoC in the exercise of its commercial wisdom had unanimously decided in the 39th CoC meeting not to have any further negotiations or re-bidding and decided to proceed with e-voting on the final revised resolution plans already submitted. The Appellant had constructively participated in three rounds of bidding and evaluation without raising any objection. Having submitted their final revised bid, they now cannot claim to have been aggrieved by the process followed by the RP. The Appellant having taken a chance to test its success in the bidding process without raising any objection cannot belatedly question the integrity of CIRP process and the CoC's wisdom. When all the PRAs in the fray had already been given equal opportunity to put forth their best commercially revised offer and this opportunity had already been availed, it cannot be the vested right of the URA or the DFC to insist on the CoC to adopt the Swiss Challenge Mechanism.

38. We do not find any merit in the contention of the URA that their plan was rejected wrongly without assigning any reason. When we look at the clauses of the RFRP, it is clear that commercial wisdom of CoC enjoyed paramount importance and was to be the prime decider. Hence, the URA after having participated in the process cannot now turn around and question the RFRP which was the guiding document in this regard. We may now advert our attention to the relevant clauses of the RFRP which is as extracted below:

Step IV Discussions and negotiations with the Resolution Applicant(s) and further Due Diligence of Resolution Applicant(s)

….

b) The Committee of Creditors shall negotiate on one to one basis with each of the Compliant Resolution Applicant in presence of the Resolution Professional. CoC reserves its right to further enter into negotiations with each of the Resolution Applicant(s) for multiple rounds and for multiple dates till the satisfaction of the CoC.

c) At no point during the Negotiations, the Resolution Professional as well as CoC is entitled to share the values of the Resolution Applicant with its competitors. However, the Resolution Professional as well as CoC may share the score of the highest bidder as per the evaluation matrix of the Resolution Applicants with its competitors.

d) On complete satisfaction of the CoC as well as Resolution Professional, the resolution applicants shall be allowed to revise their resolution plans in writing only once during this negotiation process. However, the negotiations may be done in multiple rounds, but revision in resolution plan can be done only once.

…

Step V Evaluation of the resubmitted Compliant Resolution Plans by the Committee of Creditors /advisor appointed by the COC and approval of the Successful Resolution Applicant by the COC.

…

e) Notwithstanding anything contained herein, it is at the discretion of the CoC with the consent of the Resolution Professional to declare any resolution applicant as a Successful Resolution Applicant on the basis of the Evaluation Criteria as laid down in the RFRP documents or on any other criteria as per their commercial wisdom. The said Applicant may or may not necessarily be the highest bidder.

10. Right to accept or reject any or all Resolution Plans:

a. Notwithstanding anything contained in this RFRP Document, the Resolution Professional/ COC reserves the right to accept or reject any Resolution Plan(s), if the Resolution Plan(s) are not in compliance with this RFRP Document and / or the provisions of the IB Code or CIRP Regulations. The Resolution Professional / COC also reserves the right to annul the Bid/Negotiation Process and reject any or all Resolution Plans, at any time, without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof.

Notwithstanding anything in this RFRP Document, the Successful Resolution Applicant shall be considered and approved by the COC as per the sole discretion of the COC.

39. When we look at the above clauses of the RFRP document, the decision to approve the resolution plan clearly vests in the CoC and the CoC was not obliged to approve the plan either with the highest NPV or evaluation matrix score. Clause 'e' clearly establishes that the CoC was entitled to apply any criteria as per its commercial wisdom to approve a resolution plan. The CoC is the best judge to interpret the RFRP which is its own document. When all relevant information was available before it and the plans of the PRAs were duly deliberated upon by all its members, the commercial wisdom of the CoC cannot be questioned. The CoC also comprised of leading banks who undoubtedly were well aware of the financials of each resolution plan and their implications on the survival of the Corporate Debtor. The CoC having approved the resolution plan of the SRA with 98.4% vote-share, we are of the view that nothing really survives for consideration. The Shantech-URA after having also availed their chance to revise their plan and not succeeded thereafter have now questioned the CIRP process which does not meet our countenance. As regards Satsai which is a dissenting financial creditor, they were at best entitled for an amount under Section 30(2)(b) which is not less than the liquidation value. In the present case, the minimum amount payable to the DFC is the liquidation value of the Corporate Debtor. It is pertinent to note that Satsai-DFC was being provided Rs 16.70 lakh in the plan in comparison to the nil amount payable under the waterfall mechanism. The DFC has clearly been paid more than the liquidation value. This is neither a

case where the liquidation value has been challenged by the DFC. Satsai-DFC which was at best entitled for pay-out as Dissenting Financial Creditor and having already received this sum, they cannot be seen to contest the plan which has been approved by the CoC with requisite majority.

40. The CoC having approved the resolution plan submitted by SRA after finding it to be compliant to the statutory provisions of IBC, the Adjudicating Authority has referred to the judgment of the Hon'ble Supreme Court in the matter of ***K. Sashidhar Vs Indian Overseas Bank and Ors. (2019) 12 SCC 150*** in which the Hon'ble Supreme Court had held that the discretion of the Adjudicating Authority in dealing with a resolution plan which has been approved by the CoC with requisite voting-share is circumscribed by Section 31 of the IBC and is limited to scrutinising whether the plan as approved by CoC meets the requirements specified in Section 30(2) of the IBC. It is now settled law that Adjudicating Authority has limited jurisdiction in the matter of approval of resolution plan and the scope of interference with the decision of CoC approving the resolution plan is minimal. The interference with the commercial wisdom of the CoC is permissible only when the plan is not in compliance with Section 30(2) and Section 31 of IBC. Present is not a case, where any submission is made that resolution plan submitted by SRA is non-compliant of Section 30(2). The Adjudicating Authority at para 54 of the impugned order has also satisfied itself that the instant resolution plan meets requirements of Section 30(2) of the IBC and the relevant CIRP Regulations and hence proceeded to approve the plan. We find no infirmity in the impugned order approving the plan and find no merit in the objections raised by the Appellants to the plan.

41. In view of the forgoing discussions, we do not find any good grounds having been made out by the Appellants to interfere with the impugned order of the Adjudicating Authority approving the resolution plan. We find the Appeals to be devoid of any merit. All the six Appeals are dismissed. No costs.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

Place: New Delhi

Date: 10.04.2026

Abdul