

**NATIONAL COMPANY LAW TRIBUNAL**  
**COURT ROOM NO. 1,**  
**MUMBAI BENCH**

**Item No. 14**

**IA(I.B.C)/1331(MB)2026 In C.P. (IB)/3143(MB)2019**

CORAM:

**SH. PRABHAT KUMAR                      SH. SUSHIL MAHADEORAO KOCHEY**  
**HON'BLE MEMBER (TECHNICAL)    HON'BLE MEMBER (JUDICIAL)**

ORDER SHEET OF THE HEARING ON **06.04.2026**

NAME OF THE PARTIES:    **PUNJAB NATIONAL BANK VS ARSHIYA LIMITED.**

Section 7 & 60(5) of the Insolvency and Bankruptcy Code, 2016

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**ORDER**

- 1) Adv. Rohit Gupta a/w Adv. Ayush Rajani for the Applicant present.
- 2) This Application has filed on 30.03.2026 by Mr. Pankaj Mahajan, Applicant/Resolution Professional of Arshiya Limited under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, seeking following reliefs:-
  - a. Consider the present IA \_\_\_\_\_ of 2026 under provision of Section 60(5);
  - b. Permit distribution of the proceeds from the sale of land parcel of 39.56 acres to NCR Rail Infrastructure Limited amongst secured Financial Creditors having charge over the land i.e., Edelweiss Asset Reconstruction Limited/ Respondent No. 1 herein and SREI Equipment Finance Limited/Respondent No. 9 in proportion to their charge over the said land.
  - c. Accordingly, permit distribution of proceeds from the sale of the spine road land parcel of 2.52 acres to Arshiya Northern FTWZ Limited amongst the secured Financial Creditors/as approved by the CoC members in the 14<sup>th</sup> CoC meeting.
  - d. Issue such other orders as may be necessary in the matter.



- 3) The company petition bearing Company Petition (IB) No. 3143/MB/2019 was admitted vide order dated 23rd April 2024, thereby initiating the Corporate Insolvency Resolution Process of Arshiya Limited (Corporate Debtor). During the process the Applicant was appointed as Resolution Professional in terms of the order dated 25.09.2024 passed by this Tribunal consequent to the Resolution of the CoC to appoint the Applicant as Resolution Professional to carryout the process further.
- 4) The CoC in its meeting dated 03.11.2024 deliberated upon the sale of non core land parcel/subject land parcel to parcel to the tune of 39.56 acres to SRA of NCR Rail Infrastructure Limited, and 2.52 acres to Arshiya Northern FTWZ Limited. Pursuant thereto, the Applicant filed an application IA No. 1927 of 2025 before this Tribunal for necessary directions/orders, and this Tribunal allowed the applicant to proceed with the sale subject to certain conditions which had the effect of modifying the CoC's decision in relation to such sale. Aggrieved by those directions the Applicant filed an Appeal before Hon'ble NCLAT challenging the conditions, and the Hon'ble NCLAT upholding the commercial wisdom of the CoC allowed the Applicant to proceed with the sale in the manner as resolved by the CoC.
- 5) It is submitted by the Applicant that the resolution plan has been approved by the Hon'ble Bench II in the CIRP of NCR Rail Infrastructure vide order dated 22.01.2026 in IA(Plan) No. 87 of 2025. That thereafter, a Monitoring



Committee has been established to carry out the handover of NCR Rail Infrastructure Limited to the Successful Resolution Applicant, and that the said handover is underway. The Applicant also informed the CoC that the Monitoring Committee of NCR Rail intends to purchase the land parcel of 39.56 acres from the present Corporate Debtor.

- 6) It is further submitted by the Applicant that, in the 14th CoC meeting of the Corporate Debtor held on 17th February 2026, the CoC was apprised by the Applicant that, to initiate the sale of the land parcel of 39.56 acres to NCR Rail, the lenders having exclusive charge are required to issue a letter to release charge over the land parcel and with respect to the consideration for the sale, the CoC was apprised that the consideration amount of Rs. 41,94,00,000/- will be transferred to the escrow account of Arshiya Limited by NCR Rail Infrastructure Limited and will be distributed amongst Edelweiss Asset Reconstruction Limited/ Respondent No. 1 herein and SREI Equipment Finance Limited/ Respondent No. 9 in proportion to the charge over the 39.56-acre land of the Corporate Debtor. The distribution of the encumbrance over the land between the lenders is demonstrated in the following table:



Particulars	Area (Acres)	Status of Charge
Encumbered Land (Railway Track / Warehouse)	22.90	Exclusive EARC charge
Encumbered Land (Railway Track / Warehouse)	1.24	Exclusive SREI charge
Free Land	15.42	Unencumbered Land
Total	39.56	-

- 7) It is further submitted by the Applicant that, during the CoC meeting, certain reservations were raised by the secured lenders, specifically SREI Equipment Finance Limited/ Respondent No. 9, with respect to the issuance of a letter for the release of charge without having received the consideration for the land parcels, and addressing these reservations, the Applicant had highlighted that an application will be filed, in accordance with the provisions of the Code and established precedents, seeking permission of this Adjudicating Authority for distribution of the sale proceeds amongst the secured lenders as per their respective charge over the land.
- 8) It is for this reason the Applicant has filed the present application before this Tribunal. The Applicant has also relied upon the decision of the coordinate bench NCLT, Hyderabad Bench dated 05.08.2024 in I.A. No. 1365 of 2024 in the matter of KSK Mahanadi Power Company Limited whereby the interim distribution of surplus cash to the lenders was permitted during CIRP.



- 9) We heard the counsel and perused the case records. We could not find mention any provision of the IBC code or CIRP Regulation permitting distribution of sale proceeds of non-core assets during the CIRP process pending Resolution of the Corporate Debtor. Further, we could not find any provision under the IBC Code or CIRP Regulation requiring imprimatur of this Tribunal for distribution of proceeds of sale of non-core assets amongst the creditors of the Corporate Debtor pending resolution of Corporate Debtor.
- 10) Nonetheless, it is noted the Applicant has sought distribution of sale proceeds in the ratio of security interest held by the charge holders on the assets, the proceeds of which are subject matter of distribution. However, we note that, as per the judicial precedents as available till date the law laid down in *India Resurgence ARC Pvt. Ltd. v. Amit Metaliks Ltd., (2021) ibclaw.in 87 SC* holds the fort, as Hon'ble Supreme Court in case of *DBS Bank Ltd. Singapore v. Ruchi Soya Industries Ltd. and Anr. (2024) ibclaw.in 01 SC*, taking a different view and ratio from *India Resurgence ARC Pvt. Ltd. v. Amit Metaliks Ltd. & Anr. (2021) ibclaw.in 87 SC* on interpretation of Section 30(2)(b)(ii) of the IBC, referred the matter to a larger Bench, which is still pending thereat. Apart from this, the issue in relation to process cost attribution to the sale proceeds may also require consideration, which, in our considered view, the CoC does not seem to have taken into consideration as is evident from the CoC minutes.



- 11) It is trite that the CoC commercial wisdom is supreme, accordingly, it is for the CoC to decide as to how in what manner the distribution of the sale proceeds has to take place if such distribution is otherwise permissible in terms of Section 30(2), which in our considered view is the only provision providing for distribution of proceeds of resolution in CIRP. However, in our considered view, the inherent powers vested in this Tribunal in terms of Rule 11 of NCLT Rules, 2016 cannot be exercised to allow distribution during CIRP process in accordance with the Section 53 of the IBC without following the mandate of Section 30(2) of the IBC.
- 12) In terms of the aforesaid, IA IBC 1331 of 2026 is dismissed and disposed of.

**Sd/-**

**PRABHAT KUMAR  
MEMBER (TECHNICAL)**

*/Nitesh Puri Goswami/*

**Sd/-**

**SUSHIL MAHADEORAO KOCHEY  
MEMBER (JUDICIAL)**