

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH: NEW DELHI

Company Appeal (AT) (Insolvency) No. 333 of 2026

[Arising out of the Impugned Order dated 08.01.2026 passed by the 'Adjudicating Authority' (National Company Law Tribunal, Mumbai Bench-I) in IA (I.B.C)/74/MB/2026 in C.P. (IB) No. 548/MB/2024]

IN THE MATTER OF:

Mr. Rajesh Uttamchandani
R/o A-6, Clover Gardens,
4 Naylor Road, Pune – 411001

...Appellant

Versus

1. **Mr. Vijay Pitambar Lulla**
Resolution Professional, Syska E-Retails LLP
IBBI/IPA-001/IP-P00323/2017-18/10593
201, Satchidanand Building, 2nd Floor,
12th Road, Khar, Mumbai City,
Maharashtra – 400021
... Respondent No.1
2. **State Bank of India, Mumbai**
6th Floor, "The International",
16, Maharashi Karve Road,
Churchgate, Mumbai – 400020.
... Respondent No.2
3. **Canara Bank, New Delhi**
Arya Samaj Road, Karol Bagh,
New Delhi, Delhi – 110005
... Respondent No.3
4. **Asset Reconstruction Co. Ltd.**
704, Deepali Building, 92,
Nehru Place, New Delhi – 110019
... Respondent No.4

Present:

For Appellant : Mr. Gaurav Mitra, Sr. Advocate with Ms. Karishma Maria, Mr. Rishabh Kumar, Advocates.

For Respondents : Mr. Brijesh K. Tamber, Mr. Vinay S. Bist and Mr. Dhimaan Dutta, Advocates for R-3.

Mr. Anuj Tiwari, Mr. Sameer Mishra, Mr. Vaibhav Vats, Mr. Shivendra Nath Mishra, Mr. Vedendra Prasad, Advocates for R-1.

Mr. Harshit Khare and Mr. Ayuj Agrawal, Advocates for R-2.

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

[Per: Arun Baroka, Member (Technical)]

The present appeal under Section 61(4) of the Insolvency and Bankruptcy Code, 2016 (IBC, 2016) read with Rule 11 of NCLAT Rules 2016 assails the Order dated 08.01.2026 (Impugned Order) passed by the Ld. National Company Law Tribunal, Mumbai Bench (I), in IA(I.B.C)/74/MB/2026 in C.P. (IB) No. 548/MB/2024, whereby the Adjudicating Authority has, upon expiry of the Corporate Insolvency Resolution Process (CIRP) period, ordered liquidation of the Corporate Debtor, M/s Syska E-Retails LLP, under Section 33(1) of the IBC and appointed the erstwhile Resolution Professional, Mr. Vijay Pitamber Lulla, as Liquidator.

Submissions of the Appellant

2. Corporate Debtor was facing financial distress and defaults towards its creditors. The CIRP commenced on 17.06.2025, on the admission of the Section 7 petition filed by Canara Bank. Respondent No. 1 was appointed as Interim Resolution Professional and thereafter confirmed as Resolution Professional. Subsequently, Claims of three Financial Creditors were received and consequently a three-member Committee of Creditors was constituted comprising Canara Bank, State Bank of India and UV Asset Reconstruction Company Ltd. Form A and thereafter Form G were duly published on 19.06.2025 and 20.08.2025 respectively, inviting claims and Expressions of

Interest. However, though two Prospective Resolution Applicants were shortlisted in the 4th CoC meeting, no compliant against the proposed resolution plan was received by the last extended date of 25.11.2025.

3. In the 7th CoC meeting held on 10.12.2025, the RP placed two key agenda items before the CoC:

- (a) Extension of the CIRP period by 90 days so as to enable issuance of a fresh Form G and continuation of the process; and
- (b) Initiation of liquidation under Section 33 of the IBC.

4. In the e-voting that was conducted between 15.12.2025 and 18.12.2025 (as recorded in the minutes of 7th CoC meeting dated 10.12.2025), the resolution for extension secured 45.16% votes in favour and 54.84% against, while the resolution for liquidation received 54.84% in favour and 45.16% against. Neither resolution secured the statutory 66% threshold required under Section 30(4) of the IBC, and hence both resolutions failed, leaving the CoC in a deadlock with no approved decision either to extend CIRP or to liquidate.

5. The initial CIRP period expired on 14.12.2025 without approval of any extension and without any resolution plan placed for voting, even as per the RP he continued to explore resolution and to keep the CoC engaged. In the Minutes of 7th CoC Meeting of the Corporate Debtor, the Fair Value & Liquidation Value of the Corporate Debtor was discussed and minuted:-

"The representative of Canara Bank asked the RP whether he can discuss the valuation figures in the meeting so that necessary action can be taken.

The representatives of SBI and UV ARC agreed to share the confidentiality undertaking after the meeting. The RP informed that the fair value approximately Rs. 13 crores and the liquidation value is about Rs. 8 crores."

6. The Appellant was able to get a non-binding offer for investment and revival of the corporate Debtor through Resolution Plan along with a cheque dated 12.12.2025, bearing cheque no. "000503", amounting to ₹10 lakhs. Further, the Appellant was ready to provide a value of Resolution plan more than the liquidation value i.e., ₹ 8 crores. In parallel, prospective resolution applicants expressed interest:

(a) Pursuant to the communication by the investor, the Appellant/erstwhile management, by email dated 18.12.2025, citing the provision in Section 240A of the IBC, as the Corporate Debtor is a Micro, Small and Medium Enterprise, sought an opportunity to submit a resolution plan for revival of the Corporate Debtor.

(b) An email dated 19.12.2025 from Mr. Heemanshu Shah sought to submit a resolution plan and requested EOI details.

7. These communications established that resolution interest was alive and concrete even after the unsuccessful e-voting on the 7th CoC resolutions. In view of the continuing deadlock and fresh resolution interest, the RP issued a notice for the 8th CoC meeting on 26.12.2025 (later adjourned to 29.12.2025) with a specific agenda to consider:

(i) The new EOIs, including that of the erstwhile management;

- (ii) The question of issuing a fresh Form G; and
- (iii) The future course of action in CIRP, including approaching the Adjudicating Authority for directions on extension versus liquidation.

8. The 8th (adjourned) CoC meeting was held on 29.12.2025, wherein it had unanimously passed a resolution authorising the RP to approach the Hon'ble NCLT to seek appropriate directions regarding the way forward, including extension of CIRP with issuance of fresh Form G or, in the alternative, liquidation. Thereafter RP filed IA(I.B.C)/74/MB/2026 on 03.01.2026 seeking:

- a) Condonation of the delay from the date of CIRP expiry (14.12.2025) till 02.01.2026; and
- b) Appropriate directions on the future course of CIRP on whether to extend the CIRP period with a fresh Form G or to proceed to liquidation under Section 33 of the IBC.

9. After this decision, SBI, vide its email dated 01.01.2026 purported to deny, that it had agreed to the resolution to approach NCLT, and advised the RP to act strictly in accordance with the IBC on the premise that 180 days had already elapsed and no extension had been approved. RP promptly replied on 02.01.2026 clarifying that all three CoC members, including SBI, had expressly concurred and participated in the 8th CoC meeting, and that the meeting was recorded and minutes correctly reflected their decision.

10. By the Impugned Order dated 08.01.2026, the Ld. NCLT, while acknowledging the history of the CIRP, the failed voting on extension and liquidation in the 7th meeting, the deadlock in the CoC, and the subsequent unanimous 8th CoC meeting, resolution to seek directions, nonetheless refused to condone the delay in filing the application. Learned NCLT held that the RP ought to have approached the Tribunal immediately after the 7th CoC meeting instead of convening the 8th CoC meeting after the CIRP period had lapsed. And on that basis, and invoking Section 33(1)(a) read with Section 33(1)(b) of the IBC, the Adjudicating Authority held that since the CIRP period had expired without an approved resolution plan and the CoC had voted against extension and re-issuance of Form 'G' in its meeting held on 10.12.2025, it was mandatorily bound to pass an order for liquidation of the Corporate Debtor. Consequently, the RP was appointed as Liquidator, the moratorium under Section 14 of the IBC was lifted, and directions were given for public announcement of liquidation, going-concern attempts under Regulation 32A of the Liquidation Regulations, and cessation of the powers of the Board/partners.

11. Appellant, being a suspended partner of the Corporate Debtor and part of the erstwhile management, was fully willing and financially capable, as an MSME under Section 240A of the IBC, to submit a resolution plan. The Appellant submits that he is directly and gravely prejudiced by the Impugned Order, which orders liquidation despite subsisting and live prospects of resolution, contrary to the object and scheme of the IBC, which assigns priority to resolution and value maximisation over liquidation.

12. The impugned order directing liquidation under Section 33(1) of IBC contravenes the unanimous resolution passed in the 8th CoC Meeting held on 29.12.2025, wherein the CoC expressly authorised the RP to approach the Tribunal for directions on extension of CIRP with fresh Form G publication, thereby usurping the CoC's commercial wisdom, which is beyond judicial interference save perversity.

13. Learned NCLT subverted IBC Preamble's explicit "resolution process" primacy and economic revival object by mechanically applying expiry sans resolution plan, disregarding CoC deadlock/EOIs enabling going-concern maximisation u/s 5(26).

14. Learned NCLT's censure of RP for convening 8th CoC post-expiry ("no power") is inconsistent with entertaining RP's consequent IA and appointing RP Liquidator, vitiating order rationale and ignoring diligence in fostering consensus required as per Section 33(2).

15. Impugned directions lifting moratorium, vesting all powers in Liquidator, prohibiting proceedings u/s 52, and prioritising Reg. 32A sales irreversibly prejudice the Appellant's S.240A resolution rights despite live EOIs/CoC mandate.

16. The non-advertence to the detailed averments in the RP's IA — deadlock history, 7th CoC votes, EOIs, verbatim 8th CoC extracts, RP-SBI emails — shows non-application of mind and failure to exercise jurisdiction.

Reliefs Sought by the Appellant are:

- a. Allow the Present appeal;
- b. Set aside the Impugned Order dated 08.01.2026 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench-II (Adjudicating Authority) in IA(I.B.C)/74/MB/2026 in C.P. (IB) No. 548/MB/2024;
- c. Direct the Adjudicating Authority to condone the delay in filing IA(I.B.C)/74/MB/2026 and grant appropriate directions on the extension of the CIRP period and issuance of a fresh Form G inviting Expressions of Interest from prospective Resolution Applicants;
- d. Pass such other and further order(s) as this Hon'ble Appellate Tribunal may deem fit and proper in the facts and circumstances of the case and in the interest of justice."

17. Appellant places its reliance on the following judgments:

- **K. Sashidhar (Multiplicity) Pvt. Ltd. v. Indian Overseas Bank [(2019) 12 SCC 1]**. The Adjudicating Authority gravely erred in mandating liquidation under Section 33(1) IBC, notwithstanding the 8th CoC's unanimous resolution dated 29.12.2025 directing RP to seek NCLT guidance on CIRP extension with fresh Form G or liquidation, thereby subordinating the inviolable commercial wisdom of the CoC to a hyper-technical expiry.
- **ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta [(2019) 2 SCC 1]**: NCLT committed patent perversity by decreeing liquidation whilst disregarding tangible EOIs from erstwhile management and others, thereby foreclosing RP's duty to process bids under Reg. 36A(7)/IBBI (CIRP) Regulations and frustrating value maximisation.

- **Swiss Ribbons Pvt. Ltd. v. Union of India [(2019) 4 SCC 17]:** NCLT's mechanical refusal to condone delay (14.12.2025 to 03.01.2026) unjustly penalises RP's diligent post-deadlock convening of 8th CoC pursuant to creditor mandate, elevating directory timelines into mandatory fetters antithetical to IBC's ameliorative revival ethos.
- **Essar Steel India Ltd. v. Satish Kumar Gupta [(2020) 8 SCC 531]:** NCLT subverted the Code's foundational resolution-over-liquidation paradigm (IBC Preamble) by enforcing terminal liquidation amid CoC tripartite schism and viable prospects, flouting imperative for extensions in impasses and maximisation duty per Committee of Creditors.
- **K. Sashidhar v. Indian Overseas Bank [(2019) 12 SCC 1]** and procedural sanctity of **Reg. 24(6) IBBI (CIRP) Regulations:** Adjudicating Authority's validation of SBI's post-facto email retraction (01.01.2026) over the 8th CoC's recorded unanimous resolution; corroborated by minutes and audio, effectively countenances a solitary creditor's veto to emasculate collegial CoC decision-making under S.21(8) IBC, impermissibly diluting the "commercial wisdom" doctrine

Submissions of Respondent No. 3/Canara Bank

18. The decision-making process within the Committee of Creditors ("CoC") had remained inconclusive. The record demonstrates that neither the resolution for extension of the CIRP period nor the resolution for liquidation secured the requisite voting threshold of 66%, thereby resulting in an institutional deadlock rather than a conclusive commercial determination.

19. In such a situation where the CoC is unable to arrive at a determinative outcome despite due deliberation, stands on a fundamentally different footing from cases where the CoC consciously approves liquidation with the requisite majority. In the absence of such a definitive decision, the consequences flowing from the expiry of the CIRP period need to be assessed with due regard to the underlying objectives of the Code, and not merely through a rigid or mechanical application of statutory timelines.

20. Record reflects that after the aforesaid deadlock, there was a discernible and bona fide emergence of fresh interest from prospective resolution applicants, including the Appellant. This shows that the possibility of resolution had not been exhausted and that there remained a tangible prospect of value maximisation through revival of the Corporate Debtor. Such supervening circumstances cannot be brushed aside as being inconsequential, particularly when they bear directly upon the core objective of the CIRP.

21. The Code does not contemplate an unregulated or indefinite extension of CIRP, nor does it permit repeated reopening of the process in the absence of compelling and exceptional circumstances. Therefore, any indulgence granted by this Hon'ble Tribunal must be narrowly tailored and guided by principles of necessity, proportionality and procedural discipline.

22. The primacy of the commercial wisdom of the CoC remains a foundational principle of the Code and must be preserved at all stages. The role of this Hon'ble Appellate Tribunal, even while exercising its appellate

jurisdiction, is not to supplant the commercial decision-making authority of the CoC, but to ensure that the process leading to such decisions is in consonance with law. Accordingly, any direction that may be issued in the present matter ought to facilitate, and not substitute, the exercise of commercial wisdom by the CoC. No specific or adverse relief has been sought against it in the present Appeal. Its role is confined to that of a Financial Creditor participating in the CoC, and its conduct has at all times been in accordance with the statutory framework governing the CIRP.

23. In view of the absence of a concluded decision of the CoC coupled with the emergence of fresh resolution interest, it does not oppose the limited consideration of a revival mechanism, including the issuance of a fresh Form G, if this Hon'ble Tribunal is satisfied that such a course would subserve the larger objectives of the Code. However, such non-opposition is neither absolute nor unconditional and must necessarily be read subject to appropriate safeguards. If permitted, it must remain subject to strict timelines, procedural compliance, and, most importantly, the ultimate approval of the CoC in accordance with Section 30(4) of the Code.

24. The Corporate Debtor was facing financial distress and defaults towards its creditors. CIRP was commenced on 17.06.2025 upon admission of the Section 7 petition filed by Canara Bank. Subsequently, Claims of three Financial Creditors were received and a three-member Committee of Creditors was constituted comprising Canara Bank, State Bank of India and UV Asset Reconstruction Company Ltd.

25. Form A and thereafter Form G were duly published on 19.06.2025 and 20.08.2025, respectively, inviting claims and Expressions of Interest. However, though two Prospective Resolution Applicants were shortlisted in the 4th CoC meeting, no compliant resolution plan was received by the last extended date of 25.11.2025.

26. In the 7th CoC meeting held on 10.12.2025, the RP placed two key agenda items before the CoC:

- a. Extension of the CIRP period by 90 days to enable issuance of a fresh Form G and continuation of the process.
- b. Initiation of liquidation under Section 33 of the IBC.

27. In the e-voting conducted between 15.12.2025 and 18.12.2025 (as recorded in the minutes of 7th CoC meeting dated 10.12.2025), the resolution for extension secured 45.16% votes in favour and 54.84% against, while the resolution for liquidation received 54.84% in favour and 45.16% against. Neither resolution secured the statutory 66% threshold required under Section 30(4) of the IBC. Hence, both resolutions failed, leaving the CoC in a deadlock with no approved decision either to extend CIRP or to liquidate. The resolutions placed for (i) extension of the CIRP period and (ii) initiation of liquidation proceedings, both failed to secure the requisite voting threshold of 66% as mandated under the Insolvency and Bankruptcy Code, 2016. Consequently, neither of the proposed courses of action attained finality, thereby resulting in a stalemate within the CoC framework, with no conclusive commercial decision being taken.

28. Subsequent to such deadlock, fresh and bona fide expressions of interest were received from prospective resolution applicants, including the Appellant, indicating a continuing possibility of resolution. These developments are significant inasmuch as they demonstrate that the resolution process had not reached a point of commercial exhaustion and that there remained a live and subsisting possibility of value maximisation through revival of the Corporate Debtor.

29. The 8th CoC meeting was convened with a focused agenda to deliberate upon these subsequent developments, including the consideration of new EOIs and the feasibility of issuing a fresh Form 'G'. The minutes of the said meeting reflect that the CoC consciously deliberated upon the evolving circumstances and resolved to seek appropriate directions from the Ld. Adjudicating Authority with regard to the future course of action.

30. The factual matrix is not one of a concluded commercial decision leading to liquidation, but rather one of institutional indecision followed by the emergence of renewed resolution interest, which warrants a nuanced and purposive approach.

31. The scheme of the Code unequivocally places resolution at a higher pedestal than liquidation, with liquidation being contemplated only as a last resort when all efforts at resolution have demonstrably failed. The Preamble of the Insolvency and Bankruptcy Code, 2016 states:

“An Act to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto. BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows: —”

32. In the present case, the direction for liquidation appears to have been triggered primarily on account of the expiry of the CIRP period, rather than on the basis of a conscious and affirmative commercial decision of the CoC approving liquidation with the requisite majority. The absence of a 66% majority in favour of liquidation indicates that the CoC, in its commercial wisdom, had not reached a determinative conclusion that liquidation was the most appropriate outcome. On the contrary, the voting pattern reflects a divided house, thereby negating any presumption of a settled commercial consensus in favour of liquidation.

33. Furthermore, the emergence of fresh prospective resolution applicants immediately after the said voting process clearly indicates that the resolution potential of the Corporate Debtor had not been extinguished. In such circumstances, a mechanical progression to liquidation would be contrary to the fundamental objective of the Code, which is to preserve the Corporate Debtor as a going concern and to maximise value for all stakeholders. Liquidation, once triggered, sets into motion a process that is largely

irreversible in nature. Therefore, where there exists a reasonable and tangible prospect of resolution, supported by expressions of interest and willingness of stakeholders, the same ought to be given due consideration before resorting to liquidation.

34. The present case falls within a category where the balance tilts in favour of affording an additional opportunity for resolution, rather than foreclosing such possibility prematurely. The issuance of a fresh Form 'G', in the peculiar facts of the present case, would serve the larger objective of the Code by facilitating wider participation and enabling the submission of viable and competitive resolution plans. The receipt of new expressions of interest, including from the Appellant, after the expiry of the initial CIRP period, constitutes a material change in circumstances, which merits reconsideration of the process adopted earlier. The earlier failure to receive a compliant resolution plan cannot, in the facts of the present case, be construed as a definitive indicator of absence of resolution potential, particularly when interested resolution applicants have subsequently come forward with demonstrable intent and financial backing. CoC itself, in its 8th meeting, considered it appropriate to deliberate upon the possibility of issuing a fresh Form G and to seek directions from the Adjudicating Authority in this regard. This reflects that the stakeholders were not averse to exploring revival but were instead seeking procedural clarity and judicial guidance.

35. In such a scenario, permitting issuance of a fresh Form 'G' would:

- enhance transparency and competitiveness in the process;

- ensure that all prospective applicants are afforded a fair opportunity; and
- align the process with the overarching objective of value maximisation.

36. Canara Bank has no objection to the issuance of a fresh Form 'G', provided the same is undertaken within a time-bound framework and under the supervision of the CoC and the Resolution Professional, in accordance with law.

37. Any direction issued by this Hon'ble Appellate Tribunal permitting revival of the CIRP process or issuance of a fresh Form 'G' must be structured in a manner that preserves the primacy of the CoC's commercial wisdom. Under the Code, the decision of the CoC, taken in its commercial wisdom and in compliance with the statutory threshold, is not to be interfered with except on limited grounds.

38. Any fresh process initiated pursuant to directions of this Hon'ble Appellate Tribunal including issuance of Form 'G' and consideration of resolution plans must ultimately culminate in a decision taken by the CoC in accordance with Section 30(4) of the Code.

39. In this manner, the twin objectives of the Code—namely, facilitating resolution and preserving the commercial autonomy of the CoC—can be harmoniously balanced.

Submissions of Respondent No. 2/State Bank of India

40. The impugned order is a well-reasoned, detailed and speaking order passed strictly in accordance with law and does not suffer from any illegality, perversity or jurisdictional error warranting interference by this Hon'ble Appellate Tribunal.

41. The present Appeal is wholly misconceived, devoid of merit and is nothing but an attempt on the part of the Appellant to evade the statutory consequences arising from rejection of the repayment plan by the creditors. The Appellant seeks to challenge a conscious commercial decision of the creditors by raising untenable and legally unsustainable grounds.

42. During the e-voting conducted between 15.12.2025 and 18.12.2025, the resolution for extension of CIRP period received only 45.16% votes in favour and hence the resolution for extension of CIRP period failed.

43. Once the resolution seeking extension of CIRP period failed, the CIRP came to an end, and in terms of Section 33(1)(a) of the IBC, 2016, if the Adjudicating Authority does not receive a resolution plan under Section 30(6) of the IBC, 2016, before the expiry of the Insolvency Resolution Process Period, it is duty bound to pass the liquidation order:

"Section 33(1) Where the Adjudicating Authority, -

(a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency

resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30;

it shall -

(i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;

Section 5(14) "insolvency resolution process period" means the period of one hundred and eighty days beginning from the insolvency commencement date and ending on one hundred and eightieth day."

44. Hence, the voting on the separate resolution for liquidation of the Corporate Debtor becomes immaterial and loses its significance, once the CoC in its commercial wisdom decided to not extend the Insolvency Resolution Process Period. Consequently, the initial CIRP period expired on 14.12.2025 without approval of any extension and without approval of any resolution plan.

45. In view of the alleged deadlock, no resolution having been passed, the RP approached the Ld. Adjudicating Authority after taking the approval of the CoC in the 8th CoC meeting dated 29.12.2025, seeking directions regarding the future course of action, including liquidation, and filed I.A. No. 74/MB/2026 on 03.01.2026.

46. Prior to the filing of I.A. No. 74/MB/2026 by the RP before the Ld. AA, SBI (Respondent No. 2 herein), by email dated 01.01.2026, had conveyed its decision to the RP to act strictly in accordance with the Code on the premise that 180 days had elapsed, and no extension for Insolvency Resolution Process Period was approved by the CoC.

47. The Ld. AA, after a detailed analysis, correctly observed that since the CIRP period had expired without an approved resolution plan and the CoC had voted against extension and reissuance of Form 'G' in its meeting held on 10.12.2025, and, by its impugned order dated 08.01.2026, ordered liquidation of the Corporate Debtor under Section 33(1) (a) of the Insolvency and Bankruptcy Code, 2016.

48. The Corporate Insolvency Resolution Process ("CIRP") period prescribed under Section 12 of the Insolvency and Bankruptcy Code, 2016 admittedly expired on 14.12.2025 and no resolution plan came to be approved within the statutory period, and consequently, in terms of Section 33(1)(a) of the Code, the Ld. Adjudicating Authority was duty bound to pass an order of liquidation. The statutory framework leaves no discretion in such circumstances, inasmuch as upon expiry of the CIRP period without receipt of an approved resolution plan, liquidation follows as a matter of mandate. The relevant portion of Section 33(1)(a) is reproduced herein below:

"33. Initiation of liquidation. –

- (1) Where the Adjudicating Authority, - (a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or
- it shall -
- (i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;"

49. During the e-voting conducted between 15.12.2025 and 18.12.2025, the proposal for extension of the CIRP period failed as it received only 45.16% votes in favour and did not meet the statutory threshold, and consequently, no extension stood approved in accordance with law. It is submitted that no resolution plan was approved by the Committee of Creditors under Section 30(4) of the Code with the mandatory voting requirement of 66%, and therefore, upon expiry of the CIRP period on 14.12.2025, liquidation became the inevitable statutory consequence.

50. The contention of the Appellant regarding an alleged "deadlock" within the Committee of Creditors is wholly misconceived and legally untenable, as the Insolvency and Bankruptcy Code does not recognise any such concept. It is submitted that under the scheme of the Code, a resolution either secures the requisite voting threshold of 66% or it fails, and in absence of such approval, the process cannot be continued on the pretext of any so-called deadlock.

51. The Insolvency and Bankruptcy Code is a time-bound legislation and the objective of the Code is to ensure resolution within a fixed timeframe, failing which liquidation follows as a matter of statutory mandate. It is submitted that permitting continuation of CIRP beyond the prescribed period would defeat the legislative intent and undermine the certainty envisaged under the Code.

52. Ld. Adjudicating Authority has rightly exercised its jurisdiction in ordering liquidation of the Corporate Debtor after noting that the CIRP period had expired and no extension had been validly approved by the Committee of Creditors, and therefore, the Impugned Order does not suffer from any illegality or infirmity warranting interference.

53. The Appellant's (suspended board of director) alleged willingness to submit a resolution plan after expiry of the CIRP period cannot revive or extend the process once the statutory timeline has lapsed. It is submitted that permitting such belated proposals would defeat the discipline of the insolvency framework and lead to indefinite prolongation of CIRP, which is impermissible in law.

54. All the facts of the case were not presented before this Appellate Tribunal while the interim order was granted by this Tribunal. It is submitted that State Bank of India is having 54.84% voting share in the CoC and no resolution was passed by Applicant Bank and the Applicant Bank is also not in favour of passing any resolution for considering any resolution plans or issuing fresh Form 'G', for the reason that other than certain receivables.

55. It is further important to note that firstly there are no fixed assets in the Company, and secondly the PRAs also failed to revise the resolution plan and when the RP had proposed for publishing fresh Form 'G' in view of only one PRA left out of two. Then in 7th CoC meeting, the State Bank of India had made its stand clear that they are not in favour of publishing fresh Form 'G'.

Thereafter, the RP stated that in such case the company would end up in liquidation since there is no resolution plan in hand. Also, in the same CoC meeting the RP had informed the CoC members that there are only two major assets available with the Corporate Debtor i.e. (1) Recoveries from Debtors and (2) Inventory and there are no tangible assets in the Company. Therefore, the State Bank of India herein stated that since there are no fixed assets like land or building and only stock is lying with the company and it is a trading company, hence it cannot be kept as a going concern. Also, neither resolution for publishing fresh Form G was approved nor resolution for extension of CIRP period was approved. Hence by operation of law, Liquidation was rightly ordered by Ld. Adjudicating Authority vide its order dated 08.01.2026. In the 8th CoC meeting it was discussed that Syska E-Retails LLP is only a trading entity and does not manufacture any products and even the Syska wordmark is not owned by the Corporate Debtor. Therefore, the liquidation order passed by the Ld. Adjudicating Authority is correct and no error has been committed by Ld. Adjudicating Authority while passing liquidation order dated 08.01.2026.

56. Once the CIRP period expired without approval of any resolution plan and without any valid extension, the statutory mandate under Section 33(1)(a) stood triggered automatically and the Adjudicating Authority was left with no option but to pass an order of liquidation, and therefore, the voting on liquidation becomes irrelevant in such circumstances.

57. The entire attempt of the Appellant in the present appeal is to reopen a concluded CIRP on the basis of subsequent expressions of interest, which are legally inconsequential and cannot be considered once the process has come to an end in accordance with law.

58. The Impugned Order dated 08.01.2026 has been passed strictly in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and does not suffer from any illegality, perversity or jurisdictional error warranting interference by this Hon'ble Tribunal. It is submitted that the present Appeal is devoid of merits and is liable to be dismissed, as the same seeks to defeat the statutory scheme of time-bound resolution and the mandatory consequence of liquidation upon failure of CIRP. Hence, the present appeal shall be dismissed at the very outset.

Analysis and Findings

59. We have considered the submissions made by the Appellant, Respondent No. 2/State Bank of India and Respondent No. 3/Canara Bank, and have perused the material placed on record.

60. The issue which arises for consideration is “Whether, after expiry of the CIRP period without a resolution plan being received within the statutory period and without a valid extension of the CIRP period, the Adjudicating Authority could defer liquidation on the ground that the Committee of Creditors had not approved the resolution for liquidation by the requisite majority and had subsequently expressed willingness to seek further directions?”

61. The facts relevant for deciding this issue are not in dispute. The CIRP commenced on 17.06.2025. No compliant resolution plan was received within the process period. In the 7th meeting of the CoC, the proposal for extension of the CIRP period by 90 days did not receive the requisite 66% voting share. The proposal relating to liquidation also did not receive 66% voting share. Thus, there was no valid extension of the CIRP period. The statutory period of 180 days expired on 14.12.2025. As on that date, there was no resolution plan which stood approved in accordance with the Code and no valid order extending the CIRP period.

62. The subsequent the 8th CoC meeting was held on 29.12.2025 and the resolution authorising the Resolution Professional to approach the Adjudicating Authority for directions cannot alter this statutory position. The CIRP period had already expired. A meeting held after expiry of the statutory period cannot, by itself, revive the CIRP, which had already come to an end by operation of the Code. The subsequent expressions of interest received from the Appellant or any other prospective resolution applicant may show an intention to submit a plan, but such expressions of interest cannot substitute the statutory requirement of a resolution plan being received within the prescribed period.

63. We are also unable to accept the contention that the failure of the liquidation resolution to obtain 66% votes created a legal deadlock, which prevented the Adjudicating Authority from passing an order under Section

33(1)(a) of the Code. The two matters have to be kept distinct. A liquidation resolution under Section 33(2) is relevant where the CoC itself resolves that the corporate debtor be liquidated in the circumstances contemplated by that provision. The present case is governed by Section 33(1)(a), which operates on a different statutory basis. Section 33(1)(a) specifically provides that where, before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the CIRP under Section 12, the Adjudicating Authority does not receive a resolution plan under Section 30(6), it shall pass an order requiring the Corporate Debtor to be liquidated. The provision therefore prescribes the consequence which follows upon failure of the CIRP to culminate in a resolution plan within the statutory period.

64. The relevant provision has already been extracted in the submissions of Respondent No. 2 and is reproduced herein for clarity:

"33. Initiation of liquidation. –(1) Where the Adjudicating Authority, - (a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or ... it shall - (i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;"

65. In the present case, the condition contemplated by Section 33(1)(a) stood satisfied upon expiry of the CIRP period. There was neither a resolution plan available for consideration under Section 30(6) of the Code, nor there was a valid extension of the CIRP period. The Adjudicating Authority was

therefore required to give effect to the statutory consequence under Section 33(1)(a). The expression “shall” used in the provision is significant. Once the statutory condition was satisfied, the Adjudicating Authority had no discretion to continue the CIRP merely because some prospective applicants had subsequently shown interest.

66. The Appellant has relied upon the fact that the liquidation resolution in the 7th CoC meeting secured only 54.84% votes and contends that liquidation could not therefore be ordered. We do not find merit in this submission. The liquidation order in the present case is not founded upon a resolution of the CoC as contemplated under Section 33(2). Rather, it is founded upon the statutory consequence under Section 33(1)(a), namely, expiry of the CIRP period without receipt of a resolution plan under Section 30(6). Therefore, the voting on the separate liquidation resolution becomes irrelevant for determining the statutory consequence under Section 33(1)(a).

67. The contention of Respondent No. 3/Canara Bank, is that the CoC had reached a deadlock also does not take the matter further. Even if the voting pattern is described as a deadlock, the Code does not provide that such a deadlock can extend the statutory period for completion of CIRP. The Code prescribes the procedure, the voting threshold and the time within which the insolvency resolution process has to be completed. Where the statutory requirements for extension are not fulfilled and no resolution plan is received within the prescribed period, the consequence statutorily prescribed under Section 33 follows.

68. The principle of commercial wisdom of the CoC is undoubtedly an important feature of the insolvency framework. However, commercial wisdom operates within the framework of the Code. It cannot be invoked to disregard any express statutory consequence. The CoC can take a commercial decision to seek extension in accordance with Section 12 and the applicable voting requirement. If the requisite majority is not obtained, there is no valid extension. Commercial wisdom cannot be extended to confer a power to continue the CIRP beyond the statutory period when the Code itself prescribes the consequence of such non-completion.

69. The same reasoning applies to the submission that the CoC, in its 8th meeting, unanimously authorised the Resolution Professional to approach the Adjudicating Authority for directions. That decision was taken after the expiry of the CIRP period. It could not confer upon the CoC, the Resolution Professional or the Adjudicating Authority any power to revive the expired CIRP contrary to the statutory scheme. The application filed by the Resolution Professional on 03.01.2026, therefore, could not be used as a basis to extend the CIRP after the statutory period had already expired. As it would be contrary to the mandate of law.

70. We also do not find substance in the Appellant's reliance upon the subsequent expressions of interest. An expression of interest in itself is not a resolution plan approved in accordance with the Code. The Appellant's letter dated 18.12.2025 expressing willingness to submit a resolution plan was much after the expiry of the CIRP period on 14.12.2025. Similarly, the

communication from another prospective applicant dated 19.12.2025 was also subsequent to the expiry of the statutory period. Such subsequent interest too cannot defeat the mandatory consequence prescribed by Section 33(1)(a).

71. It is also brought to our notice by the SBI/R2 that during the 7th COC meeting, which was held on 10th December 2025, before any plan and before undertakings of confidentiality (regarding fair value and liquidation value) under Regulation 35(2) of the CIRP Regulations, the Resolution Professional disclosed and recorded in the minutes the fair value of ₹13 crores and the liquidation value of ₹8 crores. When the minutes reached the suspended management in the next meeting on 12th December 2025, the Appellant had procured a "letter of intent". At the 8th COC meeting he offered a plan more than the liquidation value, that is, ₹8 crores. The SBI/R2 brings to our notice that this is benchmarked on a confidential figure, which he ought not to have, and such a mischief is guarded by Regulation 35. The State Bank of India brings to our notice that this is mischief played by the Resolution Professional. We are not delving into the mischief or misconduct of the resolution professional but suffice to say that this is a non-compliance of the regulations. The resolution professional should have been careful in maintaining the confidentiality of the fair value and the liquidation value, which is in a non-compliance of Regulation 35. We note that, because of the fair value and liquidation value available to the Appellant, they started making offers in the 8th COC meeting. No such offer was made till the 7th COC meeting and subsequently it has led to litigations. We note that the resolution professional

was actively in sowing the seeds of the litigation such conduct is unbecoming of the Resolution Professional.

72. The Appellant's plea based upon Section 240A of the Code also does not change the position. Section 240A may enable an eligible MSME to avail the statutory dispensation provided therein, but such eligibility does not dispense with the requirement that a resolution plan must be submitted and processed within the framework and time prescribed by the Code. It cannot be treated as an independent source of power to revive an expired CIRP.

73. We are conscious of the submission that the object of the Code is resolution and value maximisation and that liquidation should not be resorted to prematurely. That principle cannot be disputed. However, resolution is required to take place in accordance with the statutory process. The objective of value maximisation cannot be used to extend the CIRP indefinitely or to disregard the consequence which Parliament has expressly attached to failure of the process within the prescribed period.

74. We also note that the SBI/respondent No. 2 has recorded its reasons for supporting the liquidation. Even though we are not going into the reasons for supporting liquidation by State Bank of India, which are recorded contemporaneously in various places but due to peculiar circumstances we extract the reasons herein:

- There are no fixed assets like land or building and only receivables and inventory are there.

- The corporate debtor is a pure trading entity and it's a supplier. Syska LED Lights Private Limited itself is in CIRP.
- The “Syska” brand/trademark is not owned by the corporate debtor. It stands in the name of Mr. Govind Jivan Uttam Chandani.
- The peculiar circumstances indicate that one prospective resolution applicant withdrew and sought a refund of its EMD and the other failed to submit a plan despite an extension.

75. The grounds raised by the Appellant are therefore without basis. The Appellant has not demonstrated any statutory provision which permitted the CIRP to continue after 14.12.2025 in the absence of a valid extension. The subsequent meeting of the CoC, the subsequent expressions of interest and the willingness of the Appellant to submit a plan cannot create such power.

76. For the same reason, the ground taken by Respondent No. 3/Canara Bank seeking to preserve a further opportunity for revival, though based on the stated objective of value maximisation and subject to the commercial wisdom of the CoC, does not withstand scrutiny under the Code insofar as it intends to seek continuation of the CIRP even after expiry of the statutory period without a valid extension. Once it is clearly established that there was no resolution plan received within the prescribed period and no valid extension was approved, the only statutory course available to the Adjudicating Authority was to proceed under Section 33 of the Code. The Appellant has sought a prayer to direct an extension of the CIRP, which is, in substance, a prayer to compel State Bank of India and the Committee of Creditors to do what the COC, by the statutorily prescribed majority, has

declined to do. This will be against the commercial wisdom of the COC, which is non-justiciable. It will be substituting our own view for that of the Committee of Creditors.

77. We therefore hold that once the CIRP period expired without receipt of a resolution plan under Section 30(6) and without any valid extension, the statutory consequence under Section 33(1)(a) stood attracted. The Adjudicating Authority was left with no option but to pass an order of liquidation. The voting on the separate liquidation resolution was not a condition precedent to the exercise of the statutory power under Section 33(1)(a).

78. The Impugned Order dated 08.01.2026, by which the Adjudicating Authority ordered liquidation of the Corporate Debtor under Section 33(1)(a), therefore does not suffer from any illegality or jurisdictional infirmity warranting interference by this Appellate Tribunal.

Conclusions

79. In view of the foregoing discussion, we find no merit in the Appeal. The CIRP period had expired on 14.12.2025. No resolution plan under Section 30(6) had been received within the statutory period and no valid extension had been approved. The subsequent proceedings before the CoC could not revive the expired CIRP. The mandatory consequence under Section 33(1)(a) was therefore attracted.

80. The commercial wisdom of the CoC cannot be invoked to override the statutory procedure, voting requirements and timelines prescribed by the

Code. The absence of a 66% vote in favour of liquidation under Section 33(2) does not prevent liquidation under Section 33(1)(a), where the statutory conditions of that provision stand satisfied. The Appeal is accordingly liable to be dismissed.

Order

81. For the reasons stated above, the Appeal is dismissed. The Impugned Order dated 08.01.2026 passed by the National Company Law Tribunal, Mumbai Bench (I), in IA(I.B.C)/74/MB/2026 in C.P. (IB) No. 548/MB/2024, directing liquidation of the Corporate Debtor, M/s Syska E-Retails LLP, under Section 33(1)(a) of the Insolvency and Bankruptcy Code, 2016, is affirmed. All pending applications if any, as per this order stand disposed of and interim order and stay granted if any, also stand vacated. There shall be no order as to costs.

[Justice Sharad Kumar Sharma]
Member (Judicial)

[Arun Baroka]
Member (Technical)

[Indevar Pandey]
Member (Technical)

New Delhi.
September 30, 2026.

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