NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1959 of 2026

IN THE MATTER OF:

Consortium of Admas Industries Pvt. Ltd. ...Appellant(s)
Subh Ashish Exim Pvt. Ltd. and Amit Jain, Hardcastle Restaurants Pvt. Ltd.
(Successful Resolution Applicant of Sristi Hospitality Private Limited)

Versus

Rajan Deshraj Agarwal & Anr. ...Respondent(s)
Present:

For Appellant(s) : Mr. Vivek Sibal, Sr. Advocate with Ms. Anjali Sharma, Ms. Ragini Vinaik, Ms. Hridyaa Singh, Advocates.
For Respondent(s) : Mr. Sumant Batra, Sr. Advocate with Mr. Akshay Goel, Mr. Sarthak Bhandari, Ms. Riya Kaur Arora, Mr. Aditya Jain, Mr. Dhruv Sharma, Advocates for R-1/RP.
Mr. Janender Kumar Chumbak, Ms. Radhika for R-2.

With
Comp. App. (AT) (Ins) No. 1978 of 2026

IN THE MATTER OF:

Rajan Deshraj Agarwal ...Appellant(s)

Versus

Saraswat Co-Operative Bank Limited & Anr. ...Respondent(s)
Present:

For Appellant(s) : Mr. Sumant Batra, Sr. Advocate with Mr. Akshay Goel, Mr. Sarthak Bhandari, Ms. Riya Kaur Arora, Mr. Aditya Jain, Mr. Dhruv Sharma, Advocates.
For Respondent(s) : Mr. Janender Kumar Chumbak, Ms. Radhika for R-1.
Mr. Vivek Sibal, Sr. Advocate with Ms. Anjali Sharma, Ms. Ragini Vinaik, Ms. Hridyaa Singh, Advocates for R2.

O R D E R
(Hybrid Mode)

[Per: Justice Mohd. Faiz Alam Khan, Member (Judicial)]

CA (AT) (Ins) No. 1959 of 2026 is preferred against the order dated 04.09.2026 (Impugned Order) passed by the Hon'ble NCLT, Mumbai Bench-V (Adjudicating Authority) in I.A. No. 456 of 2026 in CP(IB) 518/MB/C-V/2022, whereby the Adjudicating Authority has recorded adverse findings against the Appellant/SRA and directed that the conduct of the erstwhile Resolution Professional (Respondent No. 1), the Successful Resolution Applicant (Appellant) and Saraswat Co-operative Bank Ltd. (Respondent No. 2), all members of the Monitoring Committee, be referred to the IBBI for such action as it may be deemed fit.

2. The present Appeal CA (AT) (Ins) No. 1978 of 2026 is against the order dated 04.09.2026 (“Impugned Order”) passed by the Hon’ble National Company Law Tribunal, Mumbai (“Adjudicating Authority”) in I.A. No. 456/2026 in CP(IB) No. 518/MB/C-V/2022, whereby, while taking on record the Third Status Report on implementation of the approved resolution plan for Sristi Hospitality Private Limited (“Corporate Debtor"), the Adjudicating Authority erroneously observed that the conduct of the Appellant was not in accordance with law and is referred the IBBI.

3. Both the aforesaid appeals are presented against the same impugned order dated 04.09.2026 and, for the sake of convenience, are being disposed of by passing this common judgment.

4. Facts in brief necessary for the disposal of these appeals are that the Corporate Debtor was admitted into Corporate Insolvency Resolution Process

("CIRP") vide order dated 27.02.2023 passed by the Adjudicating Authority in C.P.(IB) No. 518/MB/C-V/2022, in a petition filed under Section 7 of the Code by the Director of the CD, Mr. Santosh R. Shetty, and the Appellant in CA (AT) (Ins) No. 1978 of 2026 was appointed as the Interim Resolution Professional of the Corporate Debtor vide order dated 27.02.2023 and was later on confirmed as the Resolution Professional. The Committee of Creditors of the Corporate Debtor was constituted by Respondent No. 1 as the sole member holding 100% voting share. The resolution plan submitted by Respondent No. 2 was approved by the COC with a 100% voting share on 05.08.2023. Upon approval of the Resolution Plan by the CoC, the Appellant/RP preferred I.A. No. 3612 of 2023 under Section 30(6) read with Section 31 of the Code before the Adjudicating Authority for approval of the plan, and the same was approved by the Adjudicating Authority vide order dated 12.07.2024. After approval of the said Plan, the suspended director of the CD preferred Company Appeal (AT) (Ins.) Nos. 1378 of 2024 and 1383 of 2024 before this Appellate Tribunal which were dismissed on 14.07.2026.

5. Appellant/erstwhile Resolution Professional and Chairman of the Monitoring Committee of Sristi Hospitality Private Limited/ CD preferred an I.A. (I.B.C.)/456/2026 under section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("IBC/the Code"), seeking to take on record this Third Status Report and to relieve the Applicant from filing further status report on implementation of the Resolution Plan.

6. The Adjudicating Authority however noticed that (i) The Resolution Plan was approved by it on 12.07.2024 and was required to be fully implemented by 27.08.2024 (ii) The SRA's stated position that it would implement the Plan only upon receipt of favourable orders from the Hon'ble NCLAT, is in complete violation

of settled law and the approved Resolution Plan (iii) That it is only pursuant to the order dated 07.07.2025 of the Adjudicating Authority, the Plan was hurriedly implemented on 30.07.2025. (iv) The Corporate Debtor was handed over to the SRA on 30.07.2025. (v) The conduct of Chairman of the Monitoring Committee (erstwhile RP) and other members in accepting the stand of the SRA that Plan would be implemented only after getting favourable order from NCLAT, the Adjudicating Authority, is not in accordance with law, while taking the third status report on record, was of the view that conduct of the erstwhile RP, the SRA, and the other member of the Monitoring Committee, namely, Saraswat Co-operative Bank Ltd be referred to the IBBI for their wisdom to take such appropriate steps as it may deem fit, directed the Registry to forward a copy of this Order to the Insolvency and Bankruptcy Board of India (IBBI) for such action as it may deem fit.

7. Being aggrieved by the aforesaid order, the erstwhile RP/Chairman of the Monitoring Committee as well as the SRA have preferred the aforesaid appeals.

8. Learned counsel for the Appellant/SRA submits that the adjudicating authority, without any cogent reason and factual matrix, has recorded adverse remarks against the appellant without providing any opportunity of being heard to the SRA. Reliance in this regard has been held in **Defodill's Pharmaceuticals Limited versus State of UP (2020 18 SCC 550).**

9. It is further submitted that there was no occasion for the adjudicating authority to have recorded any adverse observations/remarks against the appellant when the appellant was not even arrayed as a party before the adjudicating authority.

10. It is further submitted that the adjudicating authority, while recording the adverse remarks, has not even considered this fact that in the clause5.7(ii) of the resolution plan (which has been approved by the COC as well as by the adjudicating authority), there is a clear stipulation that mere pendency of appeals against the resolution plan would be sufficient for making the plan non-implementable. Therefore, the very basis of recording adverse remarks against the appellant is illegal and cannot be sustained.

11. It is further submitted that after the approval of the resolution plan by the COC and Learned Adjudicating Authority, the terms of the same cannot be changed or dissented to by the SRA. Reliance in this regard has been laid **on Shashidhar versus Indian Overseas Bank (2019) 12 SCC 150**, **JP Kensington Boulevard Apartments Welfare Association versus NBCC (India) Limited, (2022) 1 SCC 401** and **Noida Industrial Development Authority vs Prabjit Singh Soni, (2024) 6 SCC 767.**

12. It is further submitted that the Appellant, being the SRA, was under a bona fide belief that, having regard to the clause 5.7(ii) of the resolution plan, there is no mandate for him to implement the plan during the pendency of the appeal filed by the suspended director of the CD before this Appellate Tribunal. When the learned adjudicating authority, during the course of hearing of the second status report, revealed its willingness to get the plan implemented, the SRA, without any further delay, deposited the money, and the RP filed the third status report.

13. It is further submitted that when the adjudicating authority itself has approved a resolution plan having a clause that mere pendency of the appeal filed against the approval of the plan would be sufficient to make the plan non-

implementable, the same adjudicating authority could not accuse the Appellant-SRA of non-implementation of the plan. Therefore, the adverse remark recorded by the learned adjudicative authority in paragraph numbers 19 and 20 of the impugned order may kindly be set aside and expunged.

14. Learned counsel for the Respondent Saraswat Cooperative Bank Limited submits that clause 5.7 of the approved Resolution Plan specifically provides that where litigation or legal proceedings are initiated in relation to the Resolution Plan or the Corporate Insolvency Resolution Process, the SRA shall make payment of the total Resolution Amount within seven business days from the date on which the approval of the Resolution Plan attains finality and the approved Resolution Plan itself contemplated the possibility of litigation and prescribed the timeline for payment in such circumstances. The parties therefore, were required to act in accordance with the terms of the Plan and the orders passed by this Hon'ble Tribunal.

15. It is further submitted that the time taken for implementation cannot, by itself, be treated as misconduct on the part of the Bank. The circumstances must be considered as a whole, including the pending Appeals, the relevant clauses of the Resolution Plan and the order passed by this Hon'ble Tribunal. The conduct of the Bank ought not to be viewed in isolation from these circumstances, considering the fact that the bank is custodian of public money.

16. It is further submitted that the respondent has acted in the capacity of financial creditor and a member of the Monitoring Committee and its conduct should be examined with reference to its obligations under the Code, the provisions of approved Resolution Plan and the relevant judicial orders. The challenge by the suspended Director to the resolution plan was pending before

this appellate Tribunal. Therefore, the delay in implementation, in these circumstances, cannot automatically lead to an adverse conclusion against the Bank. Further, the Respondent received payment against its claims upon implementation of the Resolution Plan. No specific act of misconduct, deliberate obstruction or violation of the approved Plan could be labelled against the Bank as the SRA agreed to defer implementation till the Appeals were pending. Therefore, in absence of any specific material establishing violation of plan by the Respondent no adverse order should have been passed against the Respondent.

17. Learned counsel for the Appellant/erstwhile RP submits that totally uncalled-for observation have been recorded by the learned adjudicating authority. It is highlighted that clause 5.7(ii) of the Resolution Plan, as approved vide order dated 12.07.2024 stipulated payment of the Resolution Amount within 7 days of attaining finality of the Plan if there is no litigation pending anywhere, however Immediately after the approval of the plan by the adjudicating authority, the suspended management filed Company Appeal (AT)(Ins) No. 1383 of 2024 challenging the order dated 12.07.2024 and in pursuance to Clause 5.7(ii) of the resolution plan, the monitoring committee took a decision to defer the implementation of the plan pending such appeal and when the learned adjudicating authority had approved the plan with clause 5.7(ii), it was not open for the Appellants to implement the plan contrary to the stipulation made therein.

18. It is further submitted that the order dated 07.07.2025 has proceeded on the view then taken in **Kalyani Transco v. Bhushan Power & Steel Ltd. [(2026) 5 SCC 558**, judgment dated 02.05.2025. However, this judgment was recalled on 31.07.2025 in **Punjab National Bank v. Kalyani Transco, 2025 SCC OnLine SC 1634** and the matter was finally disposed of on 26.09.2025 **in Kalyani**

Transco v. Bhushan Power& Steel Ltd. [(2026) 6 SCC 431, holding that deferment of the plan is permissible with the consent of the COC for the reasons which may not be attributed to the SRA.

19. It is further submitted that the deferment of the plan in this case was with due consent of the COC on account of the pendency of the appeal, as there was no occasion for the appellants to act otherwise the learned adjudicating authority in the impugned order has presumed that no condition whatsoever is permissible in the resolution plan, contrary to **Ebix Singapore (P) Ltd. v. Educomp Solutions Ltd. (CoC), (2022) 2 SCC 401**. It is submitted that when the adjudicating authority has itself approved the plan with Clause 5.7(ii), the appellant could not be made an accused of non-implementation of the plan.

20. It is further submitted that the adjudicating authority itself took cognizance of the clause 5.7(ii) of the resolution plan in its order dated 12.07.2024, so it could not be said that, while approving the plan, the adjudicating authority has not taken cognizance of it. Therefore, a plan once approved by the adjudicating authority binds all the stakeholders, including the financial creditor, the monitoring committee, the SRA, as well as the RP-Appellant and the Appellant, as chairman of the monetary committee, cannot violate the approved clauses of the resolution plan.

21. It is further submitted that the only obligation on the plan was to keep the learned educating authority and IBBI well informed about the progress of the implementation of the plan, which has been duly complied with by the Appellant-Resolution Professional in his capacity as Chairman of the Monitoring Committee. The order dated 18.02.2025 of the adjudicating authority has also taken note of

the pendency of the appeals and also of the fact that there has been no effective implementation of the plan till that date.

22. It is further submitted that the adjudicating authority did not have any jurisdiction to re-examine the legality of the already approved plan, and therefore the Impugned Order, for this reason also is unsustainable in law and there was no justification in referring the alleged conduct of the RP and the SRA to the IBBI. Moreover, the finding in the impugned order at Paragraph 20(d) is factually incorrect as the Plan was fully implemented on 30.07.2025 about five months prior to the order dated 06.01.2026 and thereafter, nothing was left to be complied with.

23. It is further submitted that at the time of implementation of the Resolution Plan i.e. on 30.07.2025, the Second Status Report being IA No.1662/2025 was pending before the adjudicating authority. The application was listed on 29.07.2025, 23.09.2025 and 30.09.2025 for consideration. However, on each of these dates, the matter could not reach for hearing and on 20.11.2025, when the application was taken up, the Bench was apprised by the RP that the Plan has been fully implemented on 30.07.2025 and the CD has been handed over to the SRA and a formal separate application IA No. 456/2026 was also filed by the RP to place on record the factum of implementation of the plan.

24. It is further submitted that the term of the Appellant as RP had come to an end on 12.07.2024 and thereafter, the Appellant RP did not draw any fees/remuneration services rendered by him beyond 12.07.2024 and thereafter his term as the Chairman of monitoring committee ended on 30.07.2025, on which day the plan was fully implemented and the monitoring committee was dissolved. The Appellant has not drawn any remuneration/ fees as Chairman,

Monitoring Committee also after 30.07.2025. Thus, it is submitted that the observations of the Ld. Adjudicating authority in para 20 of the Impugned Order be set aside/ expunged.

25. Having heard, Learned Counsel for the parties, we think it in the interest of justice to have a glance on the impugned order in order to assess what has persuaded the Adjudicating Authority for taking the decision. Therefore, the relevant parts of the impugned judgment are reproduced as under: -

> *"10. It is noted that the Resolution Plan submitted by the SRA was approved by this Tribunal vide order dated 12.07.2024. The Clause 10.3 and Clause 10.15 of the Resolution Plan stipulate as under:*
>
> > *"10.3. Binding Effect This Resolution Plan once approved by the CoC and the NCLT in accordance with Paragraph 4 (Financial Proposal) of this Resolution Plan shall be binding in accordance with its terms on the Resolution Applicant, Corporate Debtor, Stakeholders, Promoters. Creditors and all other interested parties and each of their respective successors and assigns. Further, pursuant to the Code, the Resolution Plan shall be implemented by virtue of the NCLT Approval of this Resolution Plan, and no further acts, deeds, things, approvals or instruments shall be required for this purpose."*
> >
> > *"10.15. Unconditionality The Resolution Plan is not contingent or conditional except on approval of the Resolution Plan by the Adjudicating Authority."*
>
> *11. Therefore, Clause 10.3 and Clause 10.15 of the Resolution Plan expressly provide that the Plan is binding and unconditional save for approval by the Adjudicating Authority, and that no further act, deed or approval is required for its implementation. Further, the Resolution Plan is not contingent or conditional after the approval by this Adjudicating Authority.*
>
> *12. After approval of the said Plan, the Suspended Director preferred Company Appeal (AT) (Ins.) Nos. 1378 of 2024 and 1383 of 2024 before the Hon'ble NCLAT, in which the Hon'ble NCLAT, vide interim order dated 23.07.2024, directed that "In the meantime, implementation of the Plan may go on which shall abide by the result of these appeals". This direction from Hon'ble NCLAT was permissive and did*

not stay implementation. Accordingly, it is noted that the Applicant being the Chairman of the Monitoring Committee was duty bound either to get the Resolution Plan implemented within timelines or file for liquidation in the event of non-implementation.

14. As per Clause 9.3 of the Resolution Plan, implementation of the Plan was required to be completed on the 46th day from the date of approval by this Tribunal, i.e., on or before 27.08.2024. However, it is noted that implementation remained at a standstill for a considerable period of around one year, as no steps were taken by the Monitoring Committee or its Chairman until this Tribunal, while considering the Second Status Report, passed its order dated 07.07.2025 in IA No. 1662/2025 calling upon the Chairman to explain the non-implementation. It is only pursuant to the said order, that the Resolution Plan came to be implemented only on 30.07.2025. It is an admitted position that the Plan was not implemented within this stipulated timeline. Therefore, the delay in implementation is in violation of Clause 10.3, Clause 10.15 read with Regulation 38(3) of the CIRP Regulations, 2016, which mandates that a resolution plan must provide for its effective and timely implementation, and also of the direction of Hon'ble NCLAT in their order dated 23.07.2024.

15. It is observed that the Clause 5.7.(ii) of the Resolution Plan sought to link payment of the Total Resolution Amount to the finality of any pending litigation. The said clause 5.7.(ii) (at Page No.43 of the Resolution Plan) is reproduced below:

> *"The Total Resolution Amount offered in this Resolution Plan for payment to the Stakeholders will be paid as per the timeline of events for implementation of Resolution Plan as per paragraph 9.3 of this Resolution Plan subject to no appeal pending before the Hon'ble NCLAT or Hon'ble Supreme Court or any stay granted by any competent Court/Tribunal on implementation of the Resolution Plan. In the event, any litigations or legal proceedings are instituted in relation to the Resolution Plan or matters pertaining to the Corporate Insolvency Resolution Process of the Corporate Debtor then the Resolution Applicant shall make the payment of the Total Resolution Amount within 7 (Seven) Business Days from the day the Resolution Plan attains finality"*

16. Further, this Tribunal, while disposing of IA No. 1662/2025 vide order dated 06.01.2026, recorded the following detailed findings on the aforesaid conduct:

"14. However, such a clause cannot be interpreted to have force to override Clause 10.15 of the Resolution Plan, which expressly provides that the Plan is unconditional except for its approval by the Adjudicating Authority. Also, if at all Resolution Plan is considered conditional, then the same either could not have been approved by the CoC or by this Authority. ***Any contrary clause having effect of postponing implementation of the plan on account of litigation is therefore contrary to the express terms of the Resolution Plan itself and accordingly, non-implementation of the plan on this account cannot be termed as justifiable****.*

18. As per Section 30(2) of the Code, the Resolution Professional is required to examine the Resolution Plan submitted by the Successful Resolution Applicant and confirm its compliance with the provisions of the Code. Further, under Section 30(4), the CoC may approve the Plan after considering its feasibility and viability and ensuring that it fulfills other requirements specified by the Board. Further, Regulation 38(3) of the CIRP Regulations, 2016 mandates that a Resolution Plan must be feasible, viable, and implementable, with specific timelines for implementation. ***In the present case, the Resolution Plan stipulated a specific timeline for implementation, namely the 46th day from the date of approval by this Tribunal. However, the Plan has not been implemented within the stipulated period. Such non-implementation defeats the mandatory requirement under Regulation 38(3) of the CIRP Regulations, 2016. The continued delay in implementation of the plan is contrary to the provision of the Code and Regulation as well as the timelines expressly stipulated in the Resolution Plan, and the Monitoring Committee, has failed to take the necessary action***

*19. With regard to the Applicant's submission in the Affidavit dated 25.07.2025 that the Resolution Plan is not conditional and is protected by the commercial wisdom of the CoC, as per the terms of Resolution Plan, it is mentioned that upon approval of the Resolution Plan, the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor comes to an end and Successful Resolution Applicant will acquire the control of the affairs of the Corporate Debtor on the Transfer date. Therefore, upon approval of the Plan, the responsibility for the its implementation vests with the Monitoring Committee. However, in any event****, the commercial wisdom of the***

CoC cannot override or contravene the provisions of laws."

17. This Tribunal in the above order dated 06.01.2026, held that clause 5.7.(ii) of the Resolution Plan, to the extent it purported to make implementation contingent upon finality of the NCLAT appeals, could not override the express un conditionality of the Plan under Clause 10.15 and that the interim order of the Hon'ble NCLAT dated 23.07.2024 imposed no impediment to implementation and, if anything, obligated the Monitoring Committee to proceed. Further, the continued non-implementation of the Plan within the stipulated timeline of 46 days from the date of approval of Plan by NCLT (46th day from approval of NCLT being the Transfer date) was contrary to Section 30(2) and 30(4) of the Code and Regulation 38(3) of the CIRP Regulations, 2016. The Chairman of the Monitoring Committee was accordingly directed to act strictly in accordance with law and take all necessary and appropriate steps as contemplated under the Code.

18. It is noted that when the present Application came up for hearing on 30.01.2026, this Tribunal recorded that the third status report placed on record did not indicate compliance with the directions contained in the order dated 06.01.2026, and called upon the Applicant to file an affidavit explaining such compliance.

19. In compliance thereof, the Applicant has placed on record the Additional Affidavit dated 23.02.2026. However, it is observed that the Applicant has failed to furnish any cogent reason or satisfactory explanation for the inordinate delay of almost a year in implementing the Resolution Plan, the same having remained unimplemented from 27.08.2024 (the stipulated 46th day) until 30.07.2025. The record thus discloses a clear case of substantial delay in implementation of the Resolution Plan, despite the interim order of the Hon'ble NCLAT dated 23.07.2024, which, far from staying implementation, permitted the implementation of Plan to proceed pending the outcome of the said appeals (which have been decided on 14.07.2026). Despite this, the Chairman of the Monitoring Committee took no steps towards implementation for nearly a year, and it was only upon this Tribunal's observation vide order dated 07.07.2025 that implementation was set in motion. Moreover, no material has been placed on record to demonstrate that any extension of time for implementation of the Resolution Plan was ever sought by the SRA from, or granted by, the Monitoring Committee. Taking into account, the absence of any such extension, and the Hon'ble NCLAT's

order permitting implementation to proceed, the SRA did not implement the Plan within the timeline stipulated in the Resolution Plan, in violation of the express terms of the Resolution Plan.

20. Considering the following aspects that:

a. The Resolution Plan was approved on 12.07.2024 by the Adjudicating Authority and was required to be fully implemented by 27.08.2024.

b. The Suspended Director of the Corporate Debtor had preferred an appeal challenging the Resolution Plan approval order dated 12.07.2024, but the Hon'ble NCLAT did not stay the implementation of the Plan.

c. The SRA's stated position that it would implement the Plan only upon receipt of favourable orders from the Hon'ble NCLAT, is in complete violation of settled law and the approved Resolution Plan was binding upon it.

d. It was only pursuant to this Tribunal's order dated 06.01.2026, the Plan was hurriedly implemented on 30.07.2025 and the Corporate Debtor was handed over to the SRA on 30.07.2025

e. The conduct of Chairman of the Monitoring Committee (erstwhile RP) and other members in accepting the stand of the SRA that Plan would be implemented only after getting favourable order from Hon'ble NCLAT, is not in accordance with law.

This Tribunal is of the considered view that conduct of the erstwhile RP, the SRA, and the other member of the Monitoring Committee, namely, Saraswat Co-operative Bank Ltd shall be referred to the IBBI for their wisdom to take such appropriate steps as it may deem fit."

(Emphasis as in the Order)

26. We notice that the resolution plan is having a clause namely clause 5.7.(ii) (at Page No.43 of the Resolution Plan) which has been reproduced by the Adjudicating Authority in the impugned order and is reproduced below:

"5.7.(ii) The Total Resolution Amount offered in this Resolution Plan for payment to the Stakeholders will be paid as per the timeline of events for implementation of Resolution Plan as per paragraph 9.3 of this Resolution Plan subject to no appeal pending before the Hon'ble NCLAT or Hon'ble Supreme Court or any stay granted by any

competent Court/Tribunal on implementation of the Resolution Plan. In the event, any litigations or legal proceedings are instituted in relation to the Resolution Plan or matters pertaining to the Corporate Insolvency Resolution Process of the Corporate Debtor then the Resolution Applicant shall make the payment of the Total Resolution Amount within 7 (Seven) Business Days from the day the Resolution Plan attains finality"

27. The Clause 10.3 and Clause 10.15 of the Resolution Plan has been reproduced by the Adjudicating Authority in the impugned order and we also reproduce the same as under:

"10.3. Binding Effect This Resolution Plan once approved by the CoC and the NCLT in accordance with Paragraph 4 (Financial Proposal) of this Resolution Plan shall be binding in accordance with its terms on the Resolution Applicant, Corporate Debtor, Stakeholders, Promoters. Creditors and all other interested parties and each of their respective successors and assigns. Further, pursuant to the Code, the Resolution Plan shall be implemented by virtue of the NCLT Approval of this Resolution Plan, and no further acts, deeds, things, approvals or instruments shall be required for this purpose."

"10.15. Unconditionality The Resolution Plan is not contingent or conditional except on approval of the Resolution Plan by the Adjudicating Authority."

28. Clause 8.1 of the plan is also important and is reproduced as under:

***"8.1.** Subject to (a) no stay on the implementation of the Resolution Plan by any Appellate Authority or any other Court; (b) no legal proceedings seeking an increase in the Total Resolution Amount or liability of the Resolution Applicant or for any material modification of the contents of the Resolution Plan having been initiated in any court or tribunal against the decision of the NCLT approving this Resolution Plan; the Resolution Applicant shall complete the implementation of the Resolution Plan and the Resolution*

Applicant and/or Affiliates shall acquire control of the Corporate Debtor in the manner set out herein and the Corporate Debtor will make payment of amounts payable to the Creditors as set out in this Resolution Plan".

29. We also notice that clause 9.3 of the Resolution plan, which has been reproduced by the Adjudicating Authority in its plan approval order dated 12.07.2024, provides implementation schedule and is reproduced as under:

9.3. Term of the Resolution and Timeline of Events for Implementation of Resolution Plan:

Implementation of the Resolution Plan shall commence from the NCLT Approval Date. Subject to Paragraph 5.6. (ii), the Resolution Applicant will undertake the following steps to implement the Resolution Plan in the indicative timeline provided below for the implementation of the Resolution Plan:

Sr. No.	Activity	Timeline
1	Statutory Compliances by RP until by NCLT Approval Date	A
2	NCLT Approval Date	T
3	Formation of Monitoring Committee	T+5 days
4	CIRP Cost to be paid	T + 46th Day
5	Payment to Operational Creditors	T + 46th Day
6	Payment to Secured Financial Creditor	T + 46th Day
7	Payment to Other Creditors	T + 46th Day
7	Cessation of existing Directors and induction of New Board	T + 46th Day
8	Cessation of existing equity shares and acquisition of 100% shares by RA	T + 46th Day
9	Satisfaction of charge on the assets of the Corporate Debtor by Financial Creditors and Issuance of No Dues Certificate and other necessary documents for satisfaction of charge to the Corporate Debtor/Resolution Applicant	T+ 46th Day

In the event the 46th day is not a Business Day, then the payment will be made by the Resolution Applicant on the next Business Day.

30. Thus, it is reflected that clause 5.7 of the Resolution Plan clearly provides that the payment to the stakeholders will be paid by the Resolution Applicant as per the timeline provided under paragraph 9.3 of the Resolution Plan (i.e., within 46 days), subject to no appeal pending before the NCLT or Supreme Court or any stay granted by any competent court/tribunal on implementation of the Resolution Plan.

31. Likewise, clause 10.3 of the resolution plan would reveal that the resolution plan, once approved by the CoC and the adjudicating authority, shall be binding on the resolution applicant, corporate debtor, stakeholders, promoters, creditors, and all other interested parties. Clause 10.15 provides that the resolution plan is not contingent or conditional except on approval of the resolution plan by the adjudicating authority.

32. We accordingly notice that clause 5.7 of the resolution plan crystal clearly stipulated that payment to the stakeholders would only be made by the resolution applicant according to the timeline provided. In clause 9.3 of the plan, only on the condition that no appeal is pending before this Appellate Tribunal or before the Supreme Court, or when any stay has been granted by any competent court or tribunal. Significantly, this clause highlights that mere pendency of the appeal would be sufficient for making the plan not implementable. In other words, if an appeal has been preferred and is pending before this appellate tribunal, or if there are any proceedings with regard to the plan before the Hon'ble Supreme Court (even if no stay has been granted by this appellate tribunal or by the Supreme Court), there is no foundation for the resolution applicant to make payment to the stakeholders as provided under paragraph 9.3 of the resolution plan.

33. We also notice that the learned Adjudicating Authority, while approving the plan by passing an order dated 12.07.2024 in IA No. 3612 of 2023, has not made any observation or stipulation whereby it could be perceived that the precondition for implementation of the plan by the SRA has been waived or changed by the learned Adjudicating Authority and the plan appears to have been approved without any modification.

34. Therefore, it appears that, having regard to Clause 5.7 of the resolution plan (which has been approved by the adjudicating authority without any modification), the SRA was not obliged to implement the plan, even if no stay order has been granted by this Appellate Tribunal and mere pendency of the appeal was sufficient for not implementing the plan.

35. Learned Adjudicating Authority, in its impugned order, has mentioned that it has observed detailed findings with regard to the conduct of the RP and SRA while disposing of IA No. 1662 of 2025 in its order dated 06/01/2026. This IA, being IA No. 1662 of 2025, was moved by the erstwhile RP/Chairman of the Monitoring Committee and on 07.07.2025 the Ld. Adjudicating Authority has passed the following order: -

> ***"IA.1662/2025***
>
> ***This IA has been filed by the Chairman of Monitoring Committee of the Corporate Debtor who is the ex-RP of the Corporate Debtor.***
>
> ***It is stated by the ex-RP present in person that because two litigations are pending before Hon'ble NCLAT, the Plan despite being approved on 12.07.2024 has not been implemented. He further brings to our notice that one of the Appeals is in respect of the IA through which the Plan has been approved by this Tribunal.***

The ex-RP in person also brings to our knowledge Clause (ii) at page l0 of the Resolution Plan wherein, it has been mentioned as under:

"In the event, any litigations or legal proceedings are initiated in relation to the Resolution Plan or matters pertaining to the Corporate Insolvency Resolution Process of the Corporate Debtor then the Resolution Applicant shall make the payment of the Total Resolution Amount within 7 (seven) business days from the date the resolution plan attains finality"

To a pointed query as to how this particular provision in the Resolution Plan is not contingent and falls within the strict timelines of the completion of CIRP process, the ex-RP present in person submits that CoC in their wisdom have approved the Plan.

However, to a specific query as to how such stipulation made in the Resolution Plan passes through the scrutiny of the applicable Regulation of Resolution Plan being feasible and implementable, he seeks time to address us on the next occasion.

Further, the order of Hon'ble NCLAT, Principal Bench, New Delhi in Company Appeal No. 1378 of 2024 and IA No. 5018 of 2024 dated 23.07.2024 is brought to our notice wherein at the last, it has been directed as under:

"In the meantime, implementation of the Plan may go on which shall abide by the result of these appeals".

It is noted that this Resolution Plan was approved on 12.07.2024, and the Hon'ble NCLAT vide order dated 23.07.2024 have observed as mentioned above and, therefore, there was no doubt about the implementation of the Plan within the timeline stipulated therein. However, it is as stated by the ex-RP present in person that the Plan has not yet been implemented. Accordingly, it is asked to him being the Chairman of the Monitoring Committee for implementation of the Resolution Plan, as to why it has not been ensured that the Plan is implemented either in view of the approval by the NCLT vide order dated 12.07.2024 or as directed by the Hon'ble NCLAT in their order dated 23.07.2024. Also, if the Plan was not implemented within the time given, then why liquidation proceedings were not initiated. Ex-RP undertakes to file an affidavit clarifying the aforesaid issues. List this IA accordingly for further consideration on 29.07.2025."

36. The contention of the Ld. Counsels for the appellants is that when it has been indicated by the Adjudicating Authority that the SRA, despite having clause 5.7.(ii) in the Plan, was bound to implement the plan, in absence of any stay order by this Appellate Tribunal, the plan was implemented at once and was fully implemented on 30.07.2025.We find substance in the submissions made by Learned Council for the Appellant as Clause 5.7.(ii) of the Plan clearly provides and makes the plan implementable only on the filing of an appeal by any party against the resolution plan (even if no stay has been granted in the appeal and the learned adjudicating authority has approved that plan without any modification or change. Therefore, when mere pendency of an appeal against the plan was sufficient for the SRA not to make any payment to the creditors or any stakeholder, the SRA or the RP cannot be held liable for the delay. Per contra, in our considered opinion, it was the duty of the adjudicating authority to have noticed this discrepancy, which was conspicuous on the face of it, when the adjudicating authority was approving the resolution plan and this ambiguity should not have been left on the discretion of the parties/stakeholders of the resolution plan and if it was not noticed or was not modified, the stakeholders including the Appellants cannot be held liable for the delay. The Appellants in our considered opinion were in under a bona fide belief that they are not obliged to implement the plan when the appeal is pending before us and as soon as they were given green signal by the Adjudicating Authority vide order dated 07.07.2025 in the form of a query, they implemented the plan. The observation of this Appellate tribunal vide order dated 23.07.2024, which permitted the implementation of Plan to proceed pending the outcome of the said appeals cannot be construed to be a mandate for the Appellants to implement the plan.

It only suggests that no stay has been granted by this Appellate Tribunal during the pendency of the Appeal.

37. In our considered view the delay which has occurred in implementation of the plan was sufficiently explained by the appellants before the Adjudicating Authority and the same should have been accepted, more so when the plan has been fully implemented on 30th July 2025.

38. We also notice that the observations adverse to the SRA have been made by the Learned Adjudicating Authority, when even the SRA was not a party before the Learned Adjudicating Authority and no opportunity has been given to the SRA to explain its conduct.

39. In view of the reasons given herein above the Appeals filed by the Appellants are **allowed** and Observations recorded by the Learned Adjudicating Authority in Para 19 thereof in terms that "the SRA did not implement the Plan within the timeline stipulated in the Resolution Plan, in violation of the express terms of the Resolution Plan" , and (ii) directing the Registry of the NCLT, at Para 22 of the impugned order, to forward a copy of the said order to the IBBI for such action as it may deem fit, after holding at Para 20 thereof that the conduct of the erstwhile RP, the SRA, and the other member of the Monitoring Committee, namely, Saraswat Cooperative Bank Ltd. shall be referred to the IBBI to take appropriate steps, is hereby set aside/ expunged.

40. The Observations recorded by the Learned Adjudicating Authority in Para No. 20 of the Impugned Order dated 04.09.2026, to the extent of the direction “conduct of the erstwhile RP, the SRA, and the other member of the Monitoring Committee, namely, Saraswat Co-operative Bank Ltd. shall be referred to the IBBI

for their wisdom to take such appropriate steps as it may deem fit is hereby set aside/expunged.

41. There is no order as to costs.

42. Pending IA's if any is also disposed of.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

[Naresh Salecha]
Member (Technical)

New Delhi
06.11.2026
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