

**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**PRINCIPAL BENCH, NEW DELHI**

IA(IBC)(LIQ.)/1 (PB)2026

In

CP (IB) – 294(PB)/2023

Order under Section 33(2) of the Insolvency and Bankruptcy Code,  
2016.

**IN THE MATTER OF:**

**SWISS PROMOTIONS PVT. LTD.**

**... OPERATIONAL CREDITOR**

**VERSUS**

**JOHNSON WATCH COMPANY PVT. LTD ...CORPORATE DEBTOR**

**AND**

**IN THE MATTER OF: IA(IBC)(LIQ.)/01(PB)2026**

**VIRTUOSO IPE PRIVATE LIMITED  
(THROUGH RESOLUTION PROFESSIONAL OF  
JOHNSON WATCH COMPANY PVT LTD.)**

**..... APPLICANT**

**And**

**MR. ANIL MADAN & Ors.  
(Ex-Directors of Corporate Debtor)**

**..... RESPONDENTS**

**Order Pronounced On: 10.07.2026**

**CORAM:**

**JUSTICE ANUPINDER SINGH GREWAL  
(HON'BLE PRESIDENT)**

**SHRI RAVINDRA CHATURVEDI  
(HON'BLE MEMBER TECHNICAL)**

**Appearances:**

For the RP : Mr. Sumit Shukla, AR of RP Virtuoso IPE Pvt Ltd  
For the ex-Director : Ms Neeha Nagpal, Mr. Nikunj Mahajan,  
Advocates for Suspended Board/Respondent,  
Mr Malak Bhatt, Advocate for R-1 & 4

**ORDER**

1. This is an Application filed on 20.01.2026 by Virtuoso IPE Private Ltd., through its director Mr. Atul L Gala, Resolution Professional (**RP / Applicant**) before this Adjudicating Authority under Section 33(2) of the Insolvency and Bankruptcy Code, 2016 (**IBC** or **Code**) seeking initiation of liquidation proceedings against the Corporate Debtor (**CD**) on the basis of the decision taken by the Committee of Creditor (**CoC**) in its 20<sup>th</sup> Meeting held on 08.12.2025. The prayers made in the Application read as follows:

- a) *Allow the present application filed under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, and be pleased to pass an order initiating liquidation proceedings against the Corporate Debtor, Johnson Watch Company Private Limited, in terms of the resolution passed by the Committee of Creditors in its 20th meeting held on 08.12.2025;*
- b) *Appoint ARCK Resolution Professionals LLP (holding Registration No IBBI/IPE-0030/IPA-1/2022-2023/50013), acting through its designated partner and Authorized Signatory, Mr. Anil Kohli, as the Liquidator of the Corporate Debtor, in view of the written consent furnished in Form AA dated 08.12.2025 to act as Liquidator, which consent has been duly approved by the Committee of Creditors in its 20th meeting held on 08.12.2025;*
- c) *Pass any further orders which this Hon'ble Adjudicating Authority deems fit in the interest of equity, justice and good conscience*

**Brief facts of the case as stated in the application:**

2. The petition was filed under Section 9 of the Code by Swiss Promotions Private Limited (Operational Creditor) to initiate Corporate Insolvency Resolution Process (**CIRP**) for the Corporate Debtor under Section 9 of the Code read along with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016. This Adjudicating Authority (**AA**), vide order dated 17.01.2024 (**Admission Order**), admitted the Corporate Debtor into CIRP, declared a moratorium and appointed Mr Pushpinder Kumar as the Interim Resolution Professional (**IRP**) .
3. The IRP made a public announcement in Form-A on 20.01.2024 in Financial Express (English) and Jansatta (Hindi), inviting claims from the creditors.
4. In the meantime, a settlement was proposed by the ex-directors, and a withdrawal application bearing no IA-518/2024 in compliance with section 12A of the Code read with Regulation 30A of IBBI (CIRP Regulations), 2016 was filed by the IRP. However, the application was withdrawn as the parties had failed to reach any settlement.
5. Further, in compliance with Regulation 17(1) of IBBI (Insolvency Process for Corporate Persons) Regulations, 2016, an application bearing no IA-2363/2024 was filed by the IRP certifying the constitution of the Committee of Creditors (**CoC**) and the same was taken on record by this Adjudicating Authority vide order dated 13.05.2024. The list of creditors in the CoC is attached below for ready reference:

Sl. No.	Name of the Financial Creditors	Amount Claimed (INR)	Claim admitted (INR)	Percentage of voting share
1	Yes Bank Limited	24,18,75,102.54	24,18,75,102.54	69.18%
2	RBL Bank Limited	10,77,59,877.75	10,77,59,877.75	30.82%
<b>Total (INR)</b>		<b>34,96,34,980.29</b>	<b>34,96,34,980.29</b>	<b>100.00%</b>

6. The 1<sup>st</sup> meeting of the CoC was convened on 13.06.2024, wherein the CoC resolved to appoint VIRTUOSO IPE Private Limited, an Insolvency Professional Entity having registration no. IBBI/IPE-0123/IPA-1/2023-24/50069 as the Resolution Professional (**RP**). An application bearing IA No. 2765/2024 was filed u/s 22(3)(b) of the IBC by Yes Bank (on behalf of the CoC) for the replacement of the IRP with the RP, and the same was allowed by this Adjudicating Authority vide order dated 27.05.2024.
7. The RP issued Form G on 18.06.2024, and the last date of submission of EOI was 15.07.2024. Only two (2) Expressions of Interest (**EOI**) were received. One from M/s Metro Waste Handling Private Limited and another from a consortium of Ms Sonali Surana, Evolve Lifestyle LLP, and Med Express Pharma India LLP. Out of these, only one was declared as eligible, i.e. M/s Metro Waste Handling Private Limited.
8. Consequently, the consortium of Sonali Surana, Evolve Lifestyle LLP and Med Express Pharma India LLP requested re-assessment of the eligibility criteria to enable its participation in the resolution process. The eligibility criteria for PRAs were thereafter amended.
9. The revised Form G was published on 21.08.2024, with the last date of submission of EOI being 10.09.2024. Pursuant to the same, three EOIs were received from PRAs, namely (i) Metro Waste Handling

Private Limited, (ii) Consortium of Ms Sonali Surana, Evolve Lifestyle LLP, and Med Express Pharma India LLP, and (iii) Mr. Deepak Kumar Gautam. Out of the aforesaid PRAs, resolution plans were received from 2 PRAs, i.e., the Consortium of Ms Sonali Surana, Evolve Lifestyle LLP, and Med Express Pharma India LLP, and Mr Deepak Kumar Gautam, without depositing the required EMD along with the plan.

10. In the 9th Meeting of CoC convened on 08.01.2025, the RP informed the CoC that the requisite EMD had been received and discussions were carried out over the resolution plans. The CoC decided to grant time to the Applicant to vet the Resolution Plans on the parameters of compliance with the provisions of the Code.
11. In the meantime, the ex-director requested an extension of time for the submission of the resolution plan, which was refused by the CoC.
12. In the 10th Meeting of the CoC on 27.02.2025, the RP apprised the CoC regarding several shortcomings in the resolution plans received. Such defects had been duly communicated to the respective PRAs vide emails dated 08.01.2025, 03.02.2025, 17.02.2025, and 24.02.2025; however, the same remained unrectified as on the date of the meeting.
13. In the 11<sup>th</sup> Meeting of the CoC on 13.03.2025, the RP apprised the CoC that the revised Resolution Plans submitted by the PRAs are still incomplete.
14. Further, the RP informed the CoC that an ex-director of the CD had filed an application bearing IA No. 6236/2024 before the Adjudicating Authority seeking permission to submit a Resolution Plan in the CIRP of the Corporate Debtor.

15. In view of the above, the 3<sup>rd</sup> Form G was published on 04.04.2025, with the last date of submission of EOI being 19.04.2025 and the resolution plan being 18.06.2025. Three Resolution Plans were received from the following PRAs: (i) Sunrise Industries, (ii) Standard Capital Markets Limited, and (iii) the Consortium of Sonali Surana, Evolve Lifestyle LLP and Med Express Pharma India LLP. Subsequently, the Resolution Applicants were granted an opportunity to cure the defects in their plans.
16. The revised Resolution Plans submitted by 2 PRAs, namely Sunrise Industries and the Consortium, were placed for consideration before the CoC in its 15<sup>th</sup> Meeting held on 08.09.2025. The CoC members observed that the Resolution Plan submitted by Sunrise Industries was non-compliant with the requirements of Section 30(2) of the Code, and accordingly granted a period of 3 days to the said PRA to cure the defects and submit a revised and compliant Resolution Plan. The CoC also took note of the addendum to the Resolution Plan submitted by the Consortium, but observed that it lacked the complete information and documents necessary for due diligence under Section 29A of the Code.
17. While the voting on the Resolution Plans of the PRAs was pending, the Applicant convened the 16<sup>th</sup> Meeting of the CoC on 26.09.2025, wherein the RP apprised CoC members of the receipt of a belated Resolution Plan submitted by the ex-director of the CD, noting that no EMD had been furnished along with the said plan.
18. Vide order dated 08.10.2025, this AA disposed of IA-6236/2024 and directed RP to place the Resolution Plan of the ex-director before the COC to enable the COC to take a further call. The same was conveyed to all the PRAs.

19. In the 18<sup>th</sup> CoC meeting convened on 03.11.2025, after due discussions and deliberations, the CoC resolved to grant an opportunity to the ex-director to submit a Resolution Plan along with the requisite EMD on or before 06.11.2025. The CoC also directed the ex-director to submit a Net worth certificate and other supporting documents to establish his eligibility.
  
20. In 19<sup>th</sup> CoC meeting convened on 18.11.2025, the RP apprised the CoC that the ex-director deposited an amount of Rs. 65,00,000/- towards the EMD; however, a defect-free and compliant Resolution Plan had not been submitted within the stipulated timeline of 06.11.2025. The CoC granted approval for condonation of the delay and the opening of the Resolution Plan of the ex-director, on which the RP asked for 2 days' time to examine the revised repayment plan. The meeting was adjourned to 21.11.2025. On 21.11.2025, the CoC decided not to proceed with the plan of the ex-director as he had still not cured the defects. The RP further highlighted that matters, including the resolution plan, are pending for a vote by the CoC, and huge time has elapsed since commencement. The RP requested the CoC to consider deciding the other two Resolution Plans viz; (a) Consortium of Sonali Surana. Evolve Lifestyle LLP, Med Express Pharma LLP and (b) Sunrise Industries, which were already put before the CoC in its 15th COC meeting held on 08.09.2025 and are still under consideration by the COC along with other relevant resolutions. The CoC therefore decided to proceed with the voting on the remaining two resolution plans.
  
21. On 25.11.2025, RBL Bank, having 30.26% of the voting share in CoC, dissented on both the resolution plans. Further, on 26.11.2025, Yes Bank, having 69.74% of the voting share in CoC, dissented on both the resolution plans. The voting results are extracted as follows:

**BALLOTPAPER FOR VOTING ON THE AGENDA ITEMS OF THE 15<sup>TH</sup> MEETING  
OF THE COC HELD ON 8<sup>TH</sup> SEPTEMBER, 2025.**

<b>Name of the Company:</b> Johnson Watch Company Private Limited (Under CIRP).
<b>CIN:</b> U33302DL2008PTC176153
<b>Registered Office:</b> Shop No. 21 L Block, Connaught Place, Central Delhi, - 110001.
<b>Correspondence address:</b> Virtuoso IPE Private Limited, C/O Atul Laxmichand Gala, 302, 3rd Floor, Regent Chamber, Jammalal Bajaj Road, Nariman Point, Mumbai- 400021.

Sr. No.	Particulars	Details
1	Name of the Secured Financial Creditors (In Block Letters).	RBL BANK LIMITED
2	Name of the Authorised Representative of Secured Financial Creditors.	Milind Rastogi

I hereby exercise my vote in respect of List of Matters to be voted upon enumerated below by recording my assent or dissent to the said resolutions in the following manner:

Sr. No.	List of matters to be voted upon	Voting Percentage of FC	I assent to the resolution	I dissent to the resolution	I abstain from voting
1	<p><b><u>Item No. 5 A (Refer note 1)</u></b></p> <p><b>“RESOLVED THAT,</b> the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant, being the Consortium of Sonali Surana, Evolve Lifestyle LLP and Med Express Pharma LLP, after considering its feasibility and viability, along with the</p>	30.26%		✓	

	proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”				
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<u>Item No. 5 B (Refer note 1)</u>				
2	<p><b>“RESOLVED THAT</b> the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant, being Sunrise Industries, after considering its feasibility and viability, along with the proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”</p>	30.26%	✓	

**BALLOTPAPER FOR VOTING ON THE AGENDA ITEMS OF THE 15<sup>TH</sup> MEETING OF THE COC HELD ON 8<sup>TH</sup> SEPTEMBER, 2025.**

<b>Name of the Company:</b> Johnson Watch Company Private Limited (Under CIRP).					
<b>CIN:</b> U33302DL2008PTC176153					
<b>Registered Office:</b> Shop No. 21 L Block, Connaught Place, Central Delhi, - 110001.					
<b>Correspondence address:</b> Virtuoso IPE Private Limited, C/O Atul Laxmichand Gala, 302, 3rd Floor, Regent Chamber, Jamnalal Bajaj Road, Nariman Point, Mumbai- 400021.					
Sr. No.	Particulars	Details			
1	Name of the Secured Financial Creditors (In Block Letters).	YBL BANK LIMITED			
2	Name of the Authorised Representative of Secured Financial Creditors.	DEEPANSH PURI			
I hereby exercise my vote in respect of List of Matters to be voted upon enumerated below by recording my assent or dissent to the said resolutions in the following manner:					
Sr. No.	List of matters to be voted upon	Voting Percentage of FC	I assent to the resolution	I dissent to the resolution	I abstain from voting
1	<p><u>Item No. 5 A (Refer note 1)</u></p> <p><b>“RESOLVED THAT,</b> the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant,</p>	69.74%			

	<p>being the Consortium of Sonali Surana, Evolve Lifestyle LLP and Med Express Pharma LLP, after considering its feasibility and viability, along with the proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”</p>			Dissent	
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2	<p><u>Item No. 5 B (Refer note 1)</u></p> <p>“RESOLVED THAT the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant, being Sunrise Industries, after considering its feasibility and viability, along with the proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”</p>	69.74%		Dissent	
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22. In the 20<sup>th</sup> meeting convened on 08.12.2025, CoC, exercising power under section 33(2), decided to liquidate CD and propose the appointment of ARCK Resolution Professional LLP, acting through its Designated Partner and Authorised Signatory, Mr. Anil Kohli, as the Liquidator.
23. Upon expiry of CIRP period of 180 days, this AA vide order dated 06.11.2024 extended the CIRP by 90 days in an Application bearing IA-5255/2024, with effect from 19.10.2024 till 16.01.2025. Further, CIRP was extended by 60 days by this AA vide order dated 12.03.2025 in Application bearing IA/401/2025 with effect from 17.01.2025 till 17.03.2025. Further, CIRP was extended by 60 days by this AA vide order dated 23.04.2025 in Application bearing IA/-1781/2025 with effect from 18.03.2025 till 17.05.2025. Further, CIRP was extended by 75 days by this AA vide order dated 03.06.2025 in Application bearing IA-2448/2025 with effect from 18.05.2025 till 31.07.2025. Further, CIRP was extended by 60 days by this AA vide order dated 08.10.2025 in Application bearing IA-4101/2025 with effect from 01.08.2025. 12.08.2025 and time period from 31.07.2025 to 07.10.2025 was excluded. Further, CIRP was extended by 30 days by this AA vide order dated 19.11.2025 in Application bearing IA-4988/2025 with effect from 01.10.2025 till 30.10.2025.
24. Hence, the present Application is being filed by the RP for approval of Liquidation on 20.01.2026. Vide order dated 27.01.2026, the applicant was directed to issue notice upon the respondent.

25. The liquidation application was next listed on 25.02.2026, wherein the following order was passed:

**IA-01/2026 Liq.**

1. Ld. Counsel Mr. Sumit Shukla for the Applicant appears through VC and submits that he has already filed the affidavit of service in compliance of the order dated 27.01.2026. Ld. Counsel Mr. Nikunj Mahajan for the Respondent/Suspended Director appears through VC and seeks time to file reply. Let reply be filed within two weeks supplying advance copy to the other side.
2. List the matter on **25.03.2026**.

26. **Further, on 25.03.2026, the following order was passed:**

**ORDER**

**IA-01/2026 Liq**

1. Mr. Sumit Shukla Ld. Counsel appeared through VC on behalf of the RP.
2. Mr. Nikunj Mahajan Ld. Counsel appeared on behalf of the Respondent No. 1 to 4. Ld. Counsel for the Respondent seeks further time to file the reply affidavit. One week's time is granted as the last and final opportunity, failing which appropriate orders will be passed on the next date of hearing.
3. List the matter **on 14.04.2026**.

Despite sufficient opportunity, no reply was filed by the Respondent.

27. Nevertheless, on 01.06.2026, learned counsels appearing for both sides advanced their submissions, and liberty was granted to the parties to file a short note. Pursuant thereto, RP filed a short note on 02.06.2026, but nothing was filed by the Respondent. Accordingly, on 09.06.2026, orders were reserved in the application.

28. Though the Respondent had failed to file a formal reply despite several opportunities being granted, the oral submissions advanced on its behalf during the hearing have nevertheless been taken into consideration.
29. During the course of the hearings, the Respondent No. 1 has stated that it had submitted a Resolution Plan. However, the Resolution Plan was rejected at the threshold on the ground that it was conditional in nature and was consequently not placed before the Committee of Creditors for consideration and voting.
30. According to the Respondent No. 1, the characterization of the Resolution Plan as conditional was based on an erroneous and selective reading of certain clauses by the Resolution Professional and the Committee of Creditors. It is contended that the clauses in question formed part of standard drafting practice and were capable of being clarified or rectified through discussions.
31. It was also contended by the Respondent No.1 that the Resolution Professional acted contrary to the objectives and scheme of the Code, which places primacy on resolution and maximization of the value of the assets of the Corporate Debtor, with liquidation being a measure of last resort. In support of the said contention, reliance has been placed upon the judgment of the Hon'ble Supreme Court in *Kridhan Infrastructure Pvt. Ltd. v. Venkatesan Sankaranarayan & Ors.*, Civil Appeal No. 3299 of 2020 by the respondent.

### **Findings and Analysis:**

32. After hearing the arguments advanced by the parties and perusing the documents on record, we record our analysis as follows:
33. This Application to liquidate the Corporate Debtor under 33(2) of the Code has been filed pursuant to the decision taken by the CoC in the 20<sup>th</sup> CoC meeting convened on 08.12.2025 since no feasible/compliant resolution plan existed for consideration.
34. The resolution passed in the 20<sup>th</sup> CoC meeting is extracted as below:

*RESOLVED THAT Pursuant to Section 33(2) of the Code, the CoC recommends liquidation of Johnson Watch Company Private Limited and requests the Resolution Professional to intimate the Adjudicating Authority accordingly.*

*RESOLVED FURTHER THAT ARCK Resolution Professionals LLP (holding Registration No. 1BBI/IPE-0030/IPA-1/2022-2023/50013 and AFA valid till 31st December, 2025) through its Designated Partner & Authorised Signatory Mr. Anil Kohli is hereby proposed to be appointed as the Liquidator for the corporate debtor, subject to approval by the Adjudicating Authority under Section 34 of the Code.*

*RESOLVED FURTHER THAT the Liquidator, subject to the appointment by the Adjudicating Authority shall carry out the liquidation process in accordance with the provisions of Chapter III of the Code and the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.*

*RESOLVED FURTHER THAT the CoC authorizes the Resolution Professional to file necessary applications and documents with the Adjudicating Authority to initiate liquidation proceedings and seek appointment as Liquidator.*

35. Before considering the issues at hand, it would be appropriate to refer to the relevant provisions of law.

**“Section 33: Initiation of liquidation**

.....

*(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors 4[approved by not less than sixty-six per cent. of the voting share] to liquidate 3[or dissolve] the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), 5[(ii), (iii), (iv) and (v)] of clause (b) of sub-section (1) or a dissolution order under sub-section (2A) of section 54, as the case may be: Provided that the committee of creditors shall, before taking the decision to dissolve the corporate debtor, comply with such conditions, as may be specified.*

*Explanation. – For the purpose of this sub-section, it is hereby declared that the committee of creditors may take the decision to liquidate or dissolve the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.”*

Hence, Section 33(2) of the Code permits the CoC to liquidate the CD at any point of time during the CIRP.

36. Now, as far as the objection raised by the ex-director is concerned, it is relevant to take note of the minutes of the 19<sup>th</sup> CoC meeting convened on 21.11.2025, the relevant part of which is extracted below:

Thereafter, the members of the Committee of Creditors noted that the revised Resolution Plan submitted by Mr Anil Madan is conditional on following parameters:

- Proposal made for opening of shops / restarting the business operations after CoC's approval on the resolution plan;
- Extinguishment of personal guarantees;
- CD's assets (Inventory) to be handed over prior to full payments to various Creditors.

As regards to the discussions on the RP's due diligence Report, the CoC, after detailed discussions noted that Mr. Anil Madan did not cure / remove all the defects in the revised resolution plan despite sufficient opportunities were granted by the CoC.

Accordingly, the members of the Committee of Creditors, after due consideration, decided that on account of the conditions stipulated in the plan as well as the defects discussed in the foregoing paragraphs, the Revised Resolution Plan submitted by Mr. Anil Madan and Mr. Aayush Gupta shall not be placed for voting. This decision was taken in the collective commercial wisdom of the CoC.

The AR of the RP then requested the CoC to consider deciding the other two Resolution Plans which were already put for the CoC and are still under consideration before the CoC along with other relevant resolutions.

The minutes above categorically record the reason for categorising the plan as 'conditional' by the CoC and that the Respondent, even after being granted sufficient opportunity, did not submit a compliant resolution plan. Furthermore, so far as the contention of Respondent No.1 is concerned for more time on rectification, it is pertinent to note that significant time has already elapsed since the commencement of CIRP and multiple opportunities for revision have already been granted.

Admittedly, Respondent No. 1 submitted its resolution plan at a much belated stage, and initially, even its settlement proposal could not be implemented. At this stage, contending for more time for consideration of the resolution plan is only a dilatory tactic, which this AA cannot accept in view of CoC's decision to not vote on the resolution plan of Respondent No.1.

37. The Hon'ble Supreme Court in the matter of **K. Sashidhar v. Indian Overseas Bank & Ors.** (2019) 12 SCC 150 has held that the commercial decision of CoC is non-justiciable. The relevant portion of this judgment is extracted below:

*“19. .... In the present case, however our focus must be on the dispensation governing the process of approval or rejection of resolution plan by the CoC. The CoC is called upon to consider the resolution plan under Section 30(4) of the I&B Code after it is verified and vetted by the resolution professional as being compliant with all the statutory requirements specified in Section 30(2).*

*62. .... In the present case, however, we are concerned with the provisions of I&B Code dealing with the resolution process. The dispensation provided in the I&B Code is entirely different. In terms of Section 30 of the I&B Code, the decision is taken collectively after due negotiations between the financial creditors who are constituents of the CoC and they express their opinion on the proposed resolution plan in the form of votes, as per their voting share. In the meeting of CoC, the proposed resolution plan is placed for discussion and after full interaction in the presence of all concerned and the resolution professional, the constituents of the CoC finally proceed to exercise their option (business/commercial decision) to approve or not to approve the proposed resolution plan. In such a case, non-recording of reasons would not per se vitiate the collective decision of the financial creditors. The legislature has not envisaged challenge to the “commercial/business decision” of the financial creditors taken collectively or for that matter their individual opinion, as the case may be, on this count.”*

38. The Hon'ble Supreme Court in the case of Committee of Creditors of **Essar Steelsv. Satish Gupta & Ors.** in Civil Appeal No. 8766 -67 of 2019 has also held as follows:

*“42. ....Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of Section 30(2) of*

*the Code, insofar as the Adjudicating Authority is concerned, and Section 32 read with Section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameter of such review having been clearly laid down in K. Sashidhar (supra).”*

Thus, once the CoC, by the requisite majority, has resolved to liquidate the Corporate Debtor under Section 33(2), the scope of judicial review remains limited and this Adjudicating Authority cannot sit in appeal over the commercial wisdom of the CoC. In the present case also, it is seen that CoC with 100% majority has passed the resolution seeking liquidation of the Corporate Debtor.

39. Furthermore, in the present case we find that at the behest of CoC the CIRP period was extended from time to time, and huge time has already expired. We gave ample opportunities to enable the process to find a solution, but in vain.
40. The reliance placed on *Kridhan Infrastructure (Supra)* by the respondent is also misplaced. The principle that liquidation is a measure of last resort cannot be read to compel continuation of CIRP indefinitely where repeated attempts at resolution have failed and no compliant resolution plan remains available for consideration. The CIRP under the Code is a time-bound process. Repeated reopening of the resolution process after failure of successive attempts would defeat the objective of timely resolution and value maximisation.
41. In view of the above, we do not find any reason not to accept the commercial decision of the CoC to liquidate the CD, as the same will only delay the closure of the process prescribed under the IBC and erode the value of the CD further, which would not be in conformity with the overall object and intent of the IBC.

42. One of the unsuccessful PRAs had also filed an application bearing IA-397/2026 challenging the rejection of the resolution plan and raising objections to the commencement of liquidation. The same has been disposed of vide a separate order sheet.
43. Thus, having considered the material placed on record, the submissions advanced on behalf of the Applicant and Respondent No. 1, and the statutory framework governing the CIRP, this Adjudicating Authority finds that repeated efforts were undertaken to achieve a resolution of the Corporate Debtor. The Form G inviting EOI was published on three occasions, and several opportunities were afforded to PRAs to submit resolution plans. However, the deficiencies identified in the Resolution Plan submitted by Respondent No. 1 remained unresolved and no other resolution plan satisfying the requirements of the Code and the applicable Regulations could culminate in a successful resolution of the Corporate Debtor.
44. The reliance placed by Respondent No. 1 on the principle that liquidation is a measure of last resort is misplaced in the facts of the present case. More than 618 days have elapsed since the commencement of the CIRP, during which all reasonable avenues for resolution were explored. In such circumstances, the CoC, in exercise of its commercial wisdom and with the requisite voting share, resolved to liquidate the Corporate Debtor.
45. Consequently, this Adjudicating Authority finds merit in the present application and is of the considered view that the Corporate Debtor is liable to be ordered into liquidation in terms of Section 33(2) of the Code.

## **ORDER**

46. In the light of the above facts and circumstances, it is hereby ordered as follows:

- i.** **IA(IBC)(LIQ.)/01(PB)2026** filed on behalf of Virtuoso IPE Private Ltd., through its director Mr. Atul L Gala, the Resolution Professional of M/s Johnson Watch Company Private Limited, the Corporate Debtor, is **allowed**, and the Corporate Debtor is ordered to be liquidated in terms of Section 33(2) of the IBC;
- ii.** The CoC in the 20<sup>th</sup> CoC meeting proposed the name of ARCK Resolution Professionals LLP through its Designated Partner & Authorised Signatory, Mr. Anil Kohli, as the Liquidator with 100% vote in favour.
- iii.** Therefore, this Adjudicating Authority appoints **ARCK Resolution Professionals LLP** as the Liquidator of the Corporate Debtor. The details of the named Liquidator are as follows:

**IBBI Registration No.:** IBBI/IPE-0030/IPA-1/2022-23/50013

**Email address:** insolvency@arck.in

**Address:** Flat No 409, 4th Floor Ansal Bhawan, 16, K G Marg, Connaught Place, New Delhi-110001

The Liquidator has filed Written Consent in Form AA dated 08.12.2025.
- iv.** Virtuoso IPE Private Ltd, the Resolution Professional of the Corporate Debtor is relieved from the present assignment as the Resolution Professional. The present Resolution

Professional is directed to hand over the relevant documents and control of the Corporate Debtor to the newly appointed Liquidator forthwith.

- v.** The Liquidator shall initiate the Liquidation process as envisaged under Chapter III of the Code and other relevant Rules and Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016, as amended upto date.
- vi.** All the powers of the Board of Directors, and of key managerial personnel, shall cease to exist in accordance with Section 34(2) of the Code. All these powers shall henceforth vest in the Liquidator.
- vii.** The personnel of the Corporate Debtor are directed to extend all assistance and cooperation to the Liquidator as required by him in managing the Liquidation process of the Corporate Debtor.
- viii.** There shall be a Moratorium in terms of Section 33(1)(b)(iv) of the Code, which is as follows:

**“Section 33(1)(b)(iv)**

33...

(1)...

(b)...

(iv) subject to the provisions of section 52, declare a moratorium for the purposes referred to in clauses (a) and (c) of sub-section (1) read with sub-section (3) of section 14, which shall, mutatis mutandis, apply to the proceedings under this Chapter:

Provided that provisions of this sub-clause shall not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator or any other authority; and”

- ix.** In accordance with Section 33(7) of the Code, this Liquidation order shall be deemed to be a notice of discharge to the officers, employees, and workmen of the Corporate Debtor, except to the extent of the business of the Corporate Debtor continued during the Liquidation process by the Liquidator.
- x.** The Liquidator shall manage and govern the affairs of the Corporate Debtor and shall have resort to powers and duties in terms of Section 35(1) of the Code.
- xi.** The Liquidator shall follow up and continue to investigate the financial affairs of the Corporate Debtor in accordance with the provisions of Section 35(1) of the Code.
- xii.** The Liquidator shall also follow up the pending applications for disposal during the process of Liquidation, including initiation of steps for recovery of dues of the Corporate Debtor as per law.
- xiii.** The Liquidator shall submit the Preliminary Report to the Adjudicating Authority as per Regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further, such other Reports as are required to be filed under the relevant provisions shall also be filed by the Liquidator.
- xiv.** The Liquidator and the Registry are hereby directed to send a copy of this order within 3 days from the date of this order to the Registrar of Companies, NCT of Delhi & Haryana. The

Registrar of Companies shall take further necessary action upon receipt of a copy of this order.

- xv.** The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- xvi.** The Registry is further directed to send a copy of this order to the IBBI for their record.
- xvii.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

The Application bearing **IA(IBC)(LIQ.)/01(PB)2024** filed in CP (IB) – 294(PB)/2023 is **allowed** and stands **disposed of** in accordance with the above directions.

Sd/-  
**(ANUPINDER SINGH GREWAL)**  
**PRESIDENT**

Sd/-  
**(RAVINDRA CHATURVEDI)**  
**MEMBER (TECHNICAL)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI**  
**PRINCIPAL BENCH**

IA(IBC)/397/2026  
In  
(IB)-294(PB)/2023

**Order under Section 60(5) of the Insolvency and Bankruptcy Code 2016**

**IN THE MATTER OF:**

**SWISS PROMOTIONS PVT. LTD.**

**... OPERATIONAL CREDITOR**

**VERSUS**

**JOHNSON WATCH COMPANY PVT. LTD**

**...CORPORATE DEBTOR**

**AND**

**IN THE MATTER OF: IA(IBC)/397/2026**

**EVOLVE LIFESTYLE LLP**

**..... APPLICANT**

**Versus**

**COMMITTEE OF CREDITORS**

**.....RESPONDENT**

**Order delivered on 10.07.2026**

**CORAM:**

**JUSTICE ANUPINDER SINGH GREWAL  
(HON'BLE PRESIDENT)**

**SHRI RAVINDRA CHATURVEDI  
(HON'BLE MEMBER TECHNICAL)**

**PRESENT:**

For the Applicant : Ms. Eshna Kumar, Ms. Astha Agrawal, Advs  
For the RP : Mr. Sumit Shukla, AR of RP Virtuoso IPE Pvt  
Ltd

## **ORDER**

1. This Application has been filed on 23.01.2026 under Section 60 (5) of the Insolvency and Bankruptcy Act, 2016 (**IBC/Code**) by M/s Evolve Lifestyle LLP through its partner and authorised representative, Ms. Sonali Surana. The Applicant, in consortium with M/s Med Express Pharma LLP, is an unsuccessful resolution applicant in the Corporate Insolvency Resolution Process (**CIRP**) of M/s Johnson Watch Company Private Limited (**Corporate Debtor** or **CD**), which commenced on 17.01.2024.
2. The Applicant has raised various objections to the manner in which the CIRP has been conducted, in response to which the Resolution Professional (**RP**) has submitted written submissions on 02.06.2026. Further, a written note has been filed by the Applicant on 02.06.2026.

### **Submissions made by the Applicant:**

3. The Applicant is a Prospective Resolution Applicant (**PRA**) who, pursuant to Form G dated 21.08.2024, submitted an Expression of Interest (**EOI**) in August 2024, and was declared eligible in the provisional list on 20.09.2024 and in the final list on 07.10.2024. On 02.12.2024, the Applicant/PRA submitted its first Resolution Plan. The Applicant also deposited an aggregate Earnest Money Deposit (**EMD**) of INR 52,20,000/- (Indian Rupees Fifty-Two Lakhs only), which was acknowledged by the RP on 16.12.2024.
4. After rectifying deficiencies - clerical errors- the Applicant resubmitted documents/annexures via emails dated 07.01.2025 and 08.01.2025. The Resolution Plan was formally opened in the presence of the PRA at the 9th Committee of Creditors (**CoC**) Meeting held on 08.01.2025.
5. The Applicant was repeatedly subjected to conditional participation during CoC meetings. The Applicant was directed that it could join the CoC meeting only “on call” and that it must exit immediately after limited

deliberation, which prevented the Applicant from effective participation and presentation.

6. The Applicant, on 04.12.2025, received an email from RP wherein an abrupt rejection of its resolution plan was communicated without affording the Applicant any opportunity for a presentation, clarification, or negotiation. The Applicant contends that the communication is non-speaking, arbitrary, and violative of the principles of natural justice, as it contains no underlying reasons.
7. Pursuant to the fresh process, the PRA was again declared eligible and included in the provisional list of Prospective Resolution Applicants dated 29.04.2025, and subsequently in the final list dated 14.05.2025. Thereafter, in May-June 2025, the PRA submitted its Second Resolution Plan.
8. On 26.07.2025, the RP called upon the PRA to submit a revised Resolution Plan for reasons of deficiencies, which the RP failed to identify and communicated vaguely without any specific observations.
9. Despite having submitted all required documents and EMDs over a period of more than 18 months, the PRA received no clarity on the status of its Resolution Plan, nor any refund of its EMD.
10. On 07.10.2025, the PRA submitted its Final Revised Resolution Plan. On 04.12.2025, the RP communicated the rejection of its Resolution Plan to the PRA, without providing any reasons for rejection, any deficiencies, or any comparative matrix vis-à-vis competing plans, if any. No opportunity whatsoever was given to the PRA to present, clarify, or negotiate its plan before the CoC.
11. It is submitted by the Applicant that the conduct of the RP has deprived the PRA of a meaningful opportunity to address the concerns raised.

12. The Applicant has contended that the commercial wisdom of the CoC cannot be exercised in a statutory vacuum or to hide procedural unfairness. Reliance has been placed upon the judgment of the Hon'ble Supreme Court in *K. Sashidhar v. Indian Overseas Bank (2019)* and *Committee of Creditors of Essar Steel v. Satish Gupta (2019)*, wherein it has been observed that commercial decisions must strictly conform to the structural boundaries of the IBC. Where the resolution process is found to be exclusionary, opaque, or conducted in blatant breach of statutory duties under Sections 25, 30, and 31, the interventionist jurisdiction of this Hon'ble Tribunal under Section 60(5) is squarely attracted.
13. Further, reliance has been placed upon the judgment of *Maharashtra Seamless Ltd. v. Padmanabhan Venkatesh (2020)* by the Hon'ble Supreme Court, wherein it was held that the CoC is duty-bound to evaluate resolution plans in a fair, transparent, and non-arbitrary manner, strictly adhering to established evaluation criteria.
14. Further, reliance has been placed upon the judgment of *Bank of Maharashtra v. Videocon Industries Ltd. (2020)* by the Hon'ble NCLAT, which held that the 'consideration' of a resolution plan demands an active, reasoned evaluation and structured deliberation.
15. Further, reliance has been placed upon the judgment of *Pragiti Construction v. CoC of Rancom Healthcare Pvt. Ltd. and Anr., Company Appeal (AT) (Ins.) No. 2330 & 2331 of 2024* to submit that the supremacy of commercial wisdom cannot be extended to shield a process that is fundamentally flawed due to conflict of interest, violation of Section 30(5) of the Code and absence of procedural safeguards and not inviting the Resolution Applicant for the meeting was a violation of Section 30(5) of the Code. It was held further that such a process cannot be said to be fair, transparent, or impartial. The failure to invite the resolution applicant to the meeting, coupled with the predetermined rejection of its Resolution

Plan, amounts to a denial of a meaningful opportunity and constitutes a clear violation of principles of natural justice.

16. Reliance has also been placed upon a judgment of *Legna Co-Op. Housing and Commercial Society Ltd. v. Edelweiss Asset Reconstruction Company Limited & Anr.* (2026) ibclaw.in 17 SC in support of the submission that any extraordinary or non-routine decision taken by the CoC must be supported by cogent reasons duly recorded in writing.
17. Therefore, the applicant states that the high-handed rejection of the Applicant's plan without assigned reasons or interactive dialogue directly violates the statutory mandate of Section 30(3), impedes informed decision-making, defeats the Preamble's objective of value maximisation, and offends the basic tenets of natural justice.
18. Further, irregularities during the CIRP were noticed during physical inspection, when the Applicant discovered material discrepancies in the physical stock compared to the data circulated in the Information Memorandum - several items were missing, large quantities were damaged, many watches had rust, deteriorating leather, missing brand boxes, expired warranties, and several brand units were non-saleable.
19. Furthermore, the Applicant submits that the Corporate Debtor is being pushed into a premature liquidation, which, as per the Applicant, would trigger a catastrophic, irreversible destruction of asset value. The liquidation process will yield a fraction of the returns when compared to a structured, negotiated resolution plan.
20. The Applicant is also willing to enhance its commercial offer upon entering meaningful discussions with the CoC. The Applicant has even requested the RP via email dated 10.12.2025 to keep the EMD refund process in abeyance pending the adjudication of the present application.

### **Submissions made by the RP:**

21. The RP in his response has submitted that no feasible, viable, legally compliant resolution plan has been received despite the issuance of Form G thrice.
22. Pursuant to the order dated 08.10.2025 by this AA, wherein the RP was directed to place the resolution plan of the ex-director before the CoC to take a call, the resolution plan of the applicant was also placed for consideration of the CoC. Voting on the resolution plans was completed by the CoC on 26.11.2025, rejecting both plans, with 100% voting share.
23. Eventually, the CoC, in its 20th meeting held on 08.12.2025, voted with a 100% absolute majority in favour of liquidation of the CD under Section 33(2) of the Code.
24. Section 33(2) of the Code mandates that whenever the CoC passes a resolution for the liquidation of the CD, the Adjudicating Authority shall pass a liquidation order upon an application made by the RP in this regard. Further, in the present case, 618 days have already elapsed in the CIRP, and there is no further scope for extension. The CoC, also in its commercial wisdom, has resolved for the liquidation of the CD. The statutory commercial wisdom of the CoC is paramount and non-justiciable.
25. The RP submits that the Applicant's own conduct is not bona fide, as the Applicant's plan was discussed in the 15th COC meeting held on 08.09.2025 and put for voting seeking the decision of the COC. During the period when the resolution plan was under consideration before the COC, on 07.10.2025, the applicant unilaterally submitted another resolution plan bearing the date as 02.12.2024.

26. Further, Applicant itself is estopped from challenging the rejection process as it had explicitly, vide email dated 21.09.2025, stated as follows:

*"We wish to state clearly that if, in the COC's view, our quoted amount is not sufficient or acceptable, then we have no objection if our plan is rejected. In that case, we request the immediate return of our EMD..."*

Therefore, the RP contends that this application should be dismissed.

### **Findings and Analysis:**

27. We have gone through the documents on record, have heard the submissions made by the parties and record our analysis as below:

In the 15<sup>th</sup> CoC meeting convened on 08.09.2025, the resolution plan of the Applicant, acting in consortium with M/s Med Express Pharma LLP, was found not appropriate, and the following was recorded:

4. **To take note of the progress made by the Resolution Professional in the CIRP of the Corporate Debtor since the conclusion of the 14th meeting of the CoC:**

The Chairman apprised the members of the CoC that, pursuant to the discussions held during the 14th meeting of the Committee of Creditors ("CoC"), he had written to both the Prospective Resolution Applicants ("PRAs") requesting them to submit their revised Resolution Plans and to provide the necessary documents for conducting Section 29A due diligence. The RP apprised the CoC that Sunrise Industries has submitted the password

protected revised financial proposal as well as required documents for Section 29A due diligence, while on 06.08.2025, the Consortium of Sonali Surana, Evolve Lifestyle LLP and Med Express Pharma LLP has electronically submitted an Addendum to (without protecting with password) on email however the complete information/ documents required for 29A due diligence have not been received by the RP. One of the member of the CoC asked the RP if the resolution plans can be put to vote to which the AR of the RP submitted that RP has submitted to the COC the report on the Resolution Plan. RP requested the COC to consider the CIRP timelines. He further submitted that the Hon'ble NCLT had already directed the RP to complete the process within the extended timelines which have already ended.. Upon deliberations, the CoC members asked the RP to obtain report on Section 29A check from the agency as approved by the COC along with the resolution for Resolution Plan for voting.

...

The CoC observed that the resolution plans does not contemplate any payments towards the operational creditors and accordingly requested the RP to intimate COC's observations to the resolution applicants proposing to make necessary changes to the Resolution Plan/s to ensure that the proposed payment under the Resolution Plan is not limited to the Secured Financial Creditors (SFC) alone but also provides for a fair and equitable distribution to the Operational Creditors (OC). The CoC directed the RP to inform the PRAs to bifurcate the amounts appropriately between the SFCs and OCs and submit the revised Resolution Plan within a period of 3 days.

Thereafter, the applicant placed the resolution plan before the CoC for voting, and the voting results are extracted as follows:

**BALLOTPAPER FOR VOTING ON THE AGENDA ITEMS OF THE 15<sup>TH</sup> MEETING OF THE COC HELD ON 8<sup>TH</sup> SEPTEMBER, 2025.**

<b>Name of the Company:</b> Johnson Watch Company Private Limited (Under CIRP).					
<b>CIN:</b> U33302DL2008PTC176153					
<b>Registered Office:</b> Shop No. 21 L Block, Connaught Place, Central Delhi, - 110001.					
<b>Correspondence address:</b> Virtuoso IPE Private Limited, C/O Atul Laxmichand Gala, 302, 3rd Floor, Regent Chamber, Jamnalal Bajaj Road, Nariman Point, Mumbai- 400021.					
Sr. No.	Particulars	Details			
1	Name of the Secured Financial Creditors (In Block Letters).	RBL BANK LIMITED			
2	Name of the Authorised Representative of Secured Financial Creditors.	Milind Rastogi			
I hereby exercise my vote in respect of List of Matters to be voted upon enumerated below by recording my assent or dissent to the said resolutions in the following manner:					
Sr. No.	List of matters to be voted upon	Voting Percentage of FC	I assent to the resolution	I dissent to the resolution	I abstain from voting
1	<b><u>Item No. 5 A (Refer note 1)</u></b> "RESOLVED THAT, the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant, being the Consortium of Sonali Surana, Evolve Lifestyle LLP and Med Express Pharma LLP, after considering its feasibility and viability, along with the	30.26%		✓	

	proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”				
2	<p><b>Item No. 5 B (Refer note 1)</b></p> <p><b>“RESOLVED THAT</b> the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant, being Sunrise Industries, after considering its feasibility and viability, along with the proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”</p>	30.26%		✓	

**BALLOT PAPER FOR VOTING ON THE AGENDA ITEMS OF THE 15<sup>TH</sup> MEETING OF THE COC HELD ON 8<sup>TH</sup> SEPTEMBER, 2025.**

<b>Name of the Company:</b> Johnson Watch Company Private Limited (Under CIRP).					
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<b>Correspondence address:</b> Virtuoso IPE Private Limited, C/O Atul Laxmichand Gala, 302, 3rd Floor, Regent Chamber, Jammalal Bajaj Road, Nariman Point, Mumbai- 400021.					
Sr. No.	Particulars	Details			
1	Name of the Secured Financial Creditors (In Block Letters).	YBL BANK LIMITED			
2	Name of the Authorised Representative of Secured Financial Creditors.	DEEPANSH PURI			
I hereby exercise my vote in respect of List of Matters to be voted upon enumerated below by recording my assent or dissent to the said resolutions in the following manner:					
Sr. No.	List of matters to be voted upon	Voting Percentage of FC	I assent to the resolution	I dissent to the resolution	I abstain from voting
1	<p><b>Item No. 5 A (Refer note 1)</b></p> <p><b>“RESOLVED THAT,</b> the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant,</p>	69.74%			

	being the Consortium of Sonali Surana, Evolve Lifestyle LLP and Med Express Pharma LLP, after considering its feasibility and viability, along with the proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”			Dissent	
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	<b>Item No. 5 B (Refer note 1)</b>				
2	“RESOLVED THAT the Committee of Creditors hereby accords its consent for approval of the Resolution Plan submitted by the Resolution Applicant, being Sunrise Industries, after considering its feasibility and viability, along with the proposed distribution of proceeds to all stakeholders, including the Financial Creditors, as set out therein.”	69.74%		Dissent	

28. On 25.11.2025, the RBL Bank, having 30.26% of the voting share in CoC, dissented on the resolution plan.
29. Further, on 26.11.2025, Yes Bank, having 69.74% of the voting share in CoC, dissented on the resolution plan.
30. Further, in the 20<sup>th</sup> CoC meeting convened on 08.12.2025, the following resolution was passed regarding the liquidation of the CD:

**1. To appoint the Liquidator by the CoC in accordance with the Code**

RESOLVED THAT Pursuant to Section 33(2) of the Code, the CoC recommends liquidation of Johnson Watch Company Private Limited and requests the Resolution Professional to intimate the Adjudicating Authority accordingly.

RESOLVED FURTHER THAT ARCK Resolution Professionals LLP (holding Registration No. IBBI/IPE-0030/IPA-1/2022-2023/50013 and AFA valid till 31<sup>st</sup> December, 2025) through its Designated Partner & Authorised Signatory Mr. Anil Kohli is hereby proposed to be appointed as the Liquidator for the corporate debtor, subject to approval by the Adjudicating Authority under Section 34 of the Code.

RESOLVED FURTHER THAT the Liquidator, subject to the appointment by the Adjudicating Authority shall carry out the liquidation process in accordance with the provisions of Chapter III of the Code and the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

RESOLVED FURTHER THAT the CoC authorizes the Resolution Professional to file necessary applications and documents with the Adjudicating Authority to initiate liquidation proceedings and seek appointment as Liquidator.

The above resolution has been **approved unanimously** by the CoC members as given below:

Sr. No	Name of Secured Financial Creditor	Voting Share	Results
1	RBL Bank Limited	30.26%	Assent
2	Yes Bank Limited	69.74%	Assent

The above makes it clear that CoC had rejected the resolution plan of the Applicant in the 15<sup>th</sup> meeting itself and also subsequently. Further, in the 20<sup>th</sup> meeting, the CoC has specifically resolved for liquidation.

31. It is pertinent to discuss the relevant sections of the Code here before proceeding further. Section 33(2) of the Code reads as follows:

*(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors 4[approved by not less than sixty-six per cent. of the voting*

*share] to liquidate 3[or dissolve] the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), 5[(ii), (iii), (iv) and (v)] of clause (b) of sub-section (1) or a dissolution order under sub-section (2A) of section 54, as the case may be:*

*Provided that the committee of creditors shall, before taking the decision to dissolve the corporate debtor, comply with such conditions, as may be specified.*

*Explanation. – For the purpose of this sub-section, it is hereby declared that the committee of creditors may take the decision to liquidate or dissolve the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.*

32. As per K. **Sashidhar v. Indian Overseas Bank & Ors.**, Civil Appeal No. 10673 of 2018, no provision has been envisaged by the legislature to empower the RP, the NCLT or the NCLAT to reverse the commercial decision of the CoC.
  
33. On perusal of the provision, it is clear that Section 33 (2) provides that if the CoC, at any time during the CIRP but before confirmation of a resolution plan, resolves to liquidate the corporate debtor by a two-thirds (66%) majority, the resolution professional is required to intimate the AA, which shall then pass an order for liquidation. This provision embodies the commercial wisdom of the CoC, recognising its authority to decide the fate of the corporate debtor. Once the CoC passes a resolution for liquidation under Section 33(2), the RP is obligated to communicate this decision to the Adjudicating Authority. Upon such intimation, the Adjudicating Authority is mandated to pass a liquidation order.

34. In the present case, CD has been resolved to be liquidated by the CoC unanimously, thus fulfilling the criteria of section 33(2). This AA, as per settled principles of law, cannot interfere with the decision of the CoC.
35. So far as allegations regarding alleged unfairness and irregularity in the procedure adopted by the RP are concerned, the same remain unsubstantiated from the records as to how the Applicant has been prejudiced. It has been contended by the Applicant that it was subjected to conditional participation, which, in our view, does not amount to irregularity, as CoC discusses the confidential nature of business for the CD, which may not be thrown open to Resolution Applicants as well. It is not the case where preference has been given to some other resolution applicant against the Applicant.
36. Even otherwise, we see that a huge amount of time has lapsed and CIRP has not been positively concluded. Furthermore, we are bound by the framework of IBC, as reiterated by the Supreme Court in *State Bank of India vs the consortium of Murari Lal Jalan* in Civil Appeal No. 12220-12221 OF 2024, that timely liquidation is to be preferred over an endless resolution process.
37. Therefore, the contentions raised by the Applicants are not tenable for the following reasons:
- i. More than the legally permissible time has elapsed in the CIRP;
  - ii. Form G has been issued thrice, and despite the same, CIRP has not yielded a CoC-approved Resolution Plan; and
  - iii. The CoC in the 15<sup>th</sup> CoC meeting convened on 08.09.2025, with a 100% vote, has rejected the resolution plan of the Applicant; and

- iv. The CoC, in its 20<sup>th</sup> CoC meeting convened on 08.12.2025, exercising its power and commercial wisdom under Section 33(2) of the Code, unanimously voted for the liquidation.

Accordingly, the application bearing **IA-397/2024** is **dismissed**.

Sd/-  
**(ANUPINDER SINGH GREWAL)**  
**PRESIDENT**

Sd/-  
**(RAVINDRA CHATURVEDI)**  
**MEMBER (TECHNICAL)**