

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH, COURT NO. I  
KOLKATA**

**IA (I.B.C.) No. 294/KB/2026**

**In**

**CP (IB) No. 891/KB/2020**

**An Application under Section 60 (5) of the Insolvency and Bankruptcy  
Code, 2016 read with Rule 11 of the National Company Law Tribunal  
Rules, 2016**

**In the Matter of:**

Bank of India

..... Financial Creditor

**VERSUS**

McNally Bharat Engineering Company Limited

..... Corporate Debtor

**AND**

McNally Bharat Engineering Company Limited

.... Applicant

**VERSUS**

Bank of India, Through Its Authorized Signatory & Ors.

..... Respondents

**Date of Pronouncement: 10/06/2026**

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**CORAM:**

**SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)  
CMDE SIDDHARTH MISHRA, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCE:**

**For Applicant/SRA in I.A(I.B.C)/294(KB)2026:**

Mr. Joy Saha, Sr. Adv.  
Mr. Udian Shamra, Adv.  
Mr. Akash Ray, Adv.

**For Respondent Nos.1 – 8 and 13**

Ms. Urmila Chakraborty, Adv.  
Mr. Avishek Guha, Adv.  
Ms. Ankita Agrahari, Adv.  
Ms. Sweta Majumder, Adv.  
Ms. Anusha Nayek, Adv.

**For Respondent No.1 in I.A(I.B.C)/2097(KB)2024**

Mr. Ishan Agrawal, Adv.  
Mr. Tanuj Kakarania, Adv.  
Mr. Anshit Aggarwal, Adv.  
Ms. Surabhi Mehta, Adv.  
Mr. Ashutosh Mishra, Adv.  
Ms. Shreya Kak, Adv.

**For National Stock Exchange in I.A(I.B.C)/2097(KB)2024**

Mr. Ishan Agarwal, Adv.  
Mr. Tanuj Kakrania, Adv.  
Mr. Ashutosh Mishra, Adv.

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Mr. Anshit Aggarwal, Adv.

Ms. Shreya Kak, Adv.

Ms. Surabhi Mehta, Adv.

**ORDER**

**Per: CMDE Siddharth Mishra, Member (Technical)**

1. The court convened in hybrid mode.
2. Heard Ld. Counsels for both the parties.
3. The IA (I.B.C.) No. 294/KB/2026 has been preferred by the Corporate Debtor/Applicant to seek the following reliefs:

*“a. To allow the present application, thereby directing the Respondent Banks to forthwith comply with the Order Dated 19.12.2023 and regularise the loan accounts of the Applicant Company; and*

*b. Direct removal of the NPA classification from the CBS systems of the Respondent Banks and from RBI's CRILC database, with effect from the effective date of the Resolution Plan; and*

*c. Direct issuance of No Due Certificates and restoration of full banking facilities, including online banking, cheque books, KYC updation, reactivation of dormant accounts, and change of authorised signatories; and*

*d. Pass such further or other orders as this Hon'ble Tribunal may deem fit and proper in the interest of justice.”*

**4. Factual Matrix:**

- 4.1. The Applicant Company had availed various fund-based and non-fund-based credit facilities from a consortium of banks led by Bank

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of India, i.e. Respondent No. 1 herein, along with other member banks

- 4.2.** Owing to defaults in servicing the outstanding dues under the sanctioned credit facilities, the loan accounts of the Applicant Company were classified as NPA with effect from 30.01.2019, pursuant to which CIRP proceedings were initiated under Section 7 of the Code and admitted by this Hon'ble Tribunal on 29.04.2022.
- 4.3.** Upon completion of the CIRP, this Hon'ble Tribunal, vide order dated 19.12.2023, approved the Resolution Plan submitted by BTL EPC Ltd., the Successful Resolution Applicant ("SRA"), in I.A. (IB) No. 1391/KB/2023, and directed the constitution of a Monitoring Committee for implementation of the Approved Resolution Plan.
- 4.4.** During the implementation phase, the SRA submitted before this Hon'ble Tribunal that the upgradation and regularisation of the Applicant Company's loan accounts would be sought upon payment of all tranches under the Resolution Plan. The Respondent Banks agreed to initiate the upgradation process immediately upon receipt of the final tranche.

**5. Submissions of the Applicant**

- 5.1.** It is submitted that the Applicant Company has duly completed payments under the second and third tranches of the Approved Resolution Plan, which was communicated to the Chairman of the Monitoring Committee, Mr. Ravi Sethia, vide letter dated 12.09.2025. The Applicant Company also completed payment towards interest on delayed payment, amounts pertaining to two invoked bank guarantees, reimbursement of legal costs, additional interest, and pre-CIRP PF dues.
- 5.2.** It is further submitted that upon completion of all payments under the Resolution Plan, the SRA formally took over the management

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and control of the Applicant Company. After takeover of management, the Applicant Company addressed email communications dated 30.10.2025 and 24.12.2025 to the Respondent Banks seeking issuance of No Objection Certificates and regularisation of the loan accounts in compliance with the order dated 19.12.2023 passed by this Hon'ble Tribunal.

- 5.3.** It is contended that despite repeated requests, the Respondent Banks failed and neglected to initiate the process of regularisation of the Applicant Company's loan accounts. The Applicant Company again addressed the Respondent Banks vide email dated 08.01.2026, detailing the severe operational difficulties being faced on account of the continued NPA tagging of its bank accounts. Owing to the continued NPA classification, the Applicant Company is facing grave operational difficulties. More than 100 bank accounts across various branches remain dormant and inoperative, as the Respondent Banks are refusing to convert them into normal operating accounts. The Applicant Company is also not permitted to update authorised signatories, upload bulk payment files, or open new bank accounts, thereby paralysing its day-to-day banking operations.
- 5.4.** The applicant submits continued NPA tagging has further prevented the applicant company from securing any fund-based or non-fund based working capital facilities, including bank guarantees, letters of credit and even Earnest Money Deposits(EMDs), this has severely impacted ongoing projects and rendered the applicant company incapable of participating in tenders, the applicant contends that they were unable to participate in atleast seven tenders floated by a private sector organisation, aggregating to approximately Rs. 3,000 crores, resulting in substantial loss of business and revenue opportunities. The continued reflection of the Applicant Company's

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accounts as NPA in the Respondent Banks' Core Banking Systems as well as in the RBI's CRILC database has caused serious reputational and commercial harm. Vendors, customers and counterparties remain hesitant to engage with the Applicant Company, while its credit rating and banking credibility continue to remain adversely impacted under the new management, this continued failure to upgrade and regularise the loan accounts has exposed the Applicant Company to a serious and imminent risk of non-compliance with its forthcoming obligations under the Approved Resolution Plan.

- 5.5.** It is further submitted that the Respondent Banks are in clear breach of the undertaking recorded before this Hon'ble tribunal under Clause 7(i) of the Order dated 03.12.2024, whereby the Financial Creditors had expressly undertaken to support the Corporate Debtor in bidding for new orders. This undertaking specifically envisages issuance of a letter "to whomsoever it may concern" clarifying that the Resolution Plan is under implementation and that the Corporate Debtor shall not be barred from participating in tender process where non-NPA status is a qualifying criterion. Despite full knowledge of this obligation and repeated requests, the Respondent Banks have wilfully failed to issue the said letter.
- 5.6.** The applicant further submits that the conduct of the Respondent Banks, viewed cumulatively, amounts to wilful and deliberate non-compliance with the order dated 19.12.2023 approving the Resolution Plan and with the undertakings recorded therein. The Approved Resolution Plan having attained finality is binding on the Respondent Banks under Section 31 of the Insolvency and Bankruptcy Code, 2016, and the Respondent Banks cannot, by internal procedures, delay, or inaction, frustrate its implementation

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or defeat the very object of insolvency resolution, namely, revival of the Corporate Debtor as a going concern.

**6. Submissions on behalf of the Respondent**

**6.1.** The Respondent Submits that the Buyback of 5% Equity worth Rs 30 crore is mandatory in nature, they contend that it is the only reason why the SRA's Plan was approved. The SRA and Another Resolution Applicant (Nalwa Steel & Power Limited) had both submitted plans and both the plans received the same voting (90.06%) in their favour from the Financial Creditor. Then it was decided that the plan will be approved by a tiebreaker formula, which was that the plan with the Highest NPV shall be deemed to be the approved Resolution Plan. The NPV of the SRA (433.58) was higher than Nalwa (424.92). The equity buyback amount of Rs. 30 Crore is part of the Resolution Plan of the SRA'S NPV, which was absent from Nalwa's NPV, thus the NPV of the SRA was 8.66 higher than that of the SRA.

**6.2.** Plan Summaries including the NPVs of both the Resolution Applicants as present before the CoC and as reflected in the 32<sup>nd</sup> CoC minutes is set out hereunder:

Plan Value	Nalwa Steel and Power	BTL EPC
Upfront Cash	144.00	64.79
Deferred Cash	17.10	120.00
Surplus Cash Balance offered to CoC	12.51	9.21
Cash value of Plan	173.61	194.00
Gross Value of Plan	426.19	445.00

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Upfront Cash Payment( Incl. Surplus Cash)	156.51	74.00
NPV of deferred Payment	15.83	108.58
Total NPV (Upfront Deferred)	172.34	182.58
Total NPV (Upfront + Deferred + BG)	424.92	433.58
Fresh Equity Infusion for Improving Operations	-	5.11
Credit Rating	BBB+	BBB-
Turnover (Consolidated)	1,476.46	326.38
Experience in EPC Sector?	No	Yes
Experience in turnaround of stressed assets?	Yes	Yes

**6.3.** The Respondent Submits that Equity Buyback is also a financial obligation of the SRA under the plan. Clause 5.5.2.2. of the approved resolution plan provided for equity buyback. As per clause 5.5.2.2 of the resolution plan, the SRA offered 5% equity (4%+1%) shares of CD to financial creditors with an option to buy back by SRA for a total consideration amount of Rs. 30 crores upon expiry of 2 years and 60 days from the date of approval of the resolution plan i.e. 19th December,2023. The 2 years and 60 days' time period from the appointed date has fallen due on 17th February 2026. However, SRA has failed to credit shares in demat accounts of the respective lenders and thus, has failed to buyback the equity upon payment of Rs.30 crore to the respective lenders and thus, has failed to buyback the equity upon payments of Rs. 30 crores to the respective lenders.

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- 6.4.** It is further submitted that the order of this Learned Adjudicating Authority approving the plan dated 19/12/2023 also reflects the financial obligation/layout that it has an assured equity buyback clause thereby highlighting the absolute and mandatory nature of the equity buyback clause being a part of the Resolution Plan/payment schedule by SRA.
- 6.5.** The Respondents submitted that in the present case, as such, the "Appointed Date" is 19.12.2023. The shares were to be allotted by SRA under the Resolution Plan within 60 days from appointed date, i.e. 17.02.2024 and thus, 2 years for exercise of the put option was to expire on 17.02.2026. In the instant case, the shares were allotted belatedly by the SRA on 22.02.2025 (which is reflected only in the records of ROC but yet to be credited to DEMAT Account of FCs), though they were supposed to allot shares on or before 17.02.2024, i.e. within 60 days from the appointed date. The SRA cannot take advantage of its own wrong and cannot now contend that the 2-year period for exercise of buyback will expire in February 2027. The fact that the effective date for buyback option is to be linked with the original effective date is also evident from the consent order dated 03.12.2024.
- 6.6.** The Respondent also submits that the order dated 3<sup>rd</sup> December, 2024 also records further payment obligation of the SRA (share buyback and BG Protection) that will be linked to the original effective date i.e. 17<sup>th</sup> February, 2024. Thus, the obligation of the SRA under the plan as per unconditional undertaking given by the SRA, as recorded in the said order, remains unchanged and unaltered vis-à-vis equity buyback which is a violation due on 17<sup>th</sup> February, 2026.

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- 6.7.** It is further submitted that the SRA has allotted shares to the respective lenders belatedly. It was to be done by 17th February, 2024 whereas shares were allotted on 22nd February 2025. Though the shares are allotted, but the shares are not yet credited in the demat accounts of the respective lenders and as such, the shares are not in tradable form and as a result thereof, the lenders are not being able to exercise put option. Taking advantage of the same, the SRA is also not buying the equity for the fixed amount of Rs.30 Crore though there is no impediment for the SRA to buy the said equity as the equity shares are undisputedly allotted in the name of the respective lenders as reflected in the ROC records of the CD. As such, the SRA could have easily exercised buyback option by paying Rs.30 Crore to the lenders on or before 17th February, 2026 as assured and committed by the SRA even in the 17<sup>th</sup> Meeting of the Monitoring Committee dated 17<sup>th</sup> October 2025. By not doing so, the SRA has again failed to implement the plan.
- 6.8.** After approval of the said Resolution Plan except for the Performance Bank Guarantee amount of Rs.18.81 crore, no other payment was received from the SRA, reason whereof the FCs were constrained to terminate the SRA's approved Resolution Plan and invoked the PBG and filed an application being IA (IBC) No.996/KB/2024, inter alia, praying for rebooting of the CIRP from the Form-G stage.
- 6.9.** It is further contended that from the dated 03.12.2024, it is evident that SRA has given an unconditional undertaking to implement the Plan and that the obligation of the SRA under the Plan remains unchanged and unaltered save and except extension of the upfront cash payment of Rs.155 crore. It is also clarified at paragraph 7(g) of the said order that the original effective date, i.e. 17.02.2024 will remain same in respect of further payment obligation (share buyback and BG protection). As such, share buyback is mandatory

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provision under the approved plan and the order dated 19.12.2023 and 03.12.2024. In fact, in the order dated 19.12.2023, it is mentioned as 'assured buyback', which palpably demonstrates the mandatory nature of the said payment. Had it not been mandatory, the plan of the SRA would not have been approved in the first place. As such, the contention of the applicant that buyback was only an option" and not a mandatory provision is completely misconceived and the same was also confirmed by the RP upon queries of ICICI Bank and Axis Bank during the 32<sup>nd</sup> CoC meeting.

**6.10.** It is further contended that again the SRA failed to pay the 2<sup>nd</sup> and 3<sup>rd</sup> tranche payments, reason whereof the FCs were again constrained to file three following applications: -

- i. IA (IBC) 810/KB of 2025, inter alia, directing SRA to hand over control and custody of the assets, operations and records of CD to the Monitoring Committee;
- ii. Restoration Application (IBC) No.3/KB/2025, inter alia, to restore IA No.996/KB/2024 for rebooting of the CIRP process from Form-G state;
- iii. Contempt Application 9/KB/2025 against the SRA and its officers for violation of order dated 03.12.2024.

**6.11.** The SRA had also filed an application being IA(IBC) No.862/KB/2025, inter alia, praying extension of time to make payment of the balance amount under the Resolution Plan. During the pendency of the said four applications, a Joint Lenders' Meeting [JLM] was held on 20.08.2025, which was also attended by the SRA's representative wherein the lenders, inter alia, asked the SRA for a "Concrete roadmap along with identifiable source for equity buyback of Rs.30cr as per the approved Resolution Plan."

**6.12.** Pursuant to the order dated 08.09.2025 Mandal Vyapaar Private Limited, the nominee and implementing entity of SRA issued a letter

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dated 12.09.2025, wherein they had assured that the SRA if fully committed to ensure that 5% of equity shares of McNally Bharat Engineering Company Limited which corresponds to Rs. 30 Crores shall be available for buyback at the sole option of the Financial Creditors.

- 6.13.** Further it was contended that Thereafter, the banks issued an email dated 23.09.2025 stating that they are agreeable that the plan should be implemented as per strict provisions of the Resolution Plan submitted and approved apart from payment of first three tranches where the timeline has been extended by lenders. Recording the same, the order dated 23.09.2025 was passed by this Hon'ble Tribunal whereby the three applications filed by the banks were disposed of and the IA 862 of 2025 filed by the SRA was allowed on payment of cost of Rs.1 crore for delay in implementation of the plan to be paid to the PM's National Relief Fund for failure to act in terms of their undertaking.
- 6.14.** The Respondent further submits that in the 17th MC Meeting held on 17.10.2025 along with other issues, the issue regarding equity buyback was also discussed. The representative of IDBI Bank at the shares allotted to them is yet to reflect in their DEMAT Account. As such, they enquired if any challenge shall arise at the time of share buyback in February, 2026 if the shares are not credited to the DEMAT in a timely manner. To such query, the SRA's representative emphasised that they are actively working towards expediting the same and the payment shall be made to the lenders as per the timelines outlined in the approved Resolution Plan irrespective of whether the shares are credited to the DEMAT account.
- 6.15.** The Respondent further submits that as the effective date for equity buyback was to expire on 17.02.2026, the FCs issued an email on 09.02.2026 to the SRA to abide by the said terms of the plan. As no

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response came from the SRA, IDBI Bank/Respondent no.4 issued a reminder email dated 16.02.2026 to the SRA. The SRA belatedly issued a reply email dated 17.02.2026 allegedly contending that the timeline for completion of listing is completely dependent upon Regulatory approvals and the same is not within the company's control. It was also purportedly claimed by the SRA that "...neither the approved Resolution Plan nor the orders passed by the NCLT provide for any mandatory buyback of shares by the company prior to its listing. In any event, buyback cannot be practically undertaken prior to listing of the shares". In this regard, it is material to note that under Schedule-III (Implementation Schedule) approval from the Stock Exchanges were to be obtained before effective date, i.e. 17.02. 2024.By failing to do so, the SRA cannot take advantage of its own default.

- 6.16.** It is further contended that by an email dated 23.02.2026 the lenders have stated that the SRA has again failed to implement the plan as the effective date for exercise of put option for buyback has expired on 17.02.2026. The lenders have also clarified that internal or regulatory delays cannot dilute or defer or extinguish the contractual and plan-backed rights of the FCs, more so when the put option mechanism was specifically incorporated to protect lenders against such contingencies including failure of listing or non- credit of shares. The Bank of India on behalf of the consortium lenders called upon the CD and the SRA to remit the agreed consideration amount of Rs.30 crore forthwith in terms of the commercial understanding and the resolution plan framework.
- 6.17.** As the SRA has failed to credit the shares in the respective DEMAT accounts of the lenders, put option agreement could also not be executed.

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- 6.18.** The Respondents submit that the SRA has failed to implement the plan. Insofar as account upgradation is concerned, R-1 has already removed the NPA tagging for operational convenience, from the main current account of the CD. The ICICI Bank/R-5 is in the process of taking necessary steps for upgradation of the account and issuance of No Due certificate after writing off the remaining actual dues.
- 6.19.** Further it is stated that the applicant has stated that more than 100 accounts of CD are lying dormant. However, no details of such accounts including bank names, account nos., bank balance or reason for such non-utilisation are provided nor any documents have been shared in respect thereof. Details of the said amount were never ever raised in any platform/meeting by the SRA despite the fact that management was handed over to them long time back and due-diligence exercise was also carried by them. Assuming but not admitting that such funds exist, it raises serious concerns regarding the conduct and financial discipline during the CIRP and post-approval phase.
- 6.20.** The Respondent contends that the allegations of the applicant that due to NPA status of CD it was unable to participate in the tender process is completely an afterthought and misconceived allegation as not a single letter has been issued by the SRA/CD to the lenders asking them to issue a certificate for participation in tender process as envisaged under Para 7(i) of the order dated 03.12.2024.
- 6.21.** The Respondent further submits that the SRA has failed to fulfil the payment obligations under the approved Resolution Plan in its entirety. As such, the banks cannot be compelled to treat the accounts as fully regularised or issue no-due certificate. Under Clause 5.5.2.2 the FCs continue to have charge over existing assets of CD until release of taken over bank guarantees or payment of third tranche, whichever is later. As such, NOC shall have to be

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taken from FCs with no BG coverage post-distribution and the other FCs upon release of taken over BGs as and when applicable.

- 6.22.** Furthermore, each bank follows different internal process. Accordingly, requirements may vary from bank to bank regarding issuance of NOC. As such, it was discussed in the 18th MC meeting held on 11.11.2025, that the SRA may directly coordinate with the respective lenders with regard to specific documentation and process requirements for issuance of NOC. As such, responsibility for obtaining NOC from bank was agreed to be undertaken by SRA. Therefore, the onus lies squarely on the applicant to coordinate directly with the lenders for the necessary documentation. Until such critical steps are completed, banks cannot issue NOC without exposing themselves to regulatory non-compliance and financial risk.
- 6.23.** Furthermore, issuance of NOC is also intrinsically linked to the exercise and completion of the put option/ buyback mechanism. Unless and until the put option is exercised by FCs, question of issuance of NOC does not and cannot arise.

**7. Analysis and Findings**

- 7.1.** We have heard the parties and perused the records.
- 7.2.** Upon consideration of the pleading, documents and rival submissions, the main issue that arises for determination is:
- 1. Whether the Resolution Plan has been implemented in its entirety?**
  - 2. Whether the Buyback of Equity Was Mandatory?**
  - 3. Whether the NPA Account should be Upgraded by the Respondent Banks?**
  - 4. Whether NOC should be given to the Applicant?**

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**Issue 1: Whether the Resolution Plan has been implemented in its entirety?**

- 7.3.** The applicant contends that the Resolution Plan has been implemented in its entirety and the respondent Banks are bound to regularise the NPA status.
- 7.4.** Whereas the Respondents argue that the Resolution Plan has not been implemented completely and there have been many previous and ongoing lapses in its implementation.
- 7.5.** Therefore, the Pivotal issue is whether the Resolution Plan has been Implemented in its entirety. Here to answer this question it is relevant for us to look into the Plan and the submissions made.
- 7.6.** Upon examining the submissions, we observe that as per clause 5.5.2.2 of the resolution plan, the SRA offered 5% equity (4%+1%) shares of CD to financial creditors with an option to buy back by SRA for a total consideration amount of Rs. 30 crores upon expiry of 2 years and 60 days from the date of approval of the resolution plan i.e. 19th December, 2023. It is evident from the record that this 2 years and 60 days time period from the appointed date has fallen due on 17th February, 2026. However, the SRA has failed to credit shares in demat accounts of the respective lenders and thus, has failed to buyback the equity upon payment of Rs. 30 crore to the respective lenders. This non-compliance constitutes a clear default of the explicit commitments made by the SRA under the terms of the approved resolution plan.

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**5.5.2 Financial Creditors.**

As per the details provided in the Information Memorandum, the Financial Creditors shall be treated and settled as follows –

5.5.2.1 **Dissenting Financial Creditors** shall be paid in cash the amount due to them in terms of Section 30(2)(b) of the IBC. In the event there are any dissenting Financial Creditors, then each dissenting Financial Creditor shall, in accordance with Regulation 38(1) of the CIRP Regulations, be paid prior to any recovery by any assenting Financial Creditors. Such payment shall be treated as a full and final settlement of the Dissenting Financial Creditors and the said payment shall be made out of the total amount as envisaged under the Resolution Plan by proportionately reducing the amount proposed towards the respective category of Financial Creditor to which the Dissenting Financial Creditor belongs.

5.5.2.2 **Others Financial Creditors:** As per the IM, the total amount of claim admitted by the RP for all the Financial Creditors is Rs. 4,841.45 crores (Rupees Four thousand eight hundred and forty-one crores and forty-five lakhs). Payment to assenting Financial Creditors shall be applied in the following order: (A) first, towards the interest component of the sustainable portion of the debts; and (B) second, towards the principal amount forming a part of the sustainable debts. The Resolution Applicant proposes to settle the Financial Creditors as follows –

5.5.2.2.1 Resolution Applicant proposes to pay an amount not exceeding Rs. 149.18 crores (Indian Rupees one hundred forty nine crores eighteen lakhs Only) to the Secured Financial Creditors and Rs. 2.00 crores (Indian Rupees two crores) to the Unsecured Financial Creditors.

5.5.2.2.2 Out of the total amount to be paid to the Financial Creditors, an amount not exceeding Rs. 59.18 Cr (Indian Rupees fifty nine crores and eighteen lakhs) shall be paid out of the Upfront Payment Amount to the Secured Financial Creditors and Rs. 2.00 crores (Indian Rupees Two crores) to the Unsecured Financial Creditors as per the timelines provided in this Resolution Plan

5.5.2.2.3 The balance amount payable, i.e., an amount not exceeding, Rs. 90.00 Cr (India Rupees ninety crores) shall be payable to assenting Secured Financial Creditors, by way of cash contribution over a period of 6 months from the Effective Date. It shall be interest free and would not carry any interest.

Provided that no such payment to the Financial Creditor to take place on the Effective Date until and unless the amount payable towards CIRP Cost and liquidation value payable to the dissenting Financial Creditors has been certified.

In addition to the aforementioned payment, the assenting Financial Creditors shall also be entitled to the Distributable Cash.

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Resolution Plan for MBECCL | Confiden



RA offers 4% equity shares (in total) of MBECCL to all the assenting financial creditors which may be distributed as per their ratio of exposure in the corporate debtor or as deemed fit and proper by COC. The said 4% equity is offered to all financial creditors with an option to buyback by RA for a total consideration of Rs.24 crore upon expiry of 3 years from the date of allotment (which shall be within 60 days from appointed date). The Financial Creditors shall be at liberty to sell their respective share of the offered equity in the open market at any point of time after such allotment.

RA further offers 1% equity shares (in total) of MBECCL only to specific financial creditors who have no Bank Guarantee exposure in MBECCL. This may be distributed to said assenting financial creditors as per their ratio of exposure in the corporate debtor or as deemed fit and proper by COC. The said 1% equity is offered to such financial creditors with an option to buy-back by RA for a total consideration of Rs 6 crore upon expiry of 3 years from the date of allotment (which shall be within 60 days from appointed date). The said Financial Creditors shall be at liberty to sell their respective share of the offered equity in the open market at any point of time after such allotment.

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- 7.7.** As per the same clause, the SRA was supposed to allot the shares within 60 days from the appointed date i.e 19<sup>th</sup> December, 2023. As such shares were to be issued within 17<sup>th</sup> February, 2024. However, in violation thereof, SRA allotted the shares belatedly on 22/05/2025 and the shares so allotted are not in tradeable form as the same are not credited in the demat accounts on the respective lenders.
- 7.8.** Under Schedule-3(Implementation of SRA), approval from stock exchanges were to be obtained by the SRA before the effective date i.e. 17<sup>th</sup> February 2024. SRA has failed to obtain such approval as on date and thus, it has failed to adhere to the implementation schedule under the plan.



**SCHEDULE 3: IMPLEMENTATION SCHEDULE**

1. Implementation Schedule

Activity	Timeline
Approval by the Adjudicating Authority	Appointed Date
Constitution of Monitoring Committee	Immediately after the Appointed Date and in any case within 3 working days of the Appointed Date (In the intervening period the Resolution Professional shall continue to hold office)
Intimation to all Creditors, existing shareholders and other stakeholders of the Corporate Debtor	Within 7 working days of Appointed Date
Intimation to the MCA, CBDT, CBIC, The Directorate of Registrations & Stamps-Kolkata and various other statutory authorities (as applicable)	Within 7 working days of Appointed Date
Approval to be obtained from Stock Exchanges under sub-regulation (2) of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.	Before Effective Date
Opening/Identification of Escrow Account in the name of the Corporate Debtor	Before Effective Date
Certification of the: (a) final CIRP Cost payable by the Resolution Applicant; and (b) the liquidation value payable to the dissenting Financial Creditors	Before Effective Date
Payment of CIRP Costs	On the Effective Date subject to the completion of the aforesaid certification
Payment to Operational Creditors and/or Financial Creditors (dissenting)	On the Effective Date
Upfront Payment Amount to the Secured Financial Creditors	On the Effective Date
Execution of supplementary deed of hypothecation between the relevant Financial Creditors and the Corporate Debtor in accordance with Clause 5.5.2.2 of this Resolution Plan	Within 7 working days from Appointed Date
Modification of the charge pursuant to execution of the supplementary deed of hypothecation in accordance with	Within 30 working days of the Appointed Date

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**7.9.** Upon a comprehensive review of the record, this Adjudicating Authority finds that the Resolution Plan has fundamentally failed to be implemented in its entirety. The SRA has exhibited a persistent pattern of non-compliance by failing to meet crucial, binding criteria. Specifically, the SRA failed to secure mandatory approvals from the stock exchanges within the designated timeline, and completely defaulted on the mandatory equity buyback of Rs. 30 Crores by the absolute due date of 17/02/2026. The applicant has also previously failed to implement the approved plan within the implementation schedule of the resolution plan and the orders passed by this Hon'ble Tribunal. The past conduct palpably demonstrates the malafide coupled with the present default committed by the SRA, which goes on to show that the applicant is a habitual defaulter.

**Issue 2**

**Whether the Buyback of Equity Was Mandatory**

**7.10.** The Applicant contends that the condition being imposed by the Respondent Banks, requiring the Applicant Company to buyback equity shares as a pre-condition for regularisation of the account is wholly arbitrary and unsustainable. The applicant is contending that the documents merely grant a right of first refusal to the Applicant Company if and when the Respondent Banks themselves choose to sell their shares. This provision does not, in any manner, create a compulsory buy-back liability on the Applicant Company.

**7.11.** On the contrary the Respondent Banks contend that the Equity buyback is Mandatory in nature and it is the only reason why the SRA's Plan was approved.

**7.12.** To understand this issue, it is pertinent to note that two PRAs namely the SRA (BTL EPC Limited) and Nalwa Steel & Power Limited submitted their resolution plans and both the plans received the

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same voting (90.06%) in favour from the Financial Creditors (FC). As such, it was decided by the CoC that as per Regulation 39(3B) of the CIRP Regulations, the plan will be approved by the tiebreaker formula, which is "The resolution plan with the highest NPV shall be deemed as the approved Resolution Plan by the CoC." The NPV of the SRA (433.58) was higher than Nalwa (424.92). Since the NPV of SRA was higher than the plan submitted by Nalwa, the Resolution Plan of the SRA was considered as the approved Resolution Plan by the CoC in the 32nd CoC Meeting held on 27.07.2023. The equity buyback amount of Rs.30 crore is part of the Resolution Plan of SRA's NPV, which was absent in Nalwa's NPV. Thus this equity buyback amount was the crucial determining factor in the approval of the plan.

- 7.13.** From the submissions of the Respondents, it is noted that in the 1st meeting of the Monitoring Committee held on 28.12.2023, the chairperson of the Monitoring Committee submitted the distribution matrix as per the approved resolution plan which is set out hereunder: -

<b>Distribution of Plan Value to Creditors</b>	<b>Amount in INR Crores</b>
Upfront Component	65.00
First Tranche (Payable post 3 months after Effective Date)	50.00
Second Tranche (Payable post 6 months after Effective Date)	40.00
Total Cash Component Of the Plan (A)	155.00
BG Protection offered by the SRA(B)	251.00

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Equity Component Offered by the SRA to Assenting Financial Creditors (C)	30.00
<b>Total Plan Value (A+B+C)</b>	<b>436.00</b>

**7.14.** From the submissions made by the Respondents it can be noted that as per Clause 5.5.2.2 of the Resolution Plan of the SRA, the SRA offered total 5% (4%+ 1%) equity shares of CD to the Financial Creditors with an option to buyback by SRA for a total consideration of Rs.30 crore (Rs.24 crore + Rs.6 crore) upon expiry of 3 years (later reduced to 2 years by addendum) from the date of allotment which shall be 60 days from the appointed date. In the present case, the plan was approved by this Hon'ble Adjudicating Authority by an order dated 19.12.2023.

As per Schedule-I, Clause 5 of the approved plan:

"Appointed Date" means the date on which the order approving the Resolution Plan is uploaded on the website of NCLT or the certified copy of the same received by Resolution Applicant, whichever is earlier."

**7.15.** Thus, in the present case, as such, the "Appointed Date" is 19.12.2023. The shares were to be allotted by SRA under the Resolution Plan within 60 days from appointed date, i.e. 17.02.2024 and thus, 2 years for exercise of the put option was to expire on 17.02.2026. In the instant case, the shares were allotted belatedly by the SRA on 22.02.2025 (which is reflected only in the records of ROC but yet to be credited to DEMAT Account of FCs), though they were supposed to allot shares on or before 17.02.2024, i.e. within 60 days from the appointed date.

**7.16.** The SRA cannot take advantage of its own wrong and cannot now contend that the 2-year period for exercise of buyback will expire in

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February 2027. The fact that the effective date for buyback option is to be linked with the original effective date is also evident from the consent order dated 03.12.2024.

**7.17.** By an Order dated 19.12.2023, the Resolution Plan of the SRA was approved by this Hon'ble Tribunal. In the said plan approval order also the **assured buyback of Rs.30 crore equity within 2 years 60 days** has been under the heading "Details of Resolution Plan/Payment Schedule".

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Details of Resolution Plan/Payment Schedule

31. The relevant information with regard to the amount admitted and the amount proposed to be paid by the Successful Resolution Applicant, i.e., *BTL EPC Limited*, under the said Revised Resolution Plan is tabulated hereunder:

Creditors	Amount Admitted (Rs. in Crore)	Amount Proposed (Rs. in Crore)	% of claim admitted	Payment Schedule
CIRP Cost	0	To be paid out of the cash available with the Corporate Debtor	---	Within 60 days of NCLT approval
Secured Financial Creditors	3514.65	428.73	12.05%	61.18 crores – within 60 days
Unsecured Financial Creditors	1282.59	3.46	0.15%	50 crores – within 150 days 40 crores – 240 days



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				251 crores – BG protection Assured buyback – 30 crores – within 2 years/60 days
Operational Creditors (Statutory Dues)	217	3.50	0.71%	Within 60 days of NCLT Approval
Operational Creditors (Workman Employees)	0.03	0.01	2.74%	Within 60 days of NCLT Approval
Operational Creditor (Others)	1.01	0.10	0.21%	Within 60 days of NCLT Approval
Shareholders & Other Stakeholders	0	0.21	---	Within 60 days of NCLT Approval
Business Improvement (for working capital)	---	5.11	---	Within 14 months
<b>TOTAL</b>	<b>5,015.28</b>	<b>441.11</b>	<b>-</b>	

**7.18.** Upon reviewing the record, the Court notes that after approval of the said Resolution Plan, except for the Performance Bank Guarantee amount of Rs. 18.81 crore, no other payment was received from the SRA. Consequently, due to this complete lack of funding, the FCS were constrained to terminate the SRA's approved Resolution Plan and invoked the PBG. Furthermore, to address this failure the FCs had filed an application being IA (IBC) No.996/KB/2024, inter alia, praying for rebooting of the CIRP from the Form-G stage. All the three applications were taken together and a consent order was passed by this Hon'ble Tribunal on 03.12.2024, inter alia, recording as follows:

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*"7. The SRA now unconditionally agrees to implement the resolution*

*plan, the terms of which are briefly set out hereunder: -*

*(a) The obligation of the SRA under the Resolution Plan remains unchanged and unaltered, save and except to the extent specified below:*

*i. The effective date of the Resolution Plan is extended from 17/02/2024 to 21 days from the date of uploading of this order;*

*(b) The cash payments to be made in the Resolution Plan will be paid in the manner as follows:*

*i. An amount of Rs.65 Crore to be paid by way of Demand Draft within 24 hours of uploading of this order, which will be held by the erstwhile RP/ Chairman of Monitoring Committee in an interest bearing account; and can be appropriated and / or distributed any time on or after the revised effective date. All the MC members will support in ensuring that requirements to implement the plan within effective date are met;*

*ii. The SRA will execute an Undertaking with immediate effect i.e. within 2 days from uploading of the Order wherein the SRA will unconditionally undertake that on payment and after distribution of 1st tranche of payment or any other payment as envisaged herein the SRA will not insist on upgradation of the account as precondition for making the remaining payments/ instalments of the resolution plan. The SRA understands and agrees that upgradation of account is possible only after payment of the 3rd tranche. Banks understand and agree that they will initiate the upgradation of the CD account immediately after the receipt of third tranche and complete it at the earliest possible. The SRA*

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*also agrees that no legal case will be filed in this regard praying for upgradation of the account.*

*iii. 2nd tranche of payment as per resolution plan to be paid on or before 28th February, 2025; iv. The Balance amount (3rd Tranche) to be paid on or before 26th March, 2025; v. BG encashment amount amounting to Rs. 18.81 crores will be adjusted against the 3rd tranche;*

*(c) In the event of any default of payment of 2nd and 3rd tranche as agreed above, the lenders shall have all the rights to forfeit all the monies paid till such date including BG and shall have the right to re-run the CIRP of the CD.*

*(d) The SRA agrees to withdraw all cases/ interim applications filed by them pertaining to the resolution plan and will be withdrawn by the SRA excluding the Tax I.A. No. 396 of 2004 in which Banks are not connected and this shall not affect the rights of the Financial Creditors in any manner whatsoever;*

*(e) The communication of the CoC/Monitoring Committee regarding invocation of the PBG and forfeiting a sum of Rs. 18.81 Crores will remain suspended and the communication will stand set aside upon payment of the balance sum before 26th March 2025. I.A. 996 / 2024 filed by the Bank will be kept in abeyance and will be withdrawn on payment the 3rd instalment. The order approving the plan by the NCT dated 19th December 2023 shall stand along with the terms mentioned herein.*

*(f) Interest of the respective tranche will be paid by the SRA to the CoC at SBI 1 year MCLR rate within 7 days from the due date of each cash tranche payable hereunder on and from the original effective date (i.e. 17/02/2024), but the last of such interest payment will have to be paid on or before the 26th March, 2025.*

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(g) Further payment obligations of SRA except cash component in 3 tranches as per resolution plan will be linked to the original effective date i.e. 17/2/2024. (Share Buyback & BG Protection).

(h) The parties have agreed that the invoked BG amount of Rs. 18.81 crores will be factored in while calculating interest on delayed payments from the upfront payment.

(i) Financial Creditor will also support Corporate Debtor in bidding for new orders wherein it is a criteria / requirement that the Corporate Debtor should not be NPA; by way of issuing a letter to whomsoever it may concerns that the resolution plan is under implementation and CD shall not be barred from participating in Tender process.

8. Having recorded the terms as above all, the pending IAs (396/2024,996/2024 and 1460 /2024) are disposed of in the following manner: -

- i. Bank of India, the Creditor having agreed to the terms of payment put forth by the SRA, as extracted above, IA 996/2024 is disposed of with liberty to get it revived in the event SRA fails to make payments in terms noted above.
- ii. Consequently, the prayers made in IA 1460/2024 is allowed.
- iii. IA 396/2024 is adjourned to 31/01/2025."

**7.19.** Upon analysing the said order dated 03.12.2024, this Court observes that it is evident that the SRA has given an undertaking to implement the Plan and that the obligation of the SRA under the Plan remains unchanged and unaltered save and except extension of the upfront cash payment of Rs. 155 crores. It is also clarified at

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paragraph 7(g) of the said order that the original effective date, i.e 17/02/2024 will remain same in respect of further payment obligation. As such the share buyback is a mandatory provision under the approved plan. In fact, in the order dated 19.12.2023, it is mentioned as 'assured buyback', which palpably demonstrates the mandatory nature of the said payment, leading to the logical conclusion that had it not been mandatory, the plan of the SRA would not have been approved in the first place. Consequently, the Court finds that the contention of the applicant that buyback was only an "option" and not a mandatory provision is completely misconceived and lacks merit.

- 7.20.** The same was also confirmed by the RP upon queries of ICICI and Axis during 32nd COC meeting page 5. The paragraphs are reproduced hereunder:

*The Representative from Axis Bank stated that as SPL was the H1 bidder in the second challenge process based on their NPV, there might be questions raised on what led to increase in NPV in the BTL plan after the second challenge process. The RP replied that the consideration for equity buyback of INR 30 Crores was added by BTL while submitting their resolution plan after the second challenge process and that all modifications have been taken into consideration by the CoC when the plans were put up for vote. Further the tie breaker formula has been decided by COC in its 29th meeting on 12 & 13 June 2023 prior to the plans being put to vote.*

*The Representative from ICICI Bank enquired if the equity consideration given by the successful resolution applicant was part of the Evaluation Matrix. The RP's legal counsel stated that the same is part of the evaluation matrix and has been factored in the*

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*NPV parameter (Parameter 2) as it is a guaranteed amount to be provided by the RA.*

The use of the word 'option' in Clause 5.5.2.2 at page 110 of the reply suggests that it is an option to be exercised by the FCs and not optional as sought to be portrayed by the applicant.

**7.21.** It is to be noted that t hereafter, again the SRA failed to pay the 2<sup>nd</sup> and 3<sup>rd</sup> tranche payments, reason whereof the FCs had filed the three following applications: -

- i. IA (IBC) 810/KB of 2025, inter alia, directing SRA to hand over control and custody of the assets, operations and records of CD to the Monitoring Committee;
- ii. Restoration Application (IBC) No.3/KB/2025, inter alia, to restore IA No.996/KB/2024 for rebooting of the CIRP process from Form-G state;
- iii. Contempt Application 9/KB/2025 against the SRA and its officers for violation of order dated 03.12.2024.

The SRA had also filed an application being IA(IBC) No.862/KB/2025, inter alia, praying extension of time to make payment of the balance amount under the Resolution Plan. During the pendency of the said four applications, a Joint Lenders' Meeting [JLM] was held on 20.08.2025, which was also attended by the SRA's representative wherein the lenders, inter alia, asked the SRA for a:

*"Concrete roadmap along with identifiable source for equity buyback of Rs.30cr as per the approved Resolution Plan."*

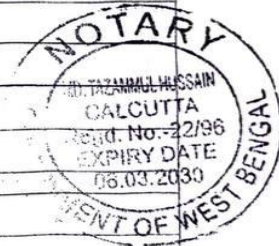
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Bank of India **BOI** ★  
Kolkata Asset Recovery Branch  
5, B T M Sarani 2nd Floor Kolkata-700001  
Mail: [assetrecovery.kolkata@bankofindia.co.in](mailto:assetrecovery.kolkata@bankofindia.co.in)

Minutes of the Lenders Meeting of McNally Bharat Engineering Company Limited held on 20.08.2025 at Bank of India, Kolkata Asset Recovery Branch at 5 BTM Sarani, Kolkata at 12:30 P.M. through virtual Mode

Name of the Bank	Officials Attended
BOI	Sh. Rajesh Kumar (DGM), Sh. S.S.Bagul (AGM), Sh. Amit Singh(Manager Law)
Axis Bank	Sh. Prasoon Bhattacharya, Sh Sudipto Karmakar, Sh. Amitabh Mukhopadhyay
SBI	Sh. Nitin Kumar Chaturvedi(AGM)
IDBI	Sh. Ajay Kumar Dash , Sh. Sushil Kumar
ICICI	Sh. Kalpak Choudhuri, Sh. Bharat Agarwal
PNB	Sh. Ajit Kumar, Sh. Rajesh Kumar
Union Bank	Sh. Debabrata Saha , Sh. Shadab Ali
Karur Vysya Bank	Sh. Senthil Raja , Sh. Samir Ghosh
Indian Bank	Sh. M.P Singh
BOB	Sh. Prakash Agarwal Sh. Kathika Sarkar(SM)
DCB Bank	Smt. Rakhi Saraf
DBS Bank	Sh. Renosh Jacob
SRA's Representative	Sh. R. Mathur( Invited for short time)



Joint Lenders Meeting of McNally Bharat Engineering Company Limited was held on 20.08.2025 through virtual mode wherein, Representatives of Bank of India, welcomed all the members present in the meeting and apprised them of the developments especially about the recent offer made by SRA to pay the balance of the Resolution plan amount along with Interest till date. Bifurcation of Amount expected to be paid by SRA vide letter dated 18.08.2025 was shared with all the lenders.

Representatives of Axis Bank mentioned that the balance amount payable by the SRA should be as per KPMG's estimate upto 31.07.2025 and further interest till final date of payment and must include the following-

1. Payment of actual Legal Costs by SRA as the same has been incurred by the lenders due to default by the SRA.



*Rajesh Kumar & Co.*

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बैंक ऑफ इंडिया  
Bank of India **BOI** ★

Kolkata Asset Recovery Branch  
5, B T M Sarani 2<sup>nd</sup> Floor Kolkata- 700001  
Mail: [assetrecovery.kolkata@bankofindia.co.in](mailto:assetrecovery.kolkata@bankofindia.co.in)

2. Payment for two BGs invocation of Rs.97,56,000 to be done by SRA.
3. Payment of Pre CIRP PF dues of Rs.3,29,99,450.

Further, the SRA should come up with concrete roadmap along with identifiable source of Rs.30 Cr which is payable towards equity buyback as per Resolution Plan by the SRA in the month of Feb, 2026.

SRA Representative Mr. R.Mathur was also invited for a short period to take and respond to the queries of Representatives of the Lenders. He submitted that the Company wished to get listed shortly on the stock exchange and they planned to transfer 5% of their shares to investor to pay out Rs.30 Cr to the Lenders towards buyback of shares allotted to the lenders as per the terms of the Resolution Plan. Further, this amount could also be arranged through borrowing and / or internal accruals. BOI Representatives suggested that the Company can also consider pledging their shares for arranging the aforesaid amount of Rs.30 Crores.

Further, after discussion, all the lenders except SBI had general consensus to accept the offer of the SRA in-principal subject to approval of the Adjudicating Authority and acceptance / compliance of below mentioned points by the SRA:-

1. Reimbursement of actual Legal Costs incurred by the lenders due to default in implementation of the Resolution Plan by the SRA.
2. Payment for two invoked BGs of Rs.97,56,000/-
3. Payment of Pre CIRP PF dues,
4. Concrete roadmap along with identifiable source for equity buyback of Rs.30 Cr as per the approved Resolution Plan.

The meeting concluded with a vote of Thanks.

In the said JLM, the SRA's representative again committed to buyback equity and stated that the amount of Rs.30 crore could be arranged through borrowing and/or internal accruals, which can be seen hereunder:

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*"Joint Lenders Meeting of McNally Bharat Engineering Company Limited was held on 20.08.2025 through virtual mode wherein, Representatives of Bank of India, welcomed all the members present in the meeting and apprised them of the developments especially about the recent offer made by SRA to pay the balance of the Resolution Plan amount along with interest till date. Bifurcation of Amount expected to be paid by SRA vide letter dated 18.08.2025 was shared with all the lenders.*

*Representatives of Axis Bank mentioned that the balance amount payable by the SRA should be as per KPMG's estimate upto 31.07.2025 and further interest till final date of payment and must include the following:-*

- (i) Payment of actual Legal Costs by SRA as the same has been incurred by the lenders due to default by the SRA.*
- (ii) Payment for two BGs invocation of Rs.97,56,000 to be done by SRA.*
- (iii) Payment of Pre CIRP PF dues of Rs.3,29,99,450.*

*Further, the SRA should come up with concrete roadmap along with identifiable source of Rs.30 Cr which is payable towards equity buyback as per Resolution Plan by the SRA in the month of Feb, 2026.*

*SRA Representative Mr. R. Mathur was also invited for a short period to take and respond to the queries of Representatives of the Lenders. He submitted that the company wished to get listed shortly on the stock exchange and they planned to transfer 5% of their shares to investor to pay out Rs.30 Cr to the lenders towards buyback of shares allotted to the lenders as per the terms of the Resolution Plan. Further, this amount could also be arranged through borrowing and/or internal accruals. BOI Representatives suggested that the Company can also consider pledging their shares for arranging the aforesaid amount of Rs. 30 crores.*

*Further, after discussion, all the lenders except SBI had general consensus to accept the offer of the SRA in principal subject to approval of the Adjudicating Authority and acceptance/compliance of below mentioned points by the SRA:-*

- (i) Reimbursement of actual Legal Costs incurred by the lenders due to default in implementation of the Resolution Plan by the SRA.*
- (ii) Payment for two invoked BGs of Rs.97,56,000/-*
- (iii) Payment of Pre CIRP PF dues,*



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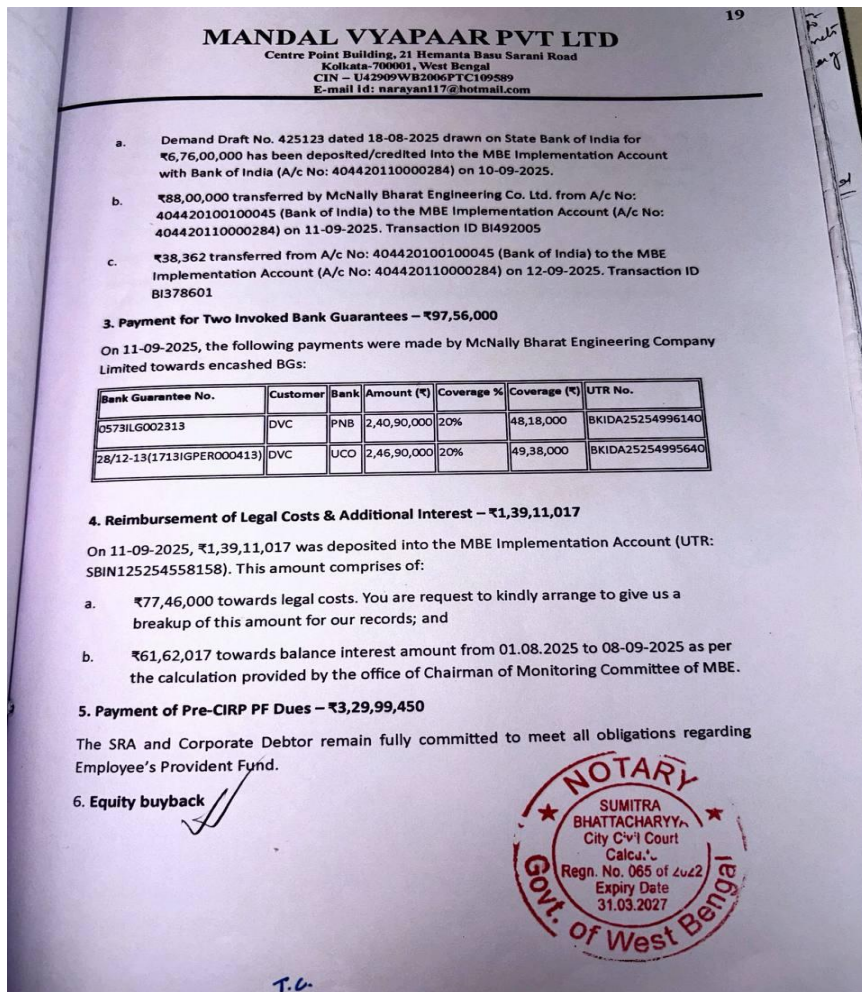
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**7.22.** Pursuant to the order dated 08.09.2025 Mandal Vyapaar Private Limited, the nominee and implementing entity of SRA issued a letter dated 12.09.2025, wherein they have reiterated that

*"SRA is fully committed to ensure that 5% equity shares of McNally Bharat Engineering Company Limited which corresponds to Rs. 30 crores shall be available for buyback (at the sole option of Financial Creditors) in accordance with the approved Resolution Plan and the orders passed by the Hon'ble NCLT".*

Images of the letter are provided below:



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**MANDAL VYAPAAR PVT LTD**

Centre Point Building, 21 Hemanta Basu Sarani Road  
Kolkata-700001, West Bengal  
CIN - U42909WB2006PTC109589  
E-mail id: narayan117@hotmail.com

As requested by lenders forming part of the JLM, it is re-iterated here that the SRA is fully committed to ensure that 5% equity shares of McNally Bharat Engineering Company Limited which corresponds of ₹30 crores shall be available for buy back (at the sole option of Financial Creditors) in accordance with the approved Resolution Plan and the orders passed by the Hon'ble NCLT.

We request your acknowledgment and confirmation at the earliest.

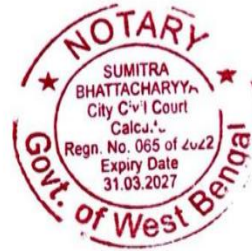
**Thanking you,**

For **Mandal Vyapaar Private Limited**

(Nominated by Resolution Applicant for McNally Bharat Engineering Company Limited)

**Narayan Dhelia**  
Director

Encl.: As above  
CC: Bank of India / Axis Bank / IDBI



**7.23.** Upon assessing the sequence of events and the regulatory orders and the submissions on record, this Court notes that thereafter, the banks issued an email dated 23.09.2025 stating that they are agreeable that the plan should be implemented as per strict provisions of the Resolution Plan submitted and approved apart from payment of first three tranches where the timeline has been extended by lenders. Recording the same, the order dated 23.09.2025 was passed by this Hon'ble Tribunal whereby the three

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applications filed by the banks were disposed of and the IA 862 of 2025 filed by the SRA was allowed on payment of cost of Rs. 1 crore for delay in implementation of the plan to be paid to the PM's National Relief Fund for failure to act in terms of their undertaking.

**7.24.** Upon a close review of the corporate minutes and subsequent correspondence, the Court notes that thereafter, in the 17th MC Meeting held on 17.10.2025 along with other issues, the issue regarding equity buyback was also discussed, wherein the representative of IDBI Bank stated that the shares allotted to them were yet to reflect in their DEMAT Account and enquired if any challenge shall arise at the time of share buyback in February, 2026 if the shares are not credited to the DEMAT in a timely manner. In response to such query, the SRA's representative emphasised that they are actively working towards expediting the same and that the payment shall be made to the lenders as per the timelines outlined in the approved Resolution Plan irrespective of whether the shares are credited to the DEMAT account. As the effective date for equity buyback was to expire on 17.02.2026, the FCs issued an email on 09.02.2026 to the SRA to abide by the said terms of the plan, and when no response came from the SRA, IDBI Bank/Respondent no.4 issued a reminder email dated 16.02.2026 to the SRA. The SRA belatedly issued a reply email dated 17.02.2026 allegedly contending that the timeline for completion of listing is completely dependent upon Regulatory approvals and the same is not within the company's control, while also purportedly claiming that neither the approved Resolution Plan nor the orders passed by the NCLT provide for any mandatory buyback of shares by the company prior to its listing and that, in any event, buyback cannot be practically undertaken prior to listing of the shares. In this regard, the Court finds it material to note that under Schedule-III (Implementation

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Schedule), approvals from the Stock Exchanges were to be obtained before the effective date, i.e. 17.02.2024, and by failing to do so, the SRA cannot legally take advantage of its own default. Furthermore, by an email dated 23.02.2026, the lenders have stated that the SRA has again failed to implement the plan as the effective date for exercise of put option for buyback has expired on 17.02.2026, clarifying that internal or regulatory delays cannot dilute or defer or extinguish the contractual and plan-backed rights of the FCs, especially since the put option mechanism was specifically incorporated to protect lenders against such contingencies including failure of listing or non-credit of shares. Consequently, Bank of India, on behalf of the consortium lenders, called upon the CD and the SRA to remit the agreed consideration amount of Rs. 30 crore forthwith in terms of the commercial understanding and the resolution plan framework, a demand that highlights how, as the SRA has failed to credit the shares in the respective DEMAT accounts of the lenders, the put option agreement could also not be executed due to the SRA's continuing non-compliance.

**7.25.** In the light of the above, this Tribunal categorically rejects the applicant's argument that the equity buyback was a mere "option". The record reveals that the Rs.30 crore equity buyback component was the definitive factor that inflated the SRA's NPV, allowing it to surpass competing bidders and secure the Committee of Creditors' approval. The plan approval order explicitly labels this obligation as an "assured buyback", a binding characterization subsequently reinforced by multiple unconditional undertakings executed by the SRA and its implementing entity. The use of the term "option" in the text strictly refers to the absolute right of the Financial Creditors to trigger the mechanism, not a discretionary choice for the SRA to evade payment. Therefore, the equity buyback is held to be an

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absolute, mandatory, and non-negotiable part of the approved Resolution Plan. It is evident that the SRA has again failed to implement the plan and to act in terms of the orders passed by this Hon'ble Tribunal and that it has again come up with a lame excuse to not buyback the equity and implement the plan in its entirety.

**Issue 3 Upgradation of the NPA Account**

- 7.26.** The Applicant states that, when the Lead Bank (Bank of India) has already upgraded the Applicant Company's NPA status to standard then the remaining banks cannot without any rationale, deviate from this position and are expected to upgrade the account accordingly.
- 7.27.** The Respondent contends that the SRA has failed to implement the plan. Insofar as account upgradation is concerned, R-1 has already removed the NPA tagging for operational convenience, from the main current account of the CD. The ICICI Bank/R-5 is in the process of taking necessary steps for upgradation of the account and issuance of No-Due certificate after writing off the remaining actual dues.
- 7.28.** The applicant has stated that more than 100 accounts of CD are lying dormant. However, no details of such accounts including bank names, account nos., bank balance or reason for such non-utilisation are provided nor any documents have been shared in respect thereof. Details of the said amount were never ever raised in any platform/meeting by the SRA despite the fact that management was handed over to them long time back and due-diligence exercise was also carried by them. Assuming but not admitting that such funds exist, it raises serious concerns regarding the conduct and financial discipline during the CIRP and post-approval phase.
- 7.29.** With regard to the allegations of the applicant that due to NPA status of CD it was unable to participate in the tender process is completely

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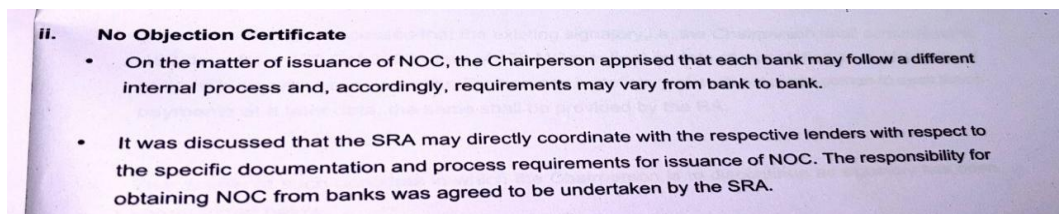
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an afterthought and misconceived allegation as not a single letter has been issued by the SRA/CD to the lenders asking them to issue a certificate for participation in tender process as envisaged under Para 7(i) of the order dated 03.12.2024.

**Issue 4: Whether NOC should be given to the Applicant**

- 7.30.** The Respondent had submitted that the SRA has failed to fulfil the payment obligations under the approved Resolution Plan in its entirety. As such, the banks cannot be compelled to treat the accounts as fully regularised or issue no-due certificate.
- 7.31.** Under Clause [5.5.2.2](#) the FCs continue to have charge over existing assets of CD until release of taken over bank guarantees or payment of third tranche, whichever is later. As such, NOC shall have to be taken from FCs with no BG coverage post-distribution and the other FCs upon release of taken over BGs as and when applicable.
- 7.32.** In the 18th MC meeting held on 11.11.2025 that the SRA may directly coordinate with the respective lenders with regard to specific documentation and process requirements for issuance of NOC. As such, responsibility for obtaining NOC from bank was agreed to be undertaken by SRA.



Therefore, the onus lies squarely on the applicant to coordinate directly with the lenders for the necessary documentation. Until such critical steps are completed, banks cannot issue NOC without exposing themselves to regulatory non-compliance and financial risk.

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- 7.33.** Furthermore, issuance of NOC is also intrinsically linked to the exercise and completion of the put option/ buyback mechanism. Unless and until the put option is exercised by FCs, question of issuance of NOC does not and cannot arise.
- 7.34.** Upon a detailed perusal of the resolution plan and a careful consideration of the rival submissions made by both the parties, it is abundantly clear to this tribunal that the applicant has demonstrated a consistent pattern of non-compliance, establishing themselves as a habitual offender in failing to implement the resolution plan within prescribed timelines. The buyback of equity constitutes a mandatory and non-negotiable obligation under the approved plan, without its absolute fulfilment, the resolution plan cannot, under any circumstances, be deemed to be completed. Consequently, the Applicants prayer for relief is dismissed, as there can be no question of upgrading the bank account or removing the NPA classification prior to the complete execution of this mandatory buyback.
- 7.35.** It can be concluded that the SRA has failed to Implement the Approved resolution Plan in its entirety and thus this petition by the Applicant has no Merit.

**ORDER**

- 8.** In view of the foregoing discussions, this **IA (I.B.C.) No. 294/KB/2026, is dismissed and disposed of** with the following directions:
- a.** The Applicant/SRA has to mandatorily comply with Clause [5.5.2.2](#) of the Resolution Plan of the SRA, to buyback 5% of equity of CD for a total consideration of Rs.30 Crore. The SRA has to pay said amount forthwith, with interest as per prevailing rate of interest from due date which is 17/02/2026.

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- b.** On receipt of this Amount all Respondent Banks are directed to remove NPA and provide NOC to the Applicant within a period of 1(one) week.
- 9.** The Registry is directed to send email copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- 10.** Certified Copy of this order may be Issued, if applied for, upon compliance with all requisite formalities.

**CMDE Siddharth Mishra  
Member (Technical)**

**Bidisha Banerjee  
Member(Judicial)**

**The Order is Signed on this, the 10<sup>th</sup> day of June, 2026**

RKM(LRA)