

IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
PRINCIPAL BENCH

IA (I.B.C)/331/2025

In

(IB)-731(PB)/2018

IN THE MATTER OF: IA (I.B.C)/331/2025

Mr. Ashwini Mehra Applicant
Vs
Rajasthan Rajya Vidyut Utpadan Respondents
Nigam Limited & Anr

In

IN THE MATTER OF:

ICICI Bank Ltd Petitioner
Vs
Punj Lloyd Ltd. Respondent

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

Order Pronounced on 11.06.2026

CORAM:

SHRI BACHU VENKAT BALARAM DAS
HON'BLE MEMBER (JUDICIAL)

SHRI RAVINDRA CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Liquidator : Mr. Sunil Fernandes, Senior Advocate along
with Mr. Raghav Chadha, Advocate
For the Respondent No.1 : Mr. Kartik Seth, Advocate

ORDER

1. The Liquidator has filed the present application seeking the following reliefs:
 - a. *Direct the Respondent No. 1 to deposit the amount of Rs. 67,82,93,637/- (Rupees Sixty-Seven Crores Eighty-Two Lakhs Ninety-Three Thousand Six Hundred and Thirty Seven Only) in the Bank Account of the Corporate Debtor along with the interest.*

b. pass such further and other directions as this Hon'ble Tribunal may deem fit and expedient.

Brief Background:

2. The Corporate Insolvency Resolution Process (**CIRP**) for M/s Punj Lloyd Corporate Debtor (**CD**) commenced vide order dated 08.03.2019 passed by this Adjudicating Authority (**AA**).
3. The CoC of the Corporate Debtor had in its 27th meeting held on 30.03.2021 recommended the liquidation of the Corporate Debtor on a going concern basis. This AA on an application filed by the Applicant directed liquidation of the CD as a going concern vide order dated 27.05.2022.
4. Pursuant to the above, an application bearing IA(IBC) 5391/2025 was filed seeking sale of the CD as a going concern to M/s Adani Infra (India) Limited, the successful bidder for the acquisition of the CD and the same was allowed by this AA vide order dated 12.02.2026.
5. Pursuant to the above, a letter placed on record shows that the total sale consideration of INR 281.10 crores has been paid by the successful bidder.
6. Pursuant to the above, the Liquidator has executed the sale certificate dated March 10, 2026, for the sale of the Company on a going concern basis to the Successful Bidder.

Brief Facts and Submissions of the Applicant

7. The instant case is based on an Agreement for Civil & ETC Contract dated 15.09.2006 was executed between Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (**RRVUNL – Respondent No. 1**) and the CD for civil and ETC works of balance of plan on EPC basis for 2x250 MW Chhabra Thermal Power Project (**the Contract**).
8. RRVUNL, through its letter dated 16.12.2019 (i.e., during the CIRP), informed the Corporate Debtor that it would release the outstanding payment of Rs. 67,82,93,637/- in its favor of the CD with the request to the Corporate Debtor to provide an undertaking accepting the said

amount as full and final settlement, so that the payment could be released.

9. Applicant, vide its letter dated 16.01.2020, accepted the above request. The Applicant furnished bank account details of the Corporate Debtor to enable the release of the payment, and it was expressly agreed that upon receipt of the said amount, no further claims would remain in relation to the project.
10. Despite the above, RRVUNL, through its letters dated 19.03.2020 and 11.06.2020, informed the Corporate Debtor, inter alia, to settle outstanding dues payable to subcontractors, suppliers, individuals, and M/s BHEL.
11. The Resolution Professional, through letters dated 20.03.2020 and 12.06.2020, replied to RRVUNL's letters dated 19.03.2020 and 11.06.2020 respectively. In these communications, it was stated, inter alia, that the payment of Rs. 67,82,93,637/- (Rupees Sixty-Seven Crores Eighty-Two Lakhs Ninety-Three Thousand Six Hundred and Thirty-Seven only) towards the full and final settlement under the BOP contract was still awaited for release. Further upon receipt of the said full and final payment, the Resolution Professional/Applicant would be engaging with the sub-vendors, subcontractors, suppliers, and other individuals, including BHEL, for settlement of their outstanding dues.
12. RRVUNL, vide its letter dated 11.02.2021, requested the Resolution Professional to settle outstanding liabilities amounting to approximately Rs. 14.31 crores payable to sub-vendors and subcontractors of the Corporate Debtor, as a precondition for initiating the release of the balance payment.
13. In reply to the letter dated 11.02.2021, the Resolution Professional, through its letter dated 17.02.2021, reiterated, inter alia, that it would engage with sub-vendors, subcontractors, suppliers, and other parties, including BHEL, to settle their dues upon receipt of Rs. 67,82,93,637/- (Rupees Sixty-Seven Crores Eighty-Two Lakhs Ninety-Three Thousand Six Hundred and Thirty-Seven only). No reply was received from the

Respondent. Resolution Professional issued another letter dated 21.09.2021 reiterating its position.

14. Respondent No. 1 issued another letter dated 16.11.2021 asking for payment to suppliers and vendors, further expressing inability to remit the balance dues to the CD, if payments are made to the suppliers and vendors. Applicant in response vide letter dated 17.11.2019, reiterated its stand as stated above.
15. The Respondent No. 1 issued a letter dated 18.11.2021 to the Applicant wherein the Respondent No. 1 stated that in case the pending liabilities of subvendors/ sub-contractors are not settled by the Applicant, the Respondent No. 1 might face legal proceedings from the sub-vendors/ sub-contractors for which any additional interest/ tax liabilities may also arise. In such event the Respondent No. 1 shall recover the liabilities from the Applicant. In the said letter the Respondent No. 1 also mentioned that an additional recovery towards audit para and additional GST on interest on advance is amounting to Rs. 1.34 Crores, thus the net releasable amount is Rs. 66.48 Crores instead of Rs. 67.82 Crores (Approx.). The same was followed by another letter from the Applicant dated 25.11.2021, requesting Respondent No. 1 to provide break-up/ necessary documents for the claim of INR 1.34 crores.
16. The Applicant issued another letter dated 03.07.2024, wherein it proposed that Respondent No. 1 may keep dues payable to vendors and sub-vendors aside and pay the remaining INR 53 crores to the CD.
17. Surprisingly, Respondent No. 1 sent a letter on 07.08.2024, which included a formal notice from the Ministry of Corporate Affairs (MCA) stating that the Serious Fraud Investigation Office (SFIO) is conducting an inquiry into the Applicant's business dealings. And has also asked Respondent No. 1 to submit all relevant documentation concerning the contract with the Applicant. Due to the ongoing SFIO investigation, no further requests of payment from the Applicant would be considered until formal clearance is granted by the MCA. Applicant vide a letter dated 02.09.2024, expressing opposition to the above communication.

18. In view of the non-payment of dues by the RRVUNL to the CD, the Applicant has filed present Application.

Submissions of the Respondent:

19. The Respondent, vide letter dated 19.03.2020, directed the Applicant to address the issue of outstanding payments due to various subcontractors, suppliers, and individual workers engaged in the execution said contract, despite repeated written correspondence, however, no response or remedial action was taken.
20. The Respondent is encountering considerable impediments at the CTPP, Chhabra site, owing primarily to the non-cooperation of one of the key subcontractors, namely M/s BHEL, Bhopal, is not willing to provide offers for spare parts of the BHEL equipment supplied there. This is because a long-pending outstanding payment for the supply of the Generator Transformer remains unpaid.
21. The Ministry of Corporate Affairs (MCA) has invoked an SFIO investigation against the Applicant and is seeking extensive documentary evidence of the transactions undertaken with the Applicant. Respondent has been called upon to furnish exhaustive documentary evidence pertaining to the transactions undertaken with the Corporate Debtor. Respondent is presently incurring significant expenditure in terms of time, manpower, and financial resources to comply with the extensive and ongoing requirements of the SFIO investigation. It is further submitted that the pendency of the investigation may give rise to unforeseen contingencies, as Respondent may be burdened with additional costs arising from potential litigation and claims, which are a direct consequence of and solely attributable to the acts and omissions of the Corporate Debtor. In light of the above, the Answering Respondent, vide its letter dated 07.08.2024, clearly stated that the issue of the balance payment shall be considered only upon receipt of a clean chit from the Serious Fraud Investigation Office (SFIO), Office of the Ministry of Corporate Affairs, Government of India.

Findings and Analysis

22. Heard Ld. Sr. counsel and other counsels appearing for the parties and perused the record.
23. This Adjudicating Authority, based on submissions of the Ld. Counsels, on 30.07.2025, passed the following directions:
 - a. Admittedly total amount as undertaken in the affidavit to be payable by respondent to Liquidation estate of the CD is INR 66,48,62,506/- (Rupees Sixty-Six Crores, Fourty- Eight Lacs, Sixty Two Thousand, Five-Hundred and Six only), after adjusting GST liability to the tune of Rs. 1.34 crores.
 - b. We direct the said total amount i.e., INR 66,48,62,506/- shall be deposited by the Respondent (Rajasthan Rajya Vidyut Utpadan Nigam Ltd.) within a period of 03 (three) months i.e., **on or before 31.10.2025 in an interest bearing account to be opened with the State Bank of India, CGO complex branch, New Delhi.** Thereafter, from the liquidation estate, the liquidator will discharge the liability to the tune of INR 14,31,00,188/- to the sub-vendors/sub-contractors in accordance with section 53 of the IBC, 2016 and other provisions of the Code.
 - c. Ld. Counsel for the Rajasthan Rajya Vidyut Utpadan Nigam Ltd. undertakes to adhere to the timeline and comply with the directions.
24. Pursuant to the above, certain affidavits have been filed by the Respondent. Relevant portion of the affidavit filed on 22.11.2025 is extracted hereinbelow:

3. Pursuant to the aforesaid Order dated 30.7.2025 and pertinently, the directions passed therein *qua* the Respondent-RRVUNL in regard to depositing the amount, the Respondent-RRVUNL has paid an amount of Rs. 66,21,99,791/- (Rupees Sixty-Six Crore Twenty-One Lakh Ninety-Nine Thousand Seven Hundred Ninety-One only) *vide* Cheque No. 776197 dated 31.10.2025 in favour of 'M/s Punj Lloyd Ltd.' (SBI A/c – 44413522217). The same stands deposited on the same date, a Receipt of which along with the said cheque is annexed herewith as Annexure A-2 (Colly).
4. That the above-mentioned amount of Rs. 66,21,99,791/- (Rupees Sixty-Six Crore Twenty-One Lakh Ninety-Nine Thousand Seven Hundred Ninety-One only) is based on statutory deductions under GST, which are mandatory in nature. The same was duly / timely communicated to the Liquidator of M/s. Punj Lloyd Ltd., which was duly acknowledged and accepted by the Liquidator, who further *vide* his email dated 27.10.2025 at 3:32 PM, *requested to proceed the payment with deductions*. True Copy of the email dated 27.10.2025 issued by the Liquidator is annexed herewith as Annexure A-3.
5. In the event, as such, it can be construed that the Respondent-RRVUNL, made the payment as directed vide this Hon'ble Tribunal's order dated 30.7.2025 and accordingly, the Respondent-RRVUNL has complied with the directions thereof.
25. Another affidavit has been filed on 13.02.2026, relevant portion of which is extracted below:

4. That RRVUNL, in compliance of the order dated 30.07.2025, deposited an amount of Rs.66,21,99,791/- in favor of 'M/s. Punj Lloyd' in SBI A/C No. 44413522217 vide cheque bearing no. 776197 dated 31.10.2025. The said deposited amount of Rs. 66,21,99,791/- is based on statutory deductions under GST, which is mandatory in nature. It is submitted that, in compliance of the order dated 30.07.2025, an affidavit dated 22.11.2025 was filed by RRVUNL placing on record the particulars of the deposit being made in favor of M/s. Punj Lloyd.
5. It is submitted that RRVUNL is facing financial stress and is running at a loss, as stated in the affidavit dated 30.07.2025 filed in compliance of the order dated 23.07.2025 passed by this Hon'ble Tribunal. It is pertinent to note that the aforesaid amount was deposited upon seeking financial assistance in form of loan being sanctioned to RRVUNL by the Government of Rajasthan in order comply with the directions passed by this Hon'ble Tribunal vide its order dated 30.07.2025.
6. That the application bearing I.A. No.331/2025 was listed on 26.11.2025 before this Hon'ble Tribunal and the Applicant pressed that the steps be taken to distribute the amount of Rs.14,31,00,188/- to the sub-vendors/ sub-contractors. Copy of the order dated 26.11.2025 passed by this Hon'ble Tribunal in IA No.331/2025 is annexed herewith and marked as **ANNEXURE A-2**.
7. That the sub-vendors/ sub-contractors, majorly, M/s BHEL, a Government Undertaking vide its letter bearing no. TRS/66089/CFT/TCBC/01 dated 30.10.2025 issued to Chhabra Thermal Power Project-RRVUNL & E-mails dated 12.11.2025 and 20.12.2025 were issued pressing demands for release of payment worth Rs.5,84,99,623 by the Corporate Debtor i.e. Punj Lloyd Ltd., towards supply of power transformer. Once again, M/s. BHEL sent an email dated 06.01.2026 to RRVUNL seeking payment of dues against supply of power transformer. M/s BHEL, once again vide letter dated 27.01.2026 demanded release of its long overdue payment from past 15 years. M/s BHEL also highlighted its concern with respect to the long overdue payment which has caused serious Government Audit objections at the end of M/s BHEL. Copy of the letters & emails dated 30.10.2025, 12.11.2025, 20.12.2025, 06.01.2026 and 27.01.2026 issued by M/s. BHEL from time to time are annexed herewith and marked as **ANNEXURE A-3 (Colly)**.

8. That another sub-vendor/ sub-contractor, M/s. Frontline Engineers, Contractors & Designers, *vide* its letters dated 06.11.2025 and 22.01.2026 issued to Chhabra Thermal Power Project-RRVUNL, sought for release of their balance payment/ outstanding dues. Copy of the letters dated 06.11.2025 and 22.01.2026 issued by M/s. Frontline Engineers to RRVUNL are annexed herewith and marked as **ANNEXURE A-4 (Colly)**.
9. That similarly, M/s. Neelkamal Industries (another sub-vendor) also demanded to settle its outstanding dues, *vide* its letter dated 23.01.2025. Copy of the letter dated 23.01.2025 issued by M/s. Neelkamal Industries is annexed herewith and marked as **ANNEXURE A-5**.
10. Thereafter, another sub-vendor/sub-contractor, M/s. Zuberi Engineering Construction Pvt. Ltd. issued letters on 29.10.2025 and 27.01.2026 seeking to make payment of its pending bills, copies of which is annexed herewith and marked as **ANNEXURE A-6**.
11. That sub-vendor/sub-contractor, M/s. Punjab Gujarat Road Carrier, issued letter dated 27.01.2026 seeking payment of outstanding dues. True copy along with translated copy of the letter dated 27.01.2026 issued by Punjab Gujarat Road Carrier is annexed herewith and marked as **ANNEXURE A-7 (Colly)**.
12. Consequent thereof, Sh. Dinesh Kumar Nagar, employed with Punj Lloyd *vide* an email dated 29.01.2026 and M/s. Narayan Lodha, Security Guard Shivalal Lodha *vide* letter dated 23.01.2026, demanded their outstanding payment for the work rendered. A copy of the email & letter is annexed herewith as **ANNEXURE A-8 (Colly)**.
13. Additionally, M/s. Goodwill Advance Construction Company Private Limited, another sub-vendor who filed its claim before this Hon'ble Tribunal, has *vide* its letter dated 03.02.2026 to RRVUNL, has sought for necessary action regarding release of their payment/ dues. True copy of the said letter dated 03.02.2026 issued by M/s. Goodwill Advance Construction Company Private Limited to RRVUNL is annexed herewith as **ANNEXURE A-9**.
14. It is submitted that upon failure of the Liquidator to comply with the order dated 30.07.2025 and owing to the continuous demands being made by the sub-vendors/sub-contractors (as cited above), RRVUNL *vide* its letter dated 11.11.2025 requested the Liquidator to remit the balance amount towards pending payments to the sub-vendors/sub-contractors. Once again, *vide* its

letter dated 09.12.2025 bearing No. RVUN/CE/CE(TD)/SE(TD-II)/XEN(TD)/F./D.1568, RRVNUL wrote to the Liquidator, in order to seek settlement of all the pending liabilities towards the sub/vendors/sub-contractors in compliance of the order dated 30.07.2025. Copy of the letters dated 11.11.2025 and 09.12.2025 issued by RRVUNL is annexed herewith and marked as ANNEXURE A-10 (Colly).

15. That thereafter I.A. No.331/2025 was listed on 01.12.2025, 16.12.2025 and 07.01.2026 before this Hon'ble Tribunal. It is to be noted that the Liquidator failed to make payments to the sub-vendors/ sub-contractors as directed in the order dated 30.07.2025 passed by this Hon'ble Tribunal.
16. Pursuant to several demands being made by the sub-vendors/sub-contractors from time to time, the Liquidator never made any effort to resolve the issue of payment of sub-vendors/sub-contractors. It is again submitted that the Liquidator has not fulfilled the directions issued by this Hon'ble Tribunal vide order dated 30.07.2025 till date.
17. It is submitted that the sub-vendors/sub-contractors had been awaiting payments of their dues and had been requesting the release of their balance payments continuously. It is submitted that one of the sub-vendors is M/s. BHEL - also a Public Sector Undertaking and the Respondent-RRVUNL had been working with M/s. BHEL for substantial time. It is submitted that due to the non-payment of its dues by the Liquidator, M/s. BHEL is not cooperating with the Respondent-RRVUNL.
18. It is submitted that in view of the long-overdue to the payments of the sub-vendors/sub-contractors and in view of the fact that the RRVUNL in compliance of the order dated 30.07.2025 have already deposited an amount of Rs.66,21,99,791/-, it is prayed that the Liquidator is directed to fulfil its obligation to disburse the amount of Rs.14.31,00,188/- to the sub-vendors/sub-contractors.
19. Therefore, RRVUNL appeals this Hon'ble Tribunal to direct the Liquidator to settle all pending liabilities towards the sub-vendors/sub-contractors, in terms of letter & spirit of the Hon'ble Tribunal's directions vide order dated 30.07.2025.
20. It is submitted that in view of the fact the payments amounting to Rs.14,31,00,188/- of the sub-vendors/sub-contractors is long overdue and despite the deposit of the requisite amount by the RRVUNL, the Liquidator has failed to release payments to the sub-vendors/sub-contractor.
21. That I have read and understand the contents of the afore-stated application, which has been drafted under my instructions and I say that the facts stated therein are true and correct to my knowledge based on the records, contents whereof are not repeated for the sake of brevity and may be read as part and parcel of this affidavit. No part of it is false and nothing material has been concealed therefrom.


Liquidator

26. On 17.02.2026, Ld. senior counsel for the Liquidator submitted that the Respondent is unfairly opposing the withdrawal of funds so deposited in the escrow account and in view thereof, the following order was passed:

IA-331/2025

1. Ld. Counsel, Ms. Shilpa Saini, appeared on behalf of the Rajasthan Rajya Vidyut Utpadan Nigam Ltd. and sought time to obtain further instructions in the matter. At her request, three days' time is granted for the purposes of taking appropriate instructions and filing an affidavit within the said period, and serving it on the other side.
 2. The affidavit shall specifically mention the reasons for opposing the release of the remaining amount i.e. INR 52,17,62,318/- (Rupees Fifty-Two Crore Seventeen Lakh Sixty-Two Thousand Three Hundred Eighteen Only) out of the total INR 66,48,62,506/- (Rupees Sixty-Six Crore Forty-Eight Lakh Sixty-Two Thousand Five Hundred Six Only), which has already been deposited in the bank.
 3. Ld. Sr. Counsel for the Liquidator submitted that he has no objection to retaining the amount of INR 14,31,00,188/- (Rupees Fourteen Crore Thirty-One Lakh One Hundred Eighty-Eight Only) pending further orders.
 4. List the matter **on 02.03.2026** for further consideration.
27. Pursuant to the above directions, an affidavit has been filed on 06.04.2026 on behalf of the Respondent. Relevant portion of which is extracted hereinafter:

7. In the event, as such, the Respondent-RRVUNL has acted in full compliance of the Order dated 30.07.2025 passed by this Hon'ble Tribunal.
8. The directions *qua* the Order dated 30.07.2025, thus, proceeded on the premise that the liquidator would act independently for the benefit of all creditors and would ensure payment of Rs. 14.31 crore to sub-vendors/sub-contractors under this contract.



Pending dues towards sub-vendors/ sub-contractors qua Contract

9. Subsequent thereof, the RRVUNL *inter alia* conveyed to settle pending liabilities amounting to Rs. 14.31 crores towards sub-contractors/ sub vendors including M/s BHEL in regard to the BOP contract for the project.
10. It is submitted that the sub-vendors/sub-contractors had been awaiting payments of their dues and had been requesting the release of their balance payments continuously, through their several emails/ letters issued to RRVUNL.
11. In case, the pending liabilities towards the sub-vendors/ sub-contractors are not settled by the Corporate Debtor through the Applicant, the RRVUNL, being a government enterprise, under the aegis of Government of Rajasthan, might face legal proceedings from the sub-vendors/ sub-contractors, for which any additional interest/ tax liabilities may also arise.
12. Time & again, the Applicant, confirmed that upon receipt of the full and final payment from RRVUNL, it would be engaging with the sub-vendors/ sub-contractors including M/s BHEL for the settlement of their dues against the contract. However, the Liquidator failed to make payments to the sub-vendors/ sub-contractors, contrary to the intent and purpose of the order dated 30.07.2025. Moreover, the Liquidator did not made any effort to resolve the issue of payment of liabilities *qua* the sub-vendors/sub-contractors.

Concern of RRVUNL

13. That the major concern of RRVUNL relates to concerning liabilities *qua* the sub-vendors/ sub-contractors, in relation to the BOP contract for the Chhabra Thermal Power Project.
14. **Due to the non-settlement of the dues/outstandings of the sub-vendors/ sub-contractors, that RRVUNL is facing impediments at the CTPP, Chhabra site, primarily due to the:**
 - Non-cooperation of sub-vendors/ sub-contractors, which has arisen due to the Applicant's default in clearing their claims.
 - Owing to which, the business terms of RRVUNL with the sub-contractors are being detrimentally affected.
 - One of the sub-vendors is M/s. BHEL - a "Public Sector Undertaking" and the RRVUNL had been working with M/s. BHEL for substantial time. That due to the non-payment of its dues by the Liquidator, M/s. BHEL is not cooperating with the RRVUNL in other projects.

ATTESTED

Notary (Govt. of India)
JAIPUR (Raj.)

15. Subsequent thereof, Adani Infra (India) Ltd. has been declared and approved as the "Successful Bidder" for the acquisition of Corporate Debtor on a going concern basis, pursuant to the liquidation process of the Corporate Debtor. The total sale consideration of Rs. 281.10 crores have been paid by the Successful Bidder. True copy of the Letter dated 10.3.2026 is annexed herewith as Annexure-1. There is a genuine apprehension that once Rs. 52.17 crore is released, the liquidator while performing its duties, may not discharge these funds towards the dues of the sub-vendors/sub-contractors and may instead deploy them for other purposes, leaving those sub-vendors uncompensated and exposing RRVUNL to further litigation and reputational risk.
16. Moreover, in view of the successful bidder acquiring the Corporate Debtor and paying the sale consideration amount, the Liquidator should proceed with the distribution of assets *vis-a-vis* utilizing these sale proceeds. Similar situation arose, wherein one of the Companies namely "M/s. Energo Engineering Projects Limited (EEPL)" went in insolvency while L&T alleged a claim against the Respondent, wherein EEPL was the main contracting company. However, due to non-payment by the insolvent company therein, arbitration proceedings were instituted against RRVUNL by L&T, in which an award was passed against RRVUNL, facing the legal consequences, resultantly. Additionally, the Government of India, Ministry of Corporate Affairs vide its notice stated that MCA has ordered Serious Fraud Investigation Office (SFIO) to investigate into the affairs of the Corporate Debtor and directed Respondent to provide documents in relation to the contract awarded. The Respondent/RRVUNL was concerned with the clearance by the MCA before depositing the amount as directed by this Hon'ble Tribunal vide its Order dated 30.7.2025. However, on this Hon'ble Tribunal's due deliberation, to deposit the amount, RRVUNL being a public enterprise, complied with the said direction.
17. In view thereof, any misuse of these funds, or failure to pay sub-vendors/sub-contractors, may trigger fresh litigation/ agitate claims, directly or indirectly against RRVUNL, thereby defeating the very object/purpose of the 30.07.2025 order, which sought to bring quietus to project-related disputes with sub-vendors and required the amount of Rs. 14.31 crores earmarked, for sub-vendors/sub-contractors.
18. RRVUNL is a state-owned enterprise which obtained loan funding to discharge this liability. RRVUNL therefore has a legitimate interest in ensuring that its compliance with this Hon'ble Tribunal's orders does not translate into further disputes and litigation generated by

19. It is humbly submitted that the pendency of the said claims of these sub-vendors/ sub-contractors may give rise to unforeseen contingencies towards a State running government enterprise, namely, RRVUNL.

20. Accordingly, I state & submit that necessary steps should be taken to distribute the amount of Rs. 14.31 crores (approx.) towards the pending liabilities of sub-vendors/ sub-contractors, arising under the said Contract.

21. Therefore, in view of the long-overdue of the payments of the sub-vendors/sub-contractors and in view of the fact that the RRVUNL in compliance of the order dated 30.07.2025 have already deposited an amount of Rs. 66,21,99,791/-, RRVUNL appeals the Liquidator/Applicant, besides this Hon'ble Tribunal to settle all pending liabilities towards the sub-vendors/sub-contractors, in terms of letter & spirit of the Hon'ble Tribunal's directions *vide* order dated 30.07.2025.

22. I say that the contents of the afore-said paragraphs are true and correct to the best of my knowledge and that nothing has been concealed therefrom.

28. It is evident from the affidavit filed by the Respondent No. 1 pursuant to the order dated 17.02.2026 that the Respondent No. 1 has expressed concerns regarding possible misuse of the funds, non-payment to vendors and subcontractors, and the likelihood litigation at the instance of these vendors and subcontractors against the Respondent No. 1. In case such exigency arises, the same will cause huge loss to the Respondent No. 1 who is already in running in a dire financial situation. The Respondent has, therefore, requested that an amount of Rs. 14.31 crore be earmarked for payment to sub-vendors/contractors and appropriate steps be taken for its distribution.
29. In the context we make it clear that there is no impediment in withdrawal of the sum deposited by the Respondent as stated in the compliance affidavit, in the escrow account. At this stage, it is also relevant to highlight the observation made by this bench in paragraph 7 of this order dated 20.07.2025:

... Since money has not been paid over by the Respondent to liquidation estate, the Liquidator is unable to settle the dues of the CD. This appears to be just reasonable cause for the Liquidator to press for this application.

30. The above observation is in the context that, payment was to be paid on behalf of the CD to vendors and sub-vendors out of the consideration paid by the Respondent to the CD. Thus, it is clear that the payment can be released to vendors and sub-vendors, only after receiving dues from the Respondent.
31. It has been categorically agreed as recorded in our order dated 17.02.2026 that the Applicant has no objection if dues payable to the vendors and sub-vendors to the tune of INR 14,31,00,188/- (Rupees Fourteen Crores, Thirty-One Lakh, One Hundred and Eighty Eight only) are retained in the escrow account of the SBI bearing account no. 44413522217 until final disposal of the present application. Accordingly, there is no dispute between the parties with respect to the retention of the said amount. The Respondent's affidavit does not raise any objection to the release of the remaining amount in favour of the Applicant.
32. Thus, in view of the above, we permit the Applicant to withdraw a sum as deposited in the escrow account with SBI bearing account no. 44413522217 by the Respondent No.1 after deducting above earmarked sum for vendors and sub-contractors to the tune of INR 14,31,00,188/- (Rupees Fourteen Crores, Thirty-One Lakh, One Hundred and Eighty Eight only).
33. Further, claims of the vendor, sub-vendors and suppliers, filed or may be filed, to be decided and honoured in accordance with section 53 of the IBC. Till then amount to the tune of INR 14,31,00,188/- (Rupees Fourteen Crores, Thirty-One Lakh, One Hundred and Eighty-Eight only), as claimed by the Respondent No. 1 to be payable to vendor, sub-

vendors and suppliers, shall be retained in the escrow account of the SBI bearing account no. 44413522217.

34. The present Application, I.A.331/2025 stands disposed of with the above directions.

Sd/-
(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)