

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. (PLAN) 10 (ND) OF 2025
IN

C.P. IB NO. 193 (ND) OF 2024

IN THE MATTER OF:

Rakesh Kumar Jain
Resolution Professional
Technicolour Dream Pants Private Limited

...Applicant

Versus

GST Department

...Respondent No. 1

Vir Softech Private Limited

...Respondent No. 2

Raina Apparels

...Respondent No. 3

Busybees Logistics Solutions Pvt Ltd

...Respondent No. 4

Pooja Mundhra Mahatme

...Respondent No. 5

Bimlraj Outsourcing Private Limited

...Respondent No. 6

Ms. Sabena Puri

...Respondent No. 7

Ms. Varez Kersi Dadina

...Respondent No. 8

Commissioner of Income Tax
Delhi Circle 25(1)

...Respondent No. 9

Ms. Darshna Rani, Resolution Applicant

...Respondent No. 10

AND IN THE MATTER OF:

Technicolour Dream Pants Private Limited

... Corporate Applicant/Corporate Debtor

Order Delivered on: 12.06.2026

CORAM:

**SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)**

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

PRESENT:

For the RP : Mr. Sumant Batra, Mr. Abhishek Parmar, Mr. Sarthak Bhandari, Ms. Riya Kaur Arora, Advocates.

For NOIDA : Mr. Abhay Kumar Tayal, Advocate.

For the SRA : Mr. Mansumyer Singh, Mr. Avi Pandey, Advocates.

ORDER

PER: BENCH

1. The present Application has been filed by Mr. Rakesh Kumar Jain, Resolution Professional (RP) of Technicolour Dream Pants Private Limited ('Corporate Debtor') under the provisions of Section 30(6) read with Section 31(1) of the Insolvency & Bankruptcy Code, 2016 ('the Code') read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('Regulations') seeking approval of the Resolution Plan dated 14.01.2025 submitted by Ms. Darshna Rani ("Successful Resolution Applicant/SRA") and as approved unanimously by the Committee of Creditors in its 9th CoC meeting convened on 20.02.2025.

2. DETAILS OF THE CIRP:

- i. This Adjudicating Authority vide order dated 13.08.2024 admitted C.P. IB NO. 193 (ND) OF 2024 filed under Section 10 and appointed the Applicant as the Interim Resolution Professional who was later confirmed as RP on 30.09.2024.

- ii.** Thereafter, the Applicant issued a Public Announcement in Jansatta, Hindi Newspaper in Hindi Language & Financial Express, English newspapers in English language which was published on 15.08.2024.
- iii.** The Applicant intimated initiation of CIRP and invited claims from various Statutory Authorities like Income Tax, GST, EPFO. The GST Department filed their claim of Rs. 78,50,325/- However, Income Tax and EPFO did not file their claim. Intimation was also sent to the Registrar of Companies, New Delhi. Later INC-28 was also filed with the Registrar of Companies.
- iv.** The Applicant prepared a list of Creditors after verification of claim received pursuant to the Public Announcement within 7 days of from the last date of receipt of the claims and made the list of creditors available for inspection and filed the List of creditors vide IA/ 4520/ND/2024 with this Hon'ble Bench on 18.09.2024. The IRP filed report certifying constitution of the Committee of Creditors with this Bench on 18.09.2024. Updated list of Creditors and Reconstitution of CoC was filed 19.11.2024.
- v.** The Applicant got valuation reports on Assets in S& F category from two IBBI registered valuers Mr. Rajan Sahdev (IBBI/RV/02/2020/13217 & Mr, TVS Siva Prasad (IBBI/RV/04/2022/14767. The Valuers Mr. Sanjeev Kumar Gupta (IBBI/RV/02/2021/13750 and Mr. Daleep Kumar (IBBI/RV/05/2019/12662) in Plant & Machinery were also appointed. The Suspended Directors did not give possession of Fixed Assets and IRP filed an Application (IA/4562/ND/2024) under Section 19(2) of the Code. CoC at its meeting held on 04.11.2024 directed RP to get valuation done when the assets are handed over to RP.
- vi.** Up to the date of filing of this Application a total number of 9 (Nine) Meetings of COC have been conducted detailed as under:
 - a.** First COC Meeting dated 11.09.2024
 - b.** Second COC Meeting dated 04.10.2024

- c.** Third COC Meeting dated 04.11.2024
 - d.** Fourth COC Meeting dated 02.12.2024
 - e.** Fifth COC Meeting dated 24.12.2024
 - f.** Sixth COC Meeting dated 07.01.2025
 - g.** Seventh COC Meeting dated 10.01.2025
 - h.** Eighth CoC Meeting dated 21 .01.2025
 - i.** Ninth CoC Meeting dated 20.02.2025
- vii.** The RP published Form G in Financial Express and Jansatta newspapers on 08.10.2024 for inviting Expression of Interest (“EOI”) from prospective Resolution Applicants.
- viii.** The Applicant received response from PRA's. RP declared a provisional list of 13 Prospective Resolution Applicants (PRA's) on 30.10.2024 and informed the same to CoC members and all PRA's.
- ix.** The Applicant issued Final list of Prospective Resolution Applicants on 12.11.2024 and issued Information Memorandum, Evaluation Matrix, and request for Resolution Plan on 09.11.2024. Last date for receipt of Resolution Plan was 23.12.2024.
- x.** Out of 13 Prospective Resolution Applicants, 9 Resolution Plans were received by RP. The details of the PRAs are as under:
- a.** AKB Ventures Private Limited
 - b.** BSC Advisors Private Limited
 - c.** Ms. Sonal Sumit Mehta (Sonal Yogeshbhai Shah)
 - d.** Mr. Amrit Kumar Agarwal
 - e.** Ms. Darshana Rani
 - f.** Himgiri Garments Private Limited
 - g.** One City Infrastructure Private Limited
 - h.** Sabrimala Industries Private Limited
 - i.** Right Advisors Private Limited

- xi.** Pursuant to the provisions of Section 5(14) of the Code, 180 days of Insolvency Resolution Process Period Commenced on 13.08.2024 and the same was set to expire on 09.02.2025. This Adjudicating Authority had extended the period by 11.03.2025 under Section 12(2) of Code.
- xii.** This Adjudicating Authority vide order dated 18.12.2024 allowed the application filed by the RP under Section 60(5) of the Code read with Regulation 13(1C)(b)(ii) of IBC, 2016 of IBBI (Insolvency Resolution Process for Corporate Persons) 2016 and Rule 11 of NCLT Rules, 2016 and condoned the delay in filing the claims by some claimants.
- xiii.** Thereafter, on 11.02.2025, RP reconstituted the Committee of Creditors which consisted of the following operational creditors:

Sr. No.	Name of Creditors	Address	Vote share
1	GST Deptt. Represented by Mr. Vinod Kumar	Deptt. of Trade & Taxes Office of the Good and services Sales Tex Officer, Ward 63, Vyapar Bhawan, I.P. Estate, New Delhi -110002 ward63zone6@gmail.com	73.45%
2	Vir Softech Private Limited represented by Mr. Deepak Garg	C2/54 Ashok Vihar, Phase 2, New Delhi-110052 corp@virsoftech.com	2.08%
3	Rama Apparels Represented by Mr. Kuldeep Kumar and Vikas Arora	D8/B, Central Market, Lajpat Nagar -2, New Delhi-110024 ramaapparels@gmail.com	11.49%
4.	Busybees Logistics Solutions Pvt Ltd Represented by Mr. Vimal Kumar	Unit IA And 501A, 1, Cerebrum II Park, Kalyani Nagar, Vadgaonsheri, Pune- 411014 legal@xpressbees.com	3.04%
5.	Pooja Mundhra Mahatme	B/601, Ganesh Tower, Om Sai Complex, Janata Nagar Road, Bhayender West, Thane-401101	5.10 %
6	Bimlraj Outsourcing Private Limited	117, Ist Floor, Vipul Trade Centre, Sector 8, Gurugram	4.84 %
Total			100%

- xiv.** In pursuance to Form G for Invitation for Expression of Interest for Technicolour Dream Pants Private Limited which was published on 8th October, 2024 in Financial Express and Jansatta Hindi Edition, the RP received 9 Resolution Plans from which Ms. Darshana Rani & M/s Right Advisors Private Limited (which were found viable and feasible and also the most commercially prudent) were negotiated and deliberated by CoC in its sixth to ninth Meetings.
- xv.** At the seventh meeting of the CoC held on 10.01.2025, the representatives of the following PRA's met the CoC in person:
- a.** Amrit Kumar Agarwal
 - b.** Darshna Rani
 - c.** Hingiri Garments Private Limited
 - d.** AKB Ventures Private Limited
 - e.** Right Advisors Private Limited
 - f.** One City Infrastructure Private Limited
- xvi.** The representatives of the following PRAs met the CoC through Audio Video Conferencing:
- a.** Sabrimala Industries India Limited
 - b.** BSC Advisors Private Limited
- xvii.** The Revised Resolution Plans received by RP were discussed at the 9th CoC Meeting held on 20.02.2025 and the Revised Resolution Plan dated 14.01.2025 of Ms. Darshna Rani was considered to be most viable and feasible and the same was approved with 84.94% vote share.

3. DETAILS OF THE RESOLUTION APPLICANT AND PAYMENT SCHEDULE:

i. The details of the SRA are as follows:

S.No.	Particulars	Description
1	Name of Successful Resolution Applicant (SRA)	Ms. Darshna Rani
2	Nature of Business of SRA	Trading of used mobile phones
3	Relationship status of SRA with CD, if any	No
4	Whether SRA is eligible to submit plan u/s 240A of IBC in case of MSME CD	No
5	Due Diligence Certificate of the RP u/s 29A of IBC for the SRA (pls attach copy of certificate)	Attached as Annexure-XIII at Page No. 284 to 303

ii. The total Plan value is **Rs. 86,00,000/- (Rs. Eighty-Six Lakhs only)**.

iii. The total Realisable amount as per the revised Form H is as follows:

Sl. No.	Particulars	Description
1.	Total Realisable amount under the plan fair value <i>(In case of real estate CDs, provide the monetary value of flats etc. given to allottees)</i>	86,00,000/-
2.	Fair Value	43,81,433/-
3.	Liquidation Value	381,433/-
4.	Percentage (%) of realisable amount to Fair Value	196%
5.	Percentage (%) of realisable amount to Liquidation Value	2255%
6.	Percentage (%) of realisable amount to Principal amount	18.97%
7.	Percentage (%) of realisable amount to Total admitted claims	18.97%
8.	Percentage (%) of realisable amount to Other than admitted Corporate Guarantee claims	N.A.

iv. The Resolution Applicant has proposed to pay and settle various claims as a part of the Resolution Plan, in the following manner:

Details of realisable amount. (Amount In Rupees)

Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed Rs.	Amount Admitted Rs	Realisable amount under the plan (Rs.)	Amount realizable in plan to amount claimed (%)	
CIRP Cost	25,72,591/- (As on 04.12.2025)	25,72,591/- (As on 04.12.2025)	10,52,596/-		Excess CRP Cost shall be paid out of payment allocated to other claimants. (Para 13.1 of resolution plan page 251)
Secured Financial Creditors - Creditors not having a right to vote under sub-section (2) of section 21 - Dissenting - Assenting	NA	NA			

Unsecured Financial Creditors -Creditors not having a right to vote under sub-section (2) of section 21	3,35,87,730	3,22,96,856	NIL	0%	
- Dissenting - Assenting	NA NA	NA			
Operational Creditors					
(i) Government	78,50,325/-	78,50,325/-	52,98,970/-	67.50 %	
(ii) Workmen - PF dues - Other dues	NIL	NIL			
(iii) Employees - PF dues - Other dues	NIL	NIL			
(iv) Other Operational creditors	39,02,688/-	28,37,759/-	11,98,434/-	42.23%	
Other Debts and Dues	NA				
Shareholders	NA				
Total	45340743	4,29,84,940	75,50,000		

4. CIRP COSTS:

- i. The Resolution Plan has provided the following with regards to the CIRP costs:

CIRP Costs:

13.1 As per information provided by the RP, the total CIRP costs would be around ~INR 10.50 lakhs, as more particularly specified in Financial Proposal, which shall be paid in full and in priority to any other creditors of the Company. In case, the CIRP costs exceed the estimate, the extra costs shall also be paid out of payment allocated for other claimants. Similarly, in the case, any less cost is incurred, the same shall also be added to the same. In case, any assets (except cash and bank balance for meeting the CIRP Costs) of the CD as available on the Insolvency Commencement Date has been used, since, those assets, as per IM, would have been available to the RA post the approval of resolution plan, such diminishing of assets shall be available for adjustment from the proposal of the RA. It is also clarified that the fee payable to the Board under Regulation

31A is categorised as "CIRP Costs" under Regulation 31(ba) of the IBBI CIRP Regulations, 2016 as amended.

5. SOURCE OF FUNDS:

11 Source of Funds

The RA shall infuse fresh capital by way of shares/debentures/bond or unsecured loans etc. The GST ITC and the assets of the CD shall form an integral part of means of finance of this Resolution Plan. If

any amount is utilized during the CIRP (except cash and bank balance for meeting the CIRP Costs), then the same shall be refunded back to the RA. Further, the Cash and bank balances of the RA and her Investors are sufficient enough to finance this Resolution Plan. The RA also reserves the right but not the obligation to raise finance for funding the present acquisition in whatever manner as they think fit in their commercial interest including but not limited to, by raising of further capital either directly in the Corporate Debtor or indirectly i.e. by raising funds in the RA entities. However, it is clarified that, no approval of existing shareholders shall be required at any point of time, as they shall have no rights of whatsoever nature in or against the Corporate Debtor or the Resolution Applicants.

6. DETAILS OF TERM, MANAGEMENT, IMPLEMENTATION AND SUPERVISION OF THE RESOLUTION PLAN:

Sl. No.	Particulars	Description
1.	Amount of Performance Guarantee furnished by SRA (in Rs.) and its validity (attach document)	Rs. 8,60,000/- in Cash
2.	Source of funds (in brief)	Own funds mentioned in Para 11 of Resolution Plan Page No. 249 of the Application Affidavit & undertakings are on

		page 320 to 335. Also refer Annexure-1 & 2
3.	Capital restructuring and management of CD post approval of resolution plan (in brief including shareholding proposed to be transferred in favour of SRA)	<p>1 Within 2 days from the NCLT Approval date all the existing Directors of the CD shall be deemed to have demitted office and shall stand removed as Directors of the CD and the Resolution Applicant shall appoint two directors on the Board of Directors of CD ("Reconstituted Board of Directors of CD" or "Reconstituted BOD") which would consist of nominees of RA and accordingly, the business of CD shall be carried on by the new management. It is further clarified that Monitoring Committee will supervise the operations of the CD from the IVCLT Approval Date till its Dissolution as per para 7 above.</p> <p>2. The Registrar of the Companies will remove the names of all the existing Directors of the CD on presentation of the order of the Hon'ble AA approving this</p>

		Resolution Plan without any further act or deed on behalf of the existing Directors and permit the authorized Representative of the Reconstituted Board of Directors to file / upload the documents relating to their appointment as Directors.
4.	Term and implementation of plan (in brief)	The term of this Resolution Plan is 7 days ("Term") from the Effective Date
5.	Details of monitoring committee (in brief)	Monitoring Committee shall consist of two members nominated by SRA on one part and RP or any other member nominated by CoC on the other part , who shall act as chairman of the monitoring committee The chairman shall be paid a fee of Rs.1,00,000/- per month during the implementation period .
6.	Effective date of resolution plan implementation	Within 7 days of the Effective date

9 IMPLEMENTATION SCHEDULE:

The Resolution Applicant shall use all efforts as may be commercially reasonable to initiate the implementation of this Resolution Plan in any case not later than within a period of 90 Days of Effective Date in accordance with the Implementation Schedule and other terms contained in this Resolution Plan.

The Resolution Applicant proposes to implement of the Resolution Plan in the following manner ("**Implementation Schedule**"):

S No.	Particulars	Tentative Timeline
1.	Deposit of 10% of committed amount (after adjustment of EMD and Performance Guarantee Amount) in escrow account	10 days of CoC Approval

2.	Deposit of 15% of committed amount (after adjustment of EMD and Performance Guarantee Amount) in escrow account	3 days of effective date
3.	Constitution of Monitoring Committee and Reconstituted Board and their appointment by the RP	2 days of effective date
4.	Extinguishment of existing equity shares and approval of stock exchange thereto	4 days of effective date
5.	Deposit of Resolution Plan amount in a separate bank account to be held in trust for the claimants	4 days of effective date
6.	Execution of release deed by the creditors and satisfaction of all claims qua CD	4 days of effective date
7.	Allotment of new equity shares and filing with MCA	5 days of effective date
8.	Upfront Payment to the claimants	7 days of effective date

7. The Resolution Plan provides that the Monitoring Committee shall consist of members nominated by SRA on one part and RP or any other member nominated by CoC on the other part, who shall act as chairman of the monitoring committee. The chairman shall be paid fee of Rs. 1,00,000/-per month during implementation period.
8. Steps to be taken by the concerned parties post approval of resolution plan by the Adjudicating Authority:

Next Step(s)	Name of Party	Timeline
Sources of funds	SRA	Upfront payment within four days of approval of Resolution Plan by Adjudicating Authority
Change of Directors	Monitoring Committee	Immediately on payment by SRA

9. NECESSARY COMPLIANCES AS PER THE CODE AND REGULATIONS**THEREUNDER:**

Section of the Code/ RegulationNo.	Requirement with respect to Resolution Plan	Compliance (Y/N)	Relevant clause of Resolution plan
Section 25(2)(h)	The Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD	yes	Net worth Certificate submitted with EoI
Section 29A	The Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority	yes	
Section 30(1)	The Resolution Applicant has submitted an affidavit stating that it is eligible as per Code	yes	
Section 30(2)	The Resolution Plan- (a)provides for the payment of insolvency resolution process costs (b)provides for the payment to the operational creditors (c)provides for payment to the financial creditors who did	Yes Yes NA	Page 17, Para 13.1 Page 18-23,Para 13.3 to 13.21 . NA as no unrelated FC in present case

	<p>resolution plan</p> <p>(d) provides for the management of the affairs of the corporate debtor</p> <p>(e) provides for the implementation and supervision of the resolution plan</p> <p>(f) does not contravene any of the provisions of the law for the time being in force</p>	<p>Yes</p> <p>yes</p>	<p>Page 11 Para 6.2 (c) read with Page 12 Para 7</p> <p>Page 12, Para 7</p> <p>Page 2. Para 4</p>
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Section 30(4)	The Resolution Plan	Yes	
	(a) is feasible and viable, according to the CoC	yes	
	(b) has been approved by the CoC with 66% voting share		
Section 31(1)	The Resolution Plan has provisions for its effective implementation plan, according to the CoC	yes	
Regulation 38 (1)	The amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors	yes	Yes. Since, all payment proposed under the plan is for operational creditor
Regulation 38(1A)	The resolution plan includes a statement as to how it has dealt with the interests of all stakeholders	yes	Page 17 Para 2
Regulation 38(1B)	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If applicable, the Resolution Applicant has submitted a statement giving details of any such non-implementation.	yes	Page 2 Un-numbered

Regulation 38(2)	The Resolution Plan provides:	Yes	Clause 9
	(a) the term of the plan and its implementation schedule	Yes	Clause 10
	(b) for the management and control of the business of the corporate debtor during its term		
	(c) adequate means for supervising its implementation	yes	Clause 7
Regulation 38(3)	The resolution plan demonstrates that		
	(a) it addresses the cause of default	Yes	Para 3
	(b) it is feasible and viable	Yes	Para 4
	(c) it has provisions for its effective implementation	Yes	Para 7
	(d) it has provisions for approvals required and the timeline for the same	Yes	Since the CD is not regulated by any sectoral regulator
	(e) the resolution applicant has the capability to implement the resolution plan	Yes	Para 8
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Yes	Application was dismissed 12.11.2025
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B)	Yes	Rs. 8,60,000/-

10. PUFЕ (PREFERENTIAL, UNDERVALUED, FRAUDULENT AND EXTORTIONATE) TRANSACTIONS:

Sl. No.	Type of Transaction	Amount (Rs.)	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order	How it is dealt in resolution plan
1	Preferential transactions U/s 43	NA	NA			
2	Undervalued transactions U/s 45	Not Ascertained	20.01.2025	29.01.2025 07.02.2025 06.06.2025	Application was dismissed on 12.11.2025	RA is not interested to make expenses and receipt of funds
3	Extortionate credit transactions U/s 50	NA	NA			
4	Fraudulent transactions U/s 66	NA	NA			
5.	Combination of PUFЕ transactions	NA	NA			
Total						

11. The RP has received a due diligence report on Section 29A of IBC from Advocate, Mr. Manoj Kumar Garg and has relied on the aforesaid Report and the declaration given by the Resolution Applicant and also verified Section 29A eligibility from his own sources.

12. RELIEFS, CONCESSIONS AND WAIVERS:

- i. As to all the waivers sought by the SRA as provided in the Resolution Plan, it is pertinent to refer to the decision of the Hon'ble Supreme Court in the matter of ***Embassy Property Development Private Limited v. State of Karnataka & Ors. in Civil Appeal No. 9170 of 2019***. The relevant part of the judgement is reproduced herein below:

"39. Another important aspect is that under Section 25 (2) (b) of IBC, 2016, the resolution professional is obliged to represent and act on behalf of the corporate debtor with third parties and exercise rights for the

benefit of the corporate debtor in judicial, quasi-judicial and arbitration proceedings. Section 25(1) and 25(2)(b) reads as follows:

25. Duties of resolution professional (1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

(2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions: -

(a)

(b) Represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial and arbitration proceedings.

This shows that wherever the corporate debtor has to exercise rights in judicial, quasi-judicial proceedings, the resolution professional cannot short-circuit the same and bring a claim before NCLT taking advantage of section 60(5).

40. Therefore, in the light of the statutory scheme as culled out from various provisions of the IBC, 2016 it is clear that wherever the corporate debtor has to exercise a right that falls outside the purview of the IBC, 2016 especially in the realm of the public law, they cannot, through the resolution professional, take a bypass and go before NCLT for the enforcement of such a right."

ii. In the light of the decision of the Hon'ble Supreme Court in the Embassy Property Development Private Limited (Supra), as to the waiver, relief and concessions sought in the Resolution Plan, it is clarified that this Adjudicating Authority is not inclined towards granting any such relief prayed for except for what is provided in the Code itself. However, the Successful Resolution Applicant may approach and file the necessary application before the

necessary forum/authority in order to avail the necessary relief and concessions, in accordance with respective laws.

13. ANALYSIS AND FINDINGS:

- i.** There is nothing on record, which suggests that the Resolution Plan dated 14.01.2025 as submitted by Ms. Darshna Rani and as approved by the Committee of Creditors in its 9th CoC meeting convened on 20.02.2025, contravenes any provision of law.
- ii.** We do not find anything, which suggests any hurdle in the implementation of the Resolution Plan.
- iii.** In so far as the approval of the Resolution Plan is concerned, this Adjudicating Authority is duty bound to follow the judgment of the Hon'ble Supreme Court in the matter of ***K. Sashidhar v. Indian Overseas Bank (2019) 12 SCC 150***, wherein the scope and interference of the Adjudicating Authority in the process of the approval of the Resolution Plan is elaborated as follows: -

“35. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other

requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.”

iv. Also, the Hon'ble Supreme Court of India in the matter of **Committee of Creditors of Essar Steel India Limited vs. Satish Kumar Gupta & Ors., Civil Appeal No. 8766-67 of 2019**, vide its judgement dated 15.11.2019 has observed as follows:

"38. This Regulation fleshes out Section 30(4) of the Code, making it clear that ultimately it is the commercial wisdom of the Committee of Creditors which operates to approve what is deemed by a majority of such creditors to be the best resolution plan, which is finally accepted after negotiation of its terms by such Committee with prospective resolution applicants."

- v. Further, the Hon'ble Supreme Court in the matter of **Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Limited, (2022) 1 SCC 401** has held as under:

“273.1. The adjudicating authority has limited jurisdiction in the matter of approval of a resolution plan, which is well-defined and circumscribed by Sections 38(2) and 31 of the Code. In the adjudicatory process concerning a resolution plan under IBC, there is no scope for interference with the commercial aspects of the decision of the CoC; and there is no scope for substituting any commercial term of the resolution plan approved by the Committee of Creditors. If, within its limited jurisdiction, the adjudicating authority finds any shortcoming in the resolution plan vis-à-vis the specified parameters, it would only send the resolution plan back to the Committee of Creditors, for resubmission after satisfying the parameters delineated by the Code and exposted by this Court.’ (emphasis supplied).”

- vi. The above view of the Hon'ble Supreme Court in Jaypee Kensington Boulevard Apartments Welfare Association v NBCC (India) Limited (Supra) is reaffirmed by the Hon'ble Supreme Court in its recent decision dated 21.11.2023 in the case of **Ramkrishna Forgings Limited Vs Ravindra Loonkar, Resolution Professional of ACIL Limited & Anr., Civil Appeal No. 1527/2022.**
- vii. Thus, from the judgments cited and the statutory framework of the Insolvency and Bankruptcy Code, 2016, it is evident that the scope of judicial review available to this Adjudicating Authority under Section 30(2) read with Section 31 is limited to assessing the compliance of the Resolution Plan with the prescribed legal requirements. This Authority is neither empowered nor obligated to delve into or evaluate the commercial wisdom of the Committee of Creditors (CoC), which is paramount and binding, provided it aligns with the provisions of the Code. Upon satisfaction that the proposed Resolution Plan

adheres to the statutory mandates, including equitable treatment of stakeholders and compliance with applicable laws, this Bench finds no impediment in granting its approval.

14. ORDER:

- i.** Subject to the observations made in this order, the Resolution Plan dated 14.01.2025 submitted by Ms. Darshna Rani and as approved by the Committee of Creditors in its 9th CoC meeting convened on 20.02.2025 for a total plan value of **86,00,000/- (Rs. Eighty Six Lakhs only)** along with affidavit and other documents connected to the Resolution Plan that have been filed by the SRA from time to time, is hereby **approved**. The Resolution Plan shall form part of this order.
- ii.** The approved Resolution Plan as annexed shall be binding on all the stakeholders of the Corporate Debtor and become effective from the date of passing of this Order, and shall be implemented strictly as per the term of the plan and implementation schedule given therein. The Resolution Plan shall form part of the order.
- iii.** The Monitoring Committee, as provided in the Resolution Plan shall be set up by the Applicant within 02 days of passing of this order, which shall take all necessary steps for expeditious implementation of the Resolution Plan as per approval.
- iv.** The Moratorium imposed under section 14 of the Code shall cease to have effect from the date of this order.
- v.** The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- vi.** The MoA and AoA of the Corporate Debtor shall be amended and filed with the RoC for information and record as prescribed. While approving the Resolution Plan as mentioned above, it is clarified that the Successful Resolution

Applicant shall pursuant to the Resolution Plan approved under section 31(1) of the Code, 2016, obtain all the necessary approvals as may be required under any law for the time being in force within the period as provided for such in law.

- vii.** A copy of this Order shall be filed by the Resolution Professional with the Registrar of Companies, NCT of Delhi & Haryana.
- viii.** The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.
- ix.** The Resolution Professional is further directed to hand over all records, licences, plans, approvals of premises/factories/documents and all other relevant records relating to the Corporate Debtor, available with it to the SRA to finalize and co-operate on the further line of action required for starting the operation and implementation of this Plan. The Resolution Applicant shall have access to all the records, documents and the premises through the Resolution Professional to finalize the further course of action required for starting and running the operations of the Corporate Debtor on a clean slate basis.
- x.** The Registry is directed to send copies of the order forthwith to IBBI, all the parties and their Ld. Counsel for information and for taking necessary steps.
- xi.** Certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

-SD/-

**ATUL CHATURVEDI
MEMBER (TECHNICAL)**

-SD/-

**MAHENDRA KHANDELWAL
MEMBER (JUDICIAL)**