S.No.02

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
25.06.2026 AT 10:30 A.M.

IA (IBC)/1220/2025 in CP (IB)No.206/7/HDB/2021
U/s 7 of IBC

IN THE MATTER OF:
State Bank of India **…Petitioner**

AND

YKM Entertainment & Hotels Pvt Ltd **…Respondent**

C O R A M:-
SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA (IBC)/1220/2025

Orders pronounced, recorded vide separate sheets. In the result, the IA (IBC)/1220/2025 is dismissed.

Sd/- **Sd/-**
MEMBER (T) **MEMBER (J)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH, COURT-II

I.A IBC No. 1220 of 2025

IN

C.P. (IB) No. 206/07/HDB/2021

[Under Section 60(5) of The Insolvency and Bankruptcy Code and Rule 11 of the National Company Law Tribunal Rules, 2016]

IN THE MATTER OF M/S. YKM ENTERTAINMENT AND HOTELS PRIVATE LIMITED.

Between:

1. **Dr. Yarlagadda Krishna Mohan**,
   residing at 6-3-661/A/3, Flat No. 3,
   Bhavana Towers, Kapadia Lane,
   Somajiguda, Hyderabad – 500082, Telangana.
2. **Mrs. Y. Padmavathi,**
   residing at 6-3-661/A/3,
   Flat No. 3, Bhavana Towers,
   Kapadia Lane,
   Somajiguda, Hyderabad – 500082, Telangana.

.... Applicants

AND

1. **State Bank of India**,
   Stressed Assets Management Branch,
   D.No. 5-9-76, 2nd Floor, Prabhat Towers,
   Opp. SBI, Amaravati LHO, Chapel Road,
   Gunfoundry, Hyderabad – 500001.
   Also at:
   Stressed Asset Resolution Group, 21st Floor,
   Maker Tower E, Cuffe Parade, Mumbai – 400005.

...Financial Creditor / Respondent No.1

2. **Mr. Dantu Indu Sekhar**,
Chairman of the Monitoring Committee,
Regn. No. IBBI/IPA-003/IPA-ICAI-N-00233/2019-2020/12773,
residing at 29-1401/6/1, Plot No. 253,
Road No. 2, West Deendayal Nagar,
Ramakrishna Puram, Neredmet,
Hyderabad, Telangana – 500056.

...Chairman of the Monitoring Committee / Respondent No.2

3. **M/s. Square Four Housing and Infrastructure Development Private Limited**,
Successful Resolution Applicant of
M/s. YKM Entertainment and Hotels Private Limited,
having its office at 238A, A.J.C. Bose Road,
2nd Floor, Suite 2B, Kolkata, West Bengal – 700020,

...Respondent No.3

4. **M/s. YKM Entertainment and Hotels Private Limited**,
having its registered office at H. No. 6-3-883/F1,
2nd Floor, Pothula Towers Annex, Somajiguda,
Hyderabad – 500082, Telangana.

...Respondent No.4

Date of Order:25.06.2026

Coram:

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)

Counsels Present

For Applicant : Mr. Diwakar Maheshwari, Mr. Shreyas Edupuganti and Mr. Sai Sumed Yasaswi K., Ld. Counsels

For Respondent No.1 : Mr. G.P. Yash Vardhan, Ld. Counsel

For Respondent No.2 : Mrs. Mummaneni Vazra Laxmi, Ld. Counsel

For Respondent Nos. 3 & 4: Mr. Y. Suryanarayana, Ld. Counsel

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, COURT-II

I.A (IBC) No. 1220 of 2025
IN
C.P (IB) No. 206/07/HDB/2021
Date of Order: 25.06.2026

1. The present Interlocutory Application is filed by Dr. Yarlagadda Krishna Mohan and Mrs. Y. Padmavathi (hereinafter collectively referred to as the "Applicants") against State Bank of India, Mr. Dantu Indu Sekhar, Chairman of the Monitoring Committee, M/s. Square Four Housing and Infrastructure Development Private Limited, Successful Resolution Applicant of M/s. YKM Entertainment and Hotels Private Limited, and M/s. YKM Entertainment and Hotels Private Limited (hereinafter collectively referred to as the "Respondents"), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the National Company Law Tribunal Rules, 2016, seeking the following reliefs:

   i. To recall the order dated 22.04.2025 passed by this Tribunal in I.A. No. 1315 of 2024, along with consequential orders thereto, and allow I.A. No. 1315 of 2024.
   ii. To pass an order against the Corporate Debtor under Section 33(1)(b) of the Insolvency and Bankruptcy Code, 2016
   iii. To stay the effect of the order dated 22.04.2025 in I.A. No. 1315 of 2024 and pass status quo ante qua the management of the Corporate Debtor prevailing as on 07.12.2023.

CASE OF THE APPLICANT

2. The Applicant submits that Respondent No. 1 filed a petition under Section 7 of the Code for default of Rs. 137,20,30,278/- and accrued interest of Rs. 140,35,55,791/- against YKM Entertainment and Hotels Private Limited, which was admitted on 05.01.2022 and attained finality. During the CIRP, the Applicants proposed OTS amounts of Rs. 80 crores, Rs. 89 crores, Rs. 81.10 crores, and Rs. 90 crores, which were mechanically rejected by Respondent No. 1. Certain instances of such rejection were independently challenged before this Tribunal and the NCLAT.

3. The Applicant submits that during the CIRP, invitations for Expression of Interest were issued twice by Respondent No. 2, pursuant to which 14 Prospective Resolution Applicants submitted EOIs and 6 Resolution Plans were received, including that of Respondent No. 3. The Resolution Plan of Respondent No. 3 proposed payment of Rs. 80 crores to Respondent No. 1 in phased instalments within stipulated timelines and confirmed that it had sufficient funds and/or the ability to raise funds to make such payments. The timelines prescribed for payment are reproduced below:

No.	Amount	Timeline for payment
1.	INR 24,00,00,000 (i.e., 30% of amount offered to Financial Creditors)	Within 30 days of approval of plan by Ld. NCLT, i.e., by 06.01.2024
2.	INR 16,00,00,000 (i.e., 20% of amount offered to Financial Creditors)	Within 4 months from payment of upfront amount i.e., by 05.05.2024
3.	INR 20,00,00,000 (i.e., % of amount offered to Financial Creditors)	Within 7th month from payment of the upfront amount i.e., by 05.08.2024
4.	INR 20,00,00,000 (i.e., % of amount offered to Financial Creditors)	Within 9th month from payment of the upfront amount i.e., by 05.10.2024

4. The Applicant submits that, based on the financial proposal and the confirmation/undertaking provided by Respondent No. 3, the Resolution Plan was approved by Respondent No. 1 on 13.01.2023 with 100% majority. Pursuant thereto, Respondent No. 2 filed I.A. (IBC) No. 192 of 2023 under Section 30(6) of the Code seeking approval of the Resolution Plan. The Applicant further submits that, on 07.12.2023, the Tribunal approved the Resolution Plan after recording Respondent No. 3's confirmation regarding the availability of sufficient funds and/or ability to raise funds, and stipulated that the timelines under the Resolution Plan were to be strictly adhered to, failing which the amount paid by the SRA would be forfeited.

5. The Applicant submits that Applicant No. 1 challenged the Plan Approval Order before the NCLAT in C.A. (AT) (CH) (INS) No. 09 of 2024, which was dismissed on 29.10.2024. The Applicant further submits that, during the proceedings, Respondent No. 1 stated that Respondent No. 3 had failed to make payment of the second tranche of Rs. 16 crores due on 05.05.2024 and had filed I.A. No. 1315/2024 seeking cancellation of the Resolution Plan and consequential directions.

6. The Applicant submits that, upon becoming aware of I.A. No. 1315/2024 filed by Respondent No. 1 seeking cancellation of the Resolution Plan, Applicant No. 1 submitted an OTS proposal of Rs. 90 crores and filed I.A. No. 1862/2024 seeking a direction to consider the same. It is submitted that the OTS proposal was higher than the financial proposal of Respondent No. 3. The said application and the appeal therefrom before the NCLAT were dismissed.

7. The Applicant submits that, during the hearing on 22.04.2025, Respondent No. 1, contrary to its stand in I.A. No. 1315/2024, stated that Respondent No. 3 had deposited the balance amount payable under the Resolution Plan and that only the interest payable on account of delayed payment remained unpaid. It is submitted that, based on the said submission, the Tribunal recorded that the balance payment under the Resolution Plan had been paid and disposed of I.A. No. 1315/2024, directing payment of interest at 8% p.a. on the delayed payments.

8. The Applicant further submits that the application filed by Applicant No. 2 was not taken up despite the oral directions for listing. It is submitted that the order dated 22.04.2025 was passed without providing an opportunity of hearing to the Applicants, notwithstanding the pendency of the application filed by Applicant No. 2 seeking consideration of its OTS proposal.

9. The Applicant submits that this Tribunal has the power to recall its orders under Rule 11 of the NCLT Rules, 2016, inter alia, on grounds of fraud or misrepresentation. Reliance is placed on the judgment of the Hon'ble

Supreme Court in ***Greater Noida Industrial Development Authority v. Prabhjit Singh Soni & Anr., (2024) 6 SCC 767***, affirming ***Union Bank of India v. Dinkar T. Venkatasubramanian***, wherein it was held that the NCLT possesses inherent power to recall its orders to secure the ends of justice and prevent abuse of process, including where an order has been obtained by misrepresentation of facts or fraud upon the Tribunal.

10. The Applicant has filed the present Application seeking recall of the order dated 22.04.2025 passed in IA No. 1315/2024 on the grounds of misrepresentation, fraud and concealment of necessary facts by Respondent Nos. 1 and 3; lack of power of Respondent No. 1 to accept delayed payment or extend time under the Resolution Plan after the CoC became functus officio, acquiescence to breach of payment obligations, impermissible modification of the Plan Approval Order, and passing of the order without hearing the Applicants.

11. The Applicant submits that Respondent No.3 failed to make payments due under the Resolution Plan in the manner approved by the CoC and the Plan Approval Order, leading Respondent No.1 to file IA No.1315/2024 seeking cancellation/termination of the Resolution Plan. It is averred that on 22.04.2025, Respondent No.1 adopted a position contrary to its stand in IA No.1315/2024 by accepting delayed payments made by Respondent No.3 and, contrary to the reliefs prayed for, misled this Tribunal into passing the order dated 22.04.2025. The Applicant contends that the order resulted from misrepresentation of facts and apparent fraud attributable to Respondent Nos. 1 and 3.

12. The Applicant further submits that this Tribunal was not apprised that Respondent No.3 had been in breach of its payment obligations under the Resolution Plan since 05.05.2024, that cancellation of the Resolution Plan was sought only on 01.07.2024 despite such breach; that implementation of the Resolution Plan had been delayed for over a year; and that no party had sought extension of time for making payments under the Resolution Plan. It is alleged that Respondent No.1, in apparent collusion with

Respondent No.3, sought to whitewash and cover up repeated breaches committed by Respondent No.3 and misled this Tribunal into passing the order dated 22.04.2025.

13. The Applicant submits that the order dated 22.04.2025, in effect, extended the timelines prescribed under the Resolution Plan without cogent reason or justification and by way of an unspoken order. Reliance is placed on ***SBI v. Murari Lal Jalan & Florian Fritsch*** (Consortium) and ***Kalyani Transco Co. v. Bhushan Power & Steel Ltd***. to contend that the timely implementation of a Resolution Plan is an underlying objective of the IBC and that extension of timelines must be exercised with utmost circumspection. It is submitted that, contrary to the aforesaid judgments, the timeline for implementation of the Resolution Plan was extended without recording reasons or justification.

14. The Applicant submits that the Committee of Creditors (CoC), having become functus officio, Respondent No. 1 had no power whatsoever to accept delayed payment under the Resolution Plan or to grant any extension of time thereunder. The payment due on 05.04.2024 remained unpaid, with IA No. 1315/2024 being filed only on 01.07.2024, reflecting an unexplained gap of 3 months, indicating apparent collusion between Respondent No. 1 and Respondent No. 3. Respondent No. 1, as a member of the Monitoring Committee, ought to have approached this Hon'ble Tribunal for directions, including initiation of proceedings under Section 74 of the Code.

15. In support of the aforesaid submissions, the Applicant places reliance on the judgment of the Hon'ble Supreme Court in ***Kalyani Transco Co. v. Bhushan Power & Steel Ltd***., wherein it was categorically held that a CoC, having become functus officio, has no authority to extend the timelines envisaged under a Resolution Plan, and that any extension surreptitiously obtained from a functus officio CoC cannot be vindicated by a Court, as the same would amount to ratifying and pardoning illegal acts, thereby granting a clean chit to the defaulting party.

16. The Applicant submits that Respondent No. 1, the sole Financial Creditor, has not only sought to cover up the breach committed by Respondent No. 3 of its payment obligations under the Resolution Plan, but has repeatedly acquiesced to such breaches. The first breach occurred on 05.04.2024, yet IA No. 1315/2024 was filed only on 01.07.2024, after a gap of more than three months. Thereafter, Respondent No. 1 effectively sought to withdraw IA No. 1315/2024 by filing a memo, thereby condoning a delay of over 10 months by Respondent No. 3, indicating clear collusion between Respondent No. 1 and Respondent No. 3.

17. The Applicant further submits that the Plan Approval Order specifically directed that failure to pay within the stipulated timeline would result in forfeiture of the entire amount, rendering any extension impermissible. The order dated 22.04.2025, by condoning the delay, has effectively modified the Plan Approval Order, which had attained finality and was binding on all parties, thereby exceeding this Hon'ble Tribunal's jurisdiction. It is further submitted that the said order was passed without affording any opportunity of hearing to the Applicants, warranting exercise of this Hon'ble Tribunal's ancillary powers under Rule 11 of the NCLT Rules, 2016.

CASE OF THE RESPONDENT NO. 1:

18. Respondent No. 1 submits that it filed a Company Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, being CP(IB) No. 206/07/HDB/2021, admitted by the Tribunal on 05.01.2022, with Respondent No. 2 appointed as Resolution Professional. The CoC was constituted with State Bank of India as its sole member, and in the 1st CoC meeting held on 10.03.2022, continuation of Respondent No. 2 as Resolution Professional was confirmed

19. Respondent No. 1 submits that, pursuant to the fresh Form-G dated 22.08.2022, six Resolution Plans were received with EMD of Rs. 1 Crore each, including that of Respondent No. 3. In the 10th CoC meeting held on 08.12.2022, all six plans were found feasible and viable, and the CoC, in

its commercial wisdom, approved Respondent No. 3's plan, which was approved by the Tribunal vide order dated 07.12.2023 in I.A. No. 192 of 2023.

20. Respondent No. 1 submits that, upon failure of Respondent No. 3 to implement the approved Resolution Plan, Respondent No. 2 filed I.A. No. 1315 of 2024, bringing the non-implementation to the notice of the Tribunal and seeking the relief mentioned therein. Respondent No. 3 also filed I.A. No. 1242 of 2024 seeking relief against Respondent Nos. 1 and 2, which was deliberately suppressed by the Applicants in the captioned I.A., demonstrating that the Applicants have not placed true and accurate facts before the Tribunal. An unsuccessful Resolution Applicant has also filed I.A. No. 1673 of 2024 and Intervention Petition (IBC)/30/2024.

21. Respondent No. 1 submits that the Corporate Debtor was admitted into CIRP vide order dated 05.01.2022, whereupon the Applicants, being its erstwhile directors, stood suspended under Section 17(2) of the Code. The Resolution Plan, approved on 07.12.2023, is binding on all stakeholders, and the Applicants have had no role, right, or connection with the Corporate Debtor since its approval. Being outsiders to the CoC and the Monitoring Committee, and not parties to I.A. No. 1315 of 2024 or I.A. No. 1242 of 2024, the Applicants have no locus to question those proceedings or seek copies thereof. Having themselves admitted awareness of those I.As, this prompted their own OTS applications, the Applicants cannot now claim prejudice for want of hearing.

22. Respondent No. 1 submits that pleadings in I.A. No. 1242 of 2024, I.A. No. 1315 of 2024, I.A. No. 1673 of 2024, and Intervention Petition (IBC)/30/2024 stood completed vide order dated 11.02.2025 and were posted for hearing on 05.03.2025, where arguments were heard, and parties were directed to file written submissions. Respondent No. 1 denies that Applicant No. 2 made any mention before the Tribunal for listing of the captioned application, or that the Tribunal orally directed the Registry to list the same, no such order having been placed on record.

23. Respondent No. 1 submits that on 09.04.2025, Respondent No. 3 represented that the balance Resolution Plan amount of Rs. 43,75,25,000/- had been deposited into its account with State Bank of India, SME Camac Street Branch, Kolkata, which was acknowledged by Respondent No. 2. Respondent No. 1 thereafter filed a memo dated 21.04.2025 stating that the SRA had not deposited interest at 12%, being the discounted rate for arriving at NPV as approved by the CoC in the RFRP. Vide order dated 22.04.2025, the Tribunal awarded interest at 8% p.a. based on the SBI benchmark lending rate and disposed of I.A. No. 1315 of 2024.

24. Respondent No. 1 denies that the order dated 22.04.2025 was obtained by any misrepresentation of facts or fraud upon the Tribunal, or that any stand contrary to I.A. No. 1315 of 2024 was taken. By the time of the order, the Resolution Plan amount had already been paid, and the only dispute remaining was the rate of interest on delayed payment, determined at 8% p.a. Respondent No. 1 denies any collusion with Respondent No. 3, submitting that it is the Applicants who suppressed material facts, including the pendency of I.A. No. 1242 of 2024, and selectively highlighted dates of hearing. The allegations of fraud are devoid of merit.

25. Respondent No. 1 submits that the Applicants have failed to establish valid grounds for recalling the order dated 22.04.2025, having established neither a lack of jurisdiction nor an absence of notice, the captioned I.A. being, in substance, a review or appeal in disguise filed after an unexplained delay of nearly three months. The Applicants are habitual litigants who have repeatedly approached the Tribunal, the NCLAT, and the Supreme Court with frivolous applications, all of which have been dismissed, in a continuing attempt to thwart and delay the resolution process. The captioned I.A. is similarly vexatious and devoid of merit, and constitutes an abuse of the process of law, warranting exemplary costs.

26. Respondent No. 1 submits that the judgment relied upon by the Applicants is factually distinguishable and wholly irrelevant, judicial precedents not being capable of mechanical application without regard to the facts of each case. It is further submitted that, assuming without admitting that any extension of timelines was granted, the Applicants have failed to demonstrate how such extension amounts to fraud or misrepresentation, no particulars of any fraudulent act having been furnished, nor have they shown how, being third parties, they are affected or aggrieved thereby. Any such extension was a conscious and reasoned exercise of judicial discretion based on the material on record in I.A. No. 1242 of 2024 and I.A. No. 1315 of 2024.

27. Respondent No. 1 submits that the contention that Respondent No. 1, or the CoC of which it is the sole member, became functus officio upon approval of the Resolution Plan is misconceived. Reliance is placed on Kalyani Transco Co. v. Bhushan Power & Steel Ltd., wherein the CoC was held to continue even after approval of the Resolution Plan. Respondent No. 1 further submits that the Supreme Court, vide order dated 31.07.2025, recalled the earlier judgment dated 02.05.2025 in the said case and upheld the NCLAT order dated 17.02.2023.

28. Respondent No. 1 submits that the order dated 22.04.2025 did not alter or modify the Plan Approval Order dated 07.12.2023, and that the Applicants, being neither stakeholders nor participants in the Resolution Plan, have no locus to assail the same.

29. Respondent No. 1 denies any 21-month delay on the part of the lenders, submitting that loans are extended based on technical and economic feasibility, and that the terms of the Corrective Action Plan were not honoured by the Corporate Debtor. An OTS of Rs. 112 Crores was offered vide letter dated 01.08.2019, but despite the time granted and reminders, no instalments were paid, and the OTS was cancelled vide letter dated 24.01.2020, with recovery proceedings initiated thereafter. The Applicants' multiple subsequent OTS proposals, though considered, were rejected,

having lacked any bona fide effort to discharge dues or revive the Corporate Debtor.

Case of the Respondent Nos. 3 & 4.

30. Respondent No. 3 submits that the Applicants, with intent to mislead the Tribunal, suppressed the material fact that I.A. No. 1242 of 2024 had been filed by Respondent No. 3 before the filing of I.A. No. 1315 of 2024 by Respondent No. 1, seeking reliefs against the Resolution Professional regarding impediments in the implementation of the approved Resolution Plan, and that the said application was decided on 22.04.2025 by directing handover of all documents to Respondent No. 3. The Applicants are not parties to either application and are strangers to all events after the approval of the Resolution Plan on 07.12.2023, and accordingly have no locus to raise any grievance in respect thereof.

31. Respondent No. 3 submits that the Applicants have made multiple attempts to thwart the resolution process through vague and frivolous applications and appeals, none of which have been allowed, thereby establishing them as habitual litigants with no genuine grievance to urge before the Tribunal. The captioned application is yet another such attempt and is liable to be dismissed at the threshold on this ground alone.

32. Respondent No. 3 submits that the Resolution Plan contained several clauses of which the Applicants are unaware, as they rely solely on the order approving the Resolution Plan. The Resolution Plan cast responsibility upon Respondent No. 2 for handing over documents and ensuring compliance with statutory requirements, including filing of requisite forms with the Registrar of Companies, none of which obligations were discharged. It was on account of such non-compliance by Respondent No. 2 that Respondent No. 3 filed I.A. No. 1242 of 2024 before the Tribunal seeking appropriate reliefs. The Applicants, being unaware of what transpired between Respondent No. 3, Respondent No. 2, and the Committee of Creditors, cannot, on mere conjectures and surmises, allege that the Order dated 22.04.2025 was obtained by fraud.

33. Respondent No. 3 submits that the malafide intention of the Applicants stands established by their singular objective of regaining control over the Corporate Debtor by whatever means possible, and that the allegations of fraud levelled against the Respondents in respect of the Order dated 22.04.2025 are nothing but a facade constructed to achieve that end. Respondent No. 3 further submits that I.A. No. 1862 of 2024 filed by Applicant No. 1 was dismissed by the Tribunal, and the Appellate Tribunal affirmed the said dismissal, and that the Applicants, having failed to achieve their objects on multiple occasions, cannot invoke the captioned application to seek any relief whatsoever from the Tribunal.

34. Respondent No. 3 submits that the allegations of fraud levelled by the Applicants are founded on feeble, vague, and immaterial averments, and that the mere invocation of the term "fraud" at several instances in the application, without any factual or legal foundation, does not establish fraud on the part of the Respondents. Respondent No. 3 further submits that the Applicants lack even a basic understanding of the correct legal import of the term "fraud" and have deployed it loosely as a device to lend colour to an otherwise untenable application.

35. Respondent No. 3 submits that the Applicants, despite being aware that multiple applications were listed together, have relied only upon the submissions made by counsel for Respondent No. 1 in I.A. No. 1315 of 2024, thereby making submissions that suit their purpose without placing a true and complete picture before the Tribunal. Respondent No. 3 further submits that the Applicants neither have the locus nor any right to know what transpired between the Respondents leading to the passing of the Order dated 22.04.2025.

36. Respondent No. 3 submits that there was no breach of any obligation under the Resolution Plan and that it was at all times ready and willing to implement the same. The initial inability to bring in funds in the manner specified in the Resolution Plan was attributable solely to the non-compliance of statutory requirements and non-cooperation on the part of

Respondent No. 2, which impediments were the subject matter of I.A. No. 1242 of 2024 filed by Respondent No. 3 before the Tribunal seeking appropriate reliefs. Upon resolution of those impediments, the balance amounts were duly infused by Respondent No. 3 in accordance with the approved Resolution Plan

37. Respondent No. 3 further submits that it had filed I.A. No. 52 of 2025 seeking a direction to Respondent No. 1 to issue a No Objection Certificate for the purpose of opening a new bank account for the infusion of the balance funds contemplated under the Resolution Plan. The said application was disposed of as infructuous on 11.02.2025, upon the new bank account being opened, thereby enabling Respondent No. 3 to proceed with the infusion of the balance funds.

38. Respondent No. 3 submits that the judgment relied upon by the Applicants holds that the Tribunal and the Appellate Tribunal, while exercising power to grant extension of timelines under a Resolution Plan, must exercise utmost circumspection, and that such discretion must be kept to the minimum and exercised only in appropriate cases. Respondent No. 3 further submits that nowhere in the said judgment was it observed that granting an extension is fraudulent or that an extension is barred under law, contrary to the Applicants' contention that the Order dated 22.04.2025, which grants extension of the approved timelines, is fraudulent

39. Respondent No. 3 submits that the judgment in Bhushan Power & Steel does not apply to the facts of the instant case, the Supreme Court therein having only observed that courts should not give excessive leeway to a Successful Resolution Applicant, which observation does not in any manner assist the Applicants' allegation of fraud against the Respondents.

WRITTEN SUBMISSIONS OF APPLICANT

40. The Applicant submits that the Impugned Order deserves to be recalled on the ground that no relief seeking extension of time or condonation of delay in implementation of the Resolution Plan had ever been prayed for by any

Respondent. Neither IA 1315/2024 filed by Respondent No. 1 nor IA 1242/2024 filed by Respondent No. 3 contained any prayer for extension. It is a settled principle of law that a relief not prayed for cannot be granted, as affirmed in ***Trojan & Co. Ltd. v. Nagappa Chettiar*** **(1953) 1 SCC 456** and ***Bharat Amratlal Kothari v. Dosukhan Samadkhan Sindhi*** **(2010) 1 SCC 234.**

41. The Applicant further submits that Respondent No. 1, being a Financial Creditor, lacked authority to unilaterally acquiesce to the delay in payment under the Resolution Plan. The Resolution Plan cannot be modified, as held in **Ebix Singapore (P) Ltd. v. Educomp Solutions Ltd. (2022) 2 SCC 401**. Any extension was required to be considered by the Committee of Creditors and thereafter specifically approved by this Tribunal; post-facto approval of a resolution plan by the CoC has no legal basis, as held in ***M.K. Rajagopalan v. Periasamy Palani Gounder*** **(2024) 1 SCC 42.** A mere memo filed by Respondent No. 1 could not have sufficed.

42. The Applicant submits that encashment of the Performance Bank Guarantee by Respondent No. 1 in part discharge of the first tranche of payment was impermissible in law. Para 72(iv) of the Plan Approval Order expressly directed that the Performance Bank Guarantee shall remain as such until the amount proposed to be paid to creditors is fully paid off and the plan is fully implemented. The appropriation of the first tranche amount through encashment of the Performance Bank Guarantee was illegal, in violation of Regulation 36B(4A) of the 2016 Regulations, and in teeth of the Plan Approval Order, as affirmed in ***State Bank of India v. Consortium of Mr. Murari Lal Jalan*** **C.A. No. 5023 of 2024**.

FINDINGS AND DECISION

43. We have heard the Learned Counsel for the Applicant and carefully perused the material and documents placed on record. Upon due consideration of the submissions and the material available on record.

44. To recapitulate the factual matrix, CIRP against the Corporate Debtor was initiated vide order dated 05.01.2022 in CP (IB) No. 206/07/HDB/2021 under Section 7 of the IBC, 2016. During the CIRP, the Resolution Professional invited Expressions of Interest and received multiple Resolution Plans. The Resolution Plan submitted by Respondent No.3 was approved by the CoC. This Tribunal, vide order dated 07.12.2023 in I.A. No. 192 of 2023, approved the said Resolution Plan after recording the Successful Resolution Applicant's undertaking regarding availability of funds, while directing strict adherence to the timelines stipulated therein, failing which the amounts paid would be liable to forfeiture.

45. Subsequently, Respondent No.3 filed I.A. No. 1242 of 2024 before this Tribunal alleging various difficulties and impediments in the implementation of the approved Resolution Plan and seeking appropriate directions against Respondent Nos. 1 and 2 for removal of such hurdles, including restoration of essential services, filing of pending statutory forms, handover of documents and records, refund of certain amounts paid under protest, and other consequential reliefs to facilitate smooth implementation of the Resolution Plan.

46. Thereafter, alleging non-implementation of the approved Resolution Plan by Respondent No.3, Respondent No.2 filed I.A. No. 1315 of 2024 seeking cancellation/termination of the Resolution Plan and consequential reliefs, including cancellation of the Resolution Plan of Respondent No.3, forfeiture of the amount of Rs.26,31,73,701/- paid by the Successful Resolution Applicant, re-initiation of the CIRP by issuance of fresh Form-G, and appointment of Mr. Dantu Indu Sekhar as Resolution Professional.

47. In the meanwhile, Applicant No.1 submitted a One Time Settlement (OTS) proposal and filed I.A. No. 1862 of 2024 seeking consideration of the same. This Tribunal, finding the application not maintainable in view of the approval of the Resolution Plan, dismissed I.A. No. 1862 of 2024.

48. Thereafter, on 09.04.2025, when I.A. No. 1315 of 2024 was taken up for hearing, Ld. Counsels for both sides submitted that the Resolution Plan

amount had already been received in the CIRP account. This Tribunal, after recording the said submission, directed the Applicant therein to file a memo indicating whether it still wished to pursue the application. The relevant extract of the order dated 09.04.2025 reads as follows:

> ***"Ld. Counsels for both parties stated that the resolution amount has already been received in the CIRP account. Ld. Counsel for the Applicant is directed to file memo whether the Applicant still wants to pursue this application or not."***

49. Thereafter, on 22.04.2025, both I.A. No. 1315 of 2024 and I.A. No. 1242 of 2024 were taken up for hearing. Concerning I.A. No. 1315 of 2024, a Memo was filed by the Applicant claiming interest at 12% p.a. on delayed payments. It was recorded that the Resolution Plan amount had already been paid by the Successful Resolution Applicant, and the only dispute remaining was with regard to payment of interest on delayed payments. The relevant extract of the order is as follows:

> ***"Memo has been filed by the Applicant claiming @ 12% p.a. interest from the date on which the amount became due. The Resolution amount has already been paid by the SRA. The dispute is only with regard to payment of interest on delayed payments.***
>
> ***…..… It is appropriate to grant @ 8% p.a. on the basis of SBI bench mark lending rate. This interest is to be paid when it became due till the realization. Accordingly, this application is disposed of."***

Accordingly, this Tribunal directed payment of interest at the rate of 8% p.a. based on the SBI benchmark lending rate from the date the amount became due till realization and disposed of I.A. No. 1315 of 2024.

50. Simultaneously, in I.A. No. 1242 of 2024, it was noted that the entire Resolution Plan amount, except interest, had been paid by the Successful Resolution Applicant. The relevant extract of the order is as follows:

> ***The entire resolution amount except interest has been paid by the SRA i.e., Applicant to the RP. In view of this, all the reliefs as prayed for, except clause (e) has become infructuous. Therefore, RP is directed to handover all the documents to the Applicant. As such, this application is disposed of.***

In view thereof, all reliefs prayed for except the relief of handover of documents had become infructuous. Accordingly, Respondent No.2 was directed to hand over all the documents and records of the Corporate Debtor to the Applicant. Thus, I.A. No. 1242 of 2024 was also disposed of.

51. Here, it is necessary to examine the scope of the power of recall. As per *P. Ramanatha Aiyar's Major Law Lexicon*, the expression 'recall a judgement' is defined as to revoke, cancel, vacate, or reverse a judgement for matters of fact. When it is annulled by reason of errors of law, it is said to be "reversed". It is thus well settled that recall is permissible only where the order suffers from a procedural or factual infirmity and not where the merits of the decision are sought to be re-agitated.

52. The Hon'ble NCLAT, in ***Union Bank of India v. Dinkar T. Venkatasubramanian & Ors. 2023 ibclaw. In 381 NCLAT,*** after considering the law laid down by the Hon'ble Supreme Court, has categorically held that the power of recall is inherent under Rule 11 of the NCLAT Rules, 2016, and is exercisable only in limited circumstances such as procedural error, absence of a necessary party, fraud, or similar infirmities. The power of recall cannot be equated to a rehearing of the matter on the merits. The relevant para is extracted below:

> "***20.*** *The above judgments of the Hon'ble Supreme Court clearly lays down that there is a distinction between review and recall. The power to review is not conferred upon this Tribunal but power to recall its judgment is inherent in this Tribunal since inherent power of the Tribunal are preserved, powers which are inherent in the Tribunal as has been declared by Rule 11 of the NCLAT Rules, 2016. Power of recall is not power of the Tribunal to rehear the case to find out any apparent error in the judgment which is the scope of a review of a judgment. Power of recall of a judgment can be exercised by this Tribunal when any procedural error is committed in delivering the earlier judgment; for example; necessary party has not been served or necessary party was not before the Tribunal when judgment was delivered adverse to a party. There may be other grounds for recall of a judgment. Well known ground on which a judgment can always be recalled by a Court is ground of fraud played on the Court in obtaining*

judgment from the Court. We, for the purpose of answering the questions referred to us, need not further elaborate the circumstances where power of recall can be exercised."

53. The principles governing recall were lucidly expounded by the Hon'ble Supreme Court in ***Budhia Swain & Ors. v. Gopinath Deb & Ors. (1999) 4 SCC 396***, wherein it was held that recall may be exercised only where the proceedings suffer from a patent lack of jurisdiction, fraud or collusion, a mistake of the Court causing prejudice, or where a judgment was rendered in ignorance of the fact that a necessary party had not been served or was not represented. The relevant paragraph is extracted below:

> *" 8. In our opinion a tribunal or a court may recall an order earlier made by it if*
>
> *(i) the proceedings culminating into an order suffer from the inherent lack of jurisdiction and such lack of jurisdiction is patent,*
>
> *(ii) there exists fraud or collusion in obtaining the judgment,*
>
> *(iii) there has been a mistake of the court prejudicing a party, or*
>
> *(iv) a judgment was rendered in ignorance of the fact that a necessary party had not been served at all or had died and the estate was not represented.*
>
> *The power to recall a judgment will not be exercised when the ground for re-opening the proceedings or vacating the judgment was available to be pleaded in the original action but was not done or where a proper remedy in some other proceeding such as by way of appeal or revision was available but was not availed. The right to seek vacation of a judgment may be lost by waiver, estoppel or acquiescence."*

54. Fraud or misrepresentation sufficient to attract recall under ***Budhia Swain & Ors. v. Gopinath Deb & Ors.*, (1999) 4 SCC 396**, requires fraud or collusion in obtaining the order itself, not a mere change in stand. The record shows that Respondent No. 1's position changed only because the Resolution Plan amount had in fact been received in the CIRP account, as recorded in the order dated 09.04.2025, so that by the time of the order dated 22.04.2025, the only issue remaining in dispute was the rate of interest. This is an intervening fact, not a concealment. The

Applicants have failed to point out any specific instance of false representation made before this Tribunal, and general allegations of collusion drawn from timing alone do not meet the threshold for fraud.

55. The contention that Respondent No. 1, or the CoC of which it is the sole member, became functus officio upon approval of the Resolution Plan on 07.12.2023 and therefore lacked power to accept delayed payment or extend timelines is no longer good law. The Supreme Court, vide its judgment dated 26.09.2025, ***in Kalyani Transco vs. M/s Bhushan Power and Steel Limited & Ors., 2025 INSC 1165***, held that the CoC continues to exist until the Resolution Plan is fully implemented or an order of liquidation is passed. Respondent No. 1 had therefore not become functus officio, and was competent to accept delayed payment from the SRA and to seek interest thereon. The relevant extract is quoted below:

> ***85 We are therefore of the view that in view of Explanation to clause 2 of Regulation 18 of the IBBI (CIRP) Regulations, the CoC continues to exist till the Resolution Plan is implemented or an order of liquidation is passed under Section 33 of the IBC……..***

56. The Applicants have contended that the order dated 22.04.2025 effectively extended the timelines prescribed under the Resolution Plan without cogent reason or justification, and that the Plan Approval Order dated 07.12.2023, having directed forfeiture of amounts paid upon failure to adhere to the stipulated timelines, rendered any such extension impermissible, thereby amounting to an impermissible modification of a final and binding order.

57. We do not find merit in this contention. The order dated 22.04.2025 does not amount to an impermissible modification of the Plan Approval Order dated 07.12.2023. Extension of time for payment under an approved Resolution Plan, together with interest for the delay, is distinct from modification of its substantive terms, as held by the Hon'ble ***NCLAT in Ashok Dattatray Atre & Ors. v. State Bank of India & Ors., (2024) ibclaw.in 214 NCLAT***. By directing payment of interest at 8% per annum

on the delayed amount instead of invoking forfeiture, this Tribunal balanced the consequences of delay against the undisputed fact that the entire Resolution Plan amount had already been paid by the Successful Resolution Applicant. The order dated 22.04.2025, therefore, did not rewrite or exceed the terms of the Plan Approval Order. The relevant extract is quoted below:

> ***20 We, thus, are satisfied that Adjudicating Authority has jurisdiction to grant extension of timeline in making the payment in a Resolution Plan and the view of the Adjudicating Authority that granting of extension of the timeline is modification of the terms of the Resolution Plan is not a correct view. Further, for extension of timeline it is not necessary that CoC should express its concurrence, only then the Adjudicating Authority can exercise its jurisdiction. The jurisdiction is there with the Adjudicating Authority in appropriate case. Granting extension of time in payment as per Resolution Plan for implementation of the Resolution Plan, appropriate jurisdiction is always vested with the Adjudicating Authority to pass appropriate order.***

Accordingly, the Hon'ble NCLAT clarified that the grant of extension of time for payment under an approved Resolution Plan does not amount to modification of the Resolution Plan and that the Adjudicating Authority possesses the jurisdiction, in appropriate cases, to extend the timeline for implementation of the Resolution Plan even in the absence of express concurrence of the CoC.

58. The Applicants have urged that Respondent No. 1 illegally encashed the Performance Bank Guarantee furnished by Respondent No. 3 in part discharge of the first tranche of payment, in violation of Para 72(iv) of the Plan Approval Order dated 07.12.2023 and Regulation 36B(4A) of the IBBI (CIRP) Regulations, 2016. This contention cannot be examined in the present proceedings. The alleged encashment is a transaction distinct from, and anterior to, the order dated 22.04.2025, and does not form part of the subject matter thereof. A recall application is not the appropriate remedy to ventilate a grievance that was never raised in the proceedings culminating in the impugned order. The contention is accordingly rejected, without prejudice to any remedy available to the Applicants in law.

59. The Applicants have contended that the order dated 22.04.2025 was passed without affording them an opportunity of hearing. This contention is rejected. The Applicants were not parties to I.A. No. 1315 of 2024 or I.A. No. 1242 of 2024, and their rights in the Corporate Debtor stood extinguished upon approval of the Resolution Plan on 07.12.2023. No written order directing the listing of the Applicant's application on 22.04.2025 has been placed on record. A party with no legally cognizable interest in the proceedings cannot urge prejudice by reason of non-hearing in proceedings to which they were never parties. Accordingly, the ground fails and is rejected.

60. For the reasons discussed above, this Tribunal finds no fraud, collusion, procedural error, or lack of jurisdiction in the order dated 22.04.2025. There is therefore no ground to recall it. The prayer for recall of the order dated 22.04.2025 accordingly stands rejected.

61. The prayer for an order under Section 33(1)(b) of the Code against the Corporate Debtor, and the prayer for a stay restoring the management position as it stood on 07.12.2023, both depend on the order dated 22.04.2025 being recalled. Since the prayer for recall has been rejected, these two prayers are also rejected.

62. Accordingly, I.A. IBC No. 1220 of 2025 stands **dismissed.**

Sd/-

Sanjay Puri

Member (Technical)

Sd/-

Rajeev Bhardwaj

Member (Judicial)