

NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.203
IA/522(MP)2025
in
TP 199 of 2019 [CP(IB) 424 of 2019]

Order under Section 60(5)

IN THE MATTER OF:

CMM Infraprojects Limited

.....Applicant

V/s

Shri Satyendra P. Khorania Chairman Monitoring Committee

.....Respondent

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)

Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 18/06/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Tomar

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH

IA/522(MP)2025

in

TP 199 of 2019 [CP(IB) 424 of 2019]

(An application under 60(5) of the Insolvency and Bankruptcy code 2016, read with Rule 11 of National Company Law Tribunal rules,2016)

IN THE MATTER OF:

CMM Infraprojects Limited

Through its Director Tanay Maheshwari
Regd. Off.: 110-111 DM Tower, Lala Banarsilal,
Dawar Marg New Palasia, Indore -452016 (M.P.)
Email: cmm.projectoperations@gmail.com

.....Applicant

**Effulgence Trading and Services Private
Limited and Another Through Director Shri
Hitesh Bindal**

Regd. Off.: Flat No. 202, Manu Apartment, 51,
Geeta Nagar, Indore-452 001 (M.P.) Email:
accounts@swastikcoal.com

.....Applicant

**Shree Naivedya Fincom Private Limited
Through Director Shri Jitendra Kumar Jain**

Flat No. 202, Room No.1 Manu Apartment, 51,
Geeta Nagar, Indore-452 018 (M.P.) Email:
snfpl13@gmail.com

.....Applicant

Versus.

Shri Satyendra P. Khorania

Chairman, Monitoring Committee

.....Respondent

402, OK Plus DP Metro, Pillar No. 94, New
Sanganer Road, Jaipur – 302109 (Raj.)
Email: skhorania@live.com

CORAM:

Shri, Brajendra Mani Tripathi, HON'BLE MEMBER (J)

Shri, Man Mohan Gupta, HON'BLE MEMBER (T)

APPEARANCE:

For the Applicant: Mr. Arjun Seth, Adv. a.w.

Mr. Rajeev Kumar, FCS

For the Respondent: Mr. Abhishek Purohit, Adv. a.w.

Mr. Satendra P. Khorania, (Chairman-in-Person)

ORDER

Delivered on: 18.06.2026

1. The Present interlocutory application has been filed by the applicant under section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National company Law Tribunal Rules, 2016 seeking directions to facilitate effective implementation of the Resolution Plan approved by this Adjudicating authority vide order dated 11.11.2024, in relation to the reconstitution of the share capital and public Shareholding of the corporate debtor.

Facts of the case:

2. The Corporate Insolvency Resolution Process (CIRP) was initiated against CMM Infra Projects Limited by this Adjudicating Authority vide

order dated 15.12.2022 passed in TP No. 199 of 2019 [CP (IB) No. 424 of 2019], pursuant to which a Committee of Creditors was constituted and a Resolution Professional came to be appointed.

3. The appointment of the Resolution Professional was confirmed by this Adjudicating Authority vide order dated 27.04.2023.
4. In the 12th meeting of the Committee of Creditors held on 18.12.2023, a Resolution Plan jointly submitted by Effulgence Trading and Services Private Limited and Shree Naivedya Fincom Private Limited that was approved by the requisite majority of the Committee of Creditors.
5. This Adjudicating Authority, after examining the Resolution Plan and being satisfied as to compliance with requirements under Section 30(2) of the Code, approved the Resolution Plan under Section 31 of the Insolvency and Bankruptcy Code, 2016, vide order dated 11.11.2024, passed in IA No. 152 of 2024 in TP No. 199 of 2019.
6. It is stated that the Resolution Plan approved by this Adjudicating Authority is valid for a period of 365 days from the date of approval, i.e., 11.11.2024, and that the implementation steps contemplated therein are required to be completed within the said validity period.
7. Pursuant to approval of the Resolution Plan, a Monitoring Committee was constituted in terms of the Resolution Plan, with the Respondent acting as its chairman. The Successful Resolution Applicants undertook infusion of funds towards: a. Working capital amounting to

- ₹3,05,52,000, and b. Reserve towards CIRP costs amounting to ₹1,00,00,000.
8. The Resolution Plan further provided for full payment of CIRP costs, dues of financial creditors, dues of operational creditors, and statutory dues, in accordance with the provisions of the Code.
 9. Insofar as statutory dues are concerned, dues of the Employees' Provident Fund Organisation (EPFO) assessed under Sections 7A, 7Q and 14B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, were dealt with under the Resolution Plan. The delay in filing of claim by EPFO was condoned by this Adjudicating Authority in IA No. 373 (MP) of 2024, decided along with the order dated 11.11.2024, and the said dues were considered in terms of Clause 9.22 of the Resolution Plan.
 10. The plan value approved was Rs.17,07,52,000 and the Successful Resolution Applicant has already infused the requisite funds and significant implementation steps contemplated under the approved Resolution Plan have been undertaken. All payments towards CIRP Cost, financial creditors, Operational Creditors and statutory dues have been duly made in accordance with the approved resolution plan.
 11. The approved Resolution Plan specifically provided for reconstitution of the share capital of the Corporate Debtor, including consolidation and reduction of existing public shareholding.

12. As per the shareholding pattern forming part of the Information Memorandum, the public shareholding at the time of submission of the Resolution Plan comprised 1,00,50,000 equity shares, constituting 64.12% of the paid-up share capital.
13. The approved Resolution Plan provided that the said public shareholding of 1,00,50,000 equity shares would be reduced and consolidated into 1,60,800 equity shares of face value ₹10 each, by applying a conversion ratio of 0.016 equity shares for every one equity share held by public shareholders, which methodology was approved by this Adjudicating Authority vide order dated 11.11.2024.
14. It is noted from the share capital details placed on record that pursuant to implementation of the approved Resolution Plan, the proposed paid-up equity share capital of the Corporate Debtor is ₹3,21,60,000, comprising an equity contribution of ₹3,05,52,000 by the Successful Resolution Applicants (95%) and ₹16,08,000 attributable to the public shareholding (5%).
15. The Applicants submit that subsequent to submission of the Resolution Plan and prior to its implementation the public shareholding increased from 1,00,50,000 equity shares to 1,55,10,000 equity shares owing to selling of shares in secondary market transactions held by the promoter and promoter group.
16. In view of the changed shareholding pattern, the Applicants seek permission to implement the same and consolidation methodology

approved under the Resolution Plan by applying the approved conversion ratio of 0.016 equity shares for every one equity share held by public shareholders to the actual public shareholding of 1,55,10,000 equity shares. According to the Applicants, such implementation would result into increase in public shareholding from 1,60,800 to 2,48,160 equity shares and a consequential post-implementation shareholding pattern of approximately 92.50% in favour of the Successful Resolution Applicants and 7.50% in favour of the public shareholders as against 95% to SRA and 5% public shareholding, proposed in the plan. It is further submitted that all financial commitments, stakeholder distributions and other commercial terms of the approved Resolution Plan remain unchanged.

17. For implementation of the approved Resolution Plan and the aforesaid revised implementation mechanism, the Applicants approached the National Stock Exchange of India Limited (NSE) seeking in-principle approval for extinguishment of promoter shareholding, reduction and consolidation of public shareholding and issuance/allotment of shares in accordance with the Resolution Plan.
18. After seeking clarifications and granting a personal hearing, the NSE, vide communication dated 04.09.2025, declined to process the proposal, stating that express approval of this Adjudicating Authority was required.

Analysis & Observation:

19. The present Application has been filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 seeking directions in relation to implementation of the approved Resolution Plan and consequential modifications in the share capital restructuring mechanism contemplated therein.
20. Before examining the relief sought, it would be appropriate to briefly notice the shareholding structure contemplated under the approved Resolution Plan and the circumstances which necessitated filing of the present Application.
21. As per the approved Resolution Plan, the implementation mechanism proceeded on the basis of the then existing public shareholding of 1,00,50,000 equity shares, which after reduction and consolidation was proposed to result in 1,60,800 equity shares representing approximately 5% of the post-implementation paid-up share capital, with the remaining 95% being held by the Successful Resolution Applicants. However, subsequent to approval of the Resolution Plan and prior to its complete implementation, the shareholding pattern of the Corporate Debtor underwent a substantial change. The Applicants have placed on record that while the public shareholding at the relevant stage was approximately 64.12%, the same subsequently increased to approximately 98.96% on account of transfer of shares by the erstwhile promoters and acquisition thereof by public shareholders through

market transactions. Consequently, the shareholding assumptions forming the basis of implementation of the approved Resolution Plan no longer remained aligned with the actual shareholding position of the Corporate Debtor.

22. The present Application seeks permission to apply the same approved methodology to the actual public shareholding existing at the stage of implementation, namely 1,55,10,000 equity shares, which would result in 2,48,160 equity shares being held by the public shareholders and a corresponding public shareholding of approximately 7.50%.
23. For ease of reference, the position under the approved Resolution Plan and the present modification sought is summarized below:

Particulars	Approved Resolution Plan	Present Modification Sought
Public shares considered	1,00,50,000	1,55,10,000
Conversion ratio	0.016 : 1	Unchanged
Public shares after restructuring	1,60,800	2,48,160
Public shareholding	5%	7.50%
SRA shareholding	95%	92.50%
Financial commitments	No change	No change
Stakeholder treatment	No change	No change

The above comparison demonstrates that while the shareholding percentages undergo consequential variation owing to the changed public shareholding, the conversion ratio, financial commitments, stakeholder treatment and overall commercial framework of the approved Resolution Plan remain unchanged.

24. The Applicants have submitted that the present Application does not seek any alteration in the commercial terms of the approved Resolution Plan. It is specifically stated that the financial commitments undertaken by the Successful Resolution Applicants remain unchanged. The payments proposed to stakeholders, the treatment accorded to various classes of creditors, the infusion amount, and the overall commercial framework of the Resolution Plan remain unaffected. The modifications sought are confined to the mechanism of implementation of the share capital restructuring provisions of the approved Resolution Plan in view of the changed shareholding pattern.
25. This Adjudicating Authority finds merit in the aforesaid submission. Upon perusal of the material available on record, it is evident that the present Application does not seek reconsideration of the commercial wisdom of the Committee of Creditors nor does it seek alteration of the financial architecture of the approved Resolution Plan. The modifications are implementation-centric and have been necessitated by subsequent developments which arose after approval of the Resolution Plan.
26. The Corporate Debtor being a listed entity, implementation of the Resolution Plan is also required to conform to the applicable securities law framework. In this regard, **Rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957** assumes significance. The said provision specifically recognizes situations where implementation of a

Resolution Plan approved under Section 31 of the Insolvency and Bankruptcy Code results in public shareholding falling below the prescribed threshold and provides a statutory mechanism for achieving compliance with minimum public shareholding requirements within the prescribed period. The legislative intent underlying Rule 19A(5) is to facilitate implementation of approved Resolution Plans while ensuring eventual conformity with the securities law regime governing listed companies.

27. It is also pertinent to note that the revised implementation mechanism would result in public shareholding of approximately 7.50% immediately upon implementation of the Resolution Plan, which is higher than the minimum public shareholding threshold of 5% contemplated under Rule 19A(5) of the Securities Contracts (Regulation) Rules, 1957 for listed entities undergoing resolution under the Insolvency and Bankruptcy Code. The modification, therefore, advances rather than undermines the objective underlying the said provision.
28. The issue as to whether modifications can be permitted in an approved Resolution Plan for the limited purpose of ensuring regulatory compliance and facilitating implementation is no longer *res integra*. In ***Kundan Minerals and Metals Limited (formerly known as Kundan Care Limited) Versus National Stock Exchange of India Limited, Mumbai, I.A. (IB) No. 1720/KB/2024 In Company Petition (IB) No. 1632/KB/201***, the Kolkata Bench of this tribunal has held that where

a clause of an approved Resolution Plan is found to be inconsistent with the requirements of Rule 19A(5) of the Securities Contracts (Regulation) Rules, 1957, appropriate modification may be permitted by the Adjudicating Authority, provided such modification does not disturb the commercial substratum of the Resolution Plan and is necessary for its effective implementation." Further the decision of the Coordinate Bench ***NCLT, Hyderabad (Bench – I) in Ganapa Narsi Reddy v. BSE Limited in I.A. (IB) No. 1576 of 2023 in C.P. (IB) No. 115/9/HDB/2020 order dated 20.02.2024 of this tribunal***, wherein the Coordinate Bench has allowed the application of the SRA praying to approve the amendment to the approved resolution plan to comply the rule 19A (5) of SCR Rules. The Co-ordinate Bench passed an order that:

*“6. We are inclined to consider the prayer as sought for by the Applicant. Therefore, **we grant leave as sought by the Applicant and after granting this relief the revise share holding pattern of the corporate debtor will be as under which will be in compliance to the above Rule of 19 A(5) Securities Contracts (Regulation)Rules, 1957.***

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In view of the above observations this Application is allowed and disposed of.”

29. Guidance can also be drawn from the decision of the Coordinate Bench, **NCLT Ahmedabad Bench in Innovative Tyres and Tubes Limited**, wherein the Tribunal considered a situation where the shareholding pattern of the Corporate Debtor had materially changed subsequent to approval of the Resolution Plan due to continued trading of shares in the secondary market. The Tribunal observed that where the Resolution Plan had otherwise been substantially implemented and the modification sought did not alter the commercial terms of the approved Resolution Plan, necessary modifications could be permitted to facilitate implementation of the approved Resolution Plan.
30. An important aspect of the present matter is that this Adjudicating Authority had sought specific clarifications regarding transfer of shares by the erstwhile promoters during the CIRP. Pursuant thereto, an affidavit has been filed by the Chairman of the Monitoring Committee.
31. From the affidavit filed on record, it emerges that the Corporate Insolvency Resolution Process commenced on 15.12.2022 and the necessary disclosures regarding commencement of CIRP were duly made to the stock exchange. It has further been clarified that **the equity shares held by the erstwhile promoters constitute personal assets of such shareholders and do not form part of the assets of the Corporate Debtor**. Consequently, such shares are not covered by the moratorium imposed under Section 14 of the Insolvency and Bankruptcy Code, 2016.

32. The affidavit further clarifies that the Resolution Professional had no statutory authority to freeze transfer of shares of a listed company and that the Corporate Debtor continued to remain a listed entity whose shares were freely tradable on the recognized stock exchange. It has also been stated that all disclosures required under the Insolvency and Bankruptcy Code, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions were duly made from time to time and were available in the public domain.
33. It has additionally been explained that there exists no provision under the Insolvency and Bankruptcy Code, 2016 prohibiting transfer of equity shares of a listed company during CIRP. The restrictions contemplated under Section 28(1)(c) of the Code relate to actions undertaken by the Resolution Professional concerning alteration of the capital structure of the Corporate Debtor and do not extend to secondary market transfers undertaken by individual shareholders. The affidavit specifically states that the transfers by the erstwhile promoters were not undertaken with the permission of the Resolution Professional and that the Resolution Professional had neither authorized nor facilitated such transfers.
34. We are satisfied that the increase in public shareholding occurred on account of secondary market transactions and not on account of any action attributable to the Resolution Professional or the Monitoring Committee.

35. It has also been brought on record that the Successful Resolution Applicants have already infused the requisite funds and significant implementation steps contemplated under the approved Resolution Plan have been undertaken. All payments towards CIRP Cost, financial creditors, Operational Creditors and statutory dues have been duly made in accordance with the approved resolution plan.
36. Another significant factor which weighs with this Adjudicating Authority is that the Resolution Plan already stands **substantially implemented**. The Successful Resolution Applicants have acted upon the approved Resolution Plan and substantial steps towards implementation have already been undertaken. The issue which survives is essentially one relating to the manner in which the share capital restructuring provisions are to be implemented in light of the altered shareholding pattern. Refusal of the relief sought at this stage would impede implementation of an otherwise approved and substantially implemented Resolution Plan without yielding any corresponding benefit to any stakeholder.
37. It is also noteworthy that no material has been placed before this Adjudicating Authority to demonstrate that the proposed modifications would adversely affect the interests of any creditor, shareholder or stakeholder. On the contrary, the relief sought is intended to facilitate implementation of the approved Resolution Plan and to ensure compliance with the applicable securities law framework.

38. We also note that after approval of a resolution plan by the Adjudicating Authority, it cannot be altered or modified. Reliance is placed on the judgment rendered by the Hon'ble Apex Court in ***M.K. Rajagopalan v. Sr. Periasamy Palani Gounder*** reported in **2023 SCC OnLine SC 574**; ***SREI Multiple Asset Investment Trust Vision India Fund v. Deccan Chronicle Marketeers*** reported in **2023 7 SCC 295** and ***Ebix Singapore Private Limited and Ors. vs. Committee of Creditors of Educomp Solutions Limited and Ors.*** reported in **MANU/SC/0628/2021**.
39. However in view of the foregoing discussion and catena of judgements, this Adjudicating Authority is satisfied that the modifications sought do not alter the commercial essence of the approved Resolution Plan; that the same have become necessary owing to subsequent changes in the shareholding pattern of the Corporate Debtor; that the modifications are intended to facilitate implementation of the approved Resolution Plan and ensure conformity with Rule 19A(5) of the Securities Contracts (Regulation) Rules, 1957; and that no prejudice would be caused to any stakeholder by grant of the reliefs sought and proposed amendment if not allowed will hamper the approved resolution plan.
40. We also find merit in the prayer seeking extension of time for implementation of the Resolution Plan. The delay in implementation has occurred primarily on account of regulatory and procedural issues relating to reconstitution of the share capital and obtaining requisite

approvals from the stock exchange. The Resolution Applicants cannot be faulted for the time consumed in seeking clarification and directions from this Adjudicating Authority.

41. Since the Resolution Plan has otherwise been substantially implemented and the surviving steps are largely consequential to the relief granted herein, the interests of justice warrant grant of reasonable extension of 3 months for completion of the remaining implementation activities.
42. Accordingly, the period for implementation of the Resolution Plan is extended by a further period of three months from the date of this order.
43. Accordingly, the present Application deserves to be allowed.

ORDER

44. The Applicants are permitted to apply the approved conversion ratio of 0.016 equity shares for every one equity share held by public shareholders to the actual public shareholding of 1,55,10,000 equity shares, resulting in allotment of 2,48,160 equity shares in the public shareholding category.
45. Consequently, the revised implementation mechanism resulting in a post-implementation shareholding pattern of approximately 92.50% in favour of the Successful Resolution Applicants and 7.50% in favour of the public shareholders shall stand approved for the limited purpose of implementation of the approved Resolution Plan.

46. The period for implementation of the approved Resolution Plan is extended by a further period of three months from the date of this order
47. It is clarified that the present permission is granted solely for facilitating implementation of the approved Resolution Plan and shall not be construed as alteration of the commercial or financial terms thereof.
48. Accordingly, **IA No. 522 of 2025 in TP No. 199 of 2019** stands **allowed** and **disposed of**.

Sd/-

**MAN MOHAN GUPTA
(MEMBER TECHNICAL)**

Chandni -L.R.A

Sd/-

**BRAJENDRA MANI TRIPATHI
(MEMBER JUDICIAL)**