

IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-II

IA (I.B.C) (Plan) No. 46/MB/2025

in

CP (IB) No. 786/MB/2023

[Under Sections 30(6) and 31 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016]

Ordered on: 07.07.2026

KDRA INSOLVENCY PROFESSIONALS PRIVATE LIMITED

[Erstwhile Kanchansobha Debt Resolution Advisors Private Limited]

[Registration No. IBBI/IPE-0059/IPA-1/2022-23/50037]

RESOLUTION PROFESSIONAL OF 4B NETWORKS PRIVATE LIMITED

Unit No. 207, 2nd Floor, Kshitij

Near Azad Nagar Metro Station, Veera Desai Road

Andheri (West), Mumbai-400053, Maharashtra.

...Applicant

Versus

MR. ARMAAN SUNIL KOTHARI

...Respondent/Resolution Applicant

IN THE MATTER OF:

KRISHKAN INVESTMENT PRIVATE LIMITED.

...Financial Creditor

V/s

4B NETWORKS PRIVATE LIMITED

...Corporate Debtor

CORAM:

HON'BLE SHRI ASHISH KALIA, MEMBER (JUDICIAL)

HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)

Appearances: Hybrid

Applicant/RP: Adv. Manish Jha a/w. Adv. Nausher Kohli

ORDER

[PER: SANJIV DUTT, MEMBER (TECHNICAL)]

1. BACKGROUND

1.1 This **IA (I.B.C) (Plan) No. 46/MB/2025** (hereinafter referred to as “IA”) was filed on 07.03.2025 by KDRA Insolvency Professionals Private Limited, the Applicant/Resolution Professional (hereinafter referred to as “the RP”) on behalf of the Committee of Creditors (hereinafter referred to as “the CoC”) of 4B Networks Private Limited, (hereinafter referred to as “the Corporate Debtor”), for seeking approval of the Resolution Plan (hereinafter referred to as “the Plan”), under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) and Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Process for Corporate Persons) Regulations 2016 (hereinafter referred to as “CIRP Regulations”), submitted by Mr. Armaan Sunil Kothari, i.e., Successful Resolution Applicant (hereinafter referred to as “the SRA”) and duly approved by 83.46% voting share of the CoC.

2. CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

2.1 This Adjudicating Authority *vide* order dated 12.01.2024, in C.P.(IB) No.786/MB/2023, filed by Krishkan Investment Private Limited as Financial Creditor of the Corporate Debtor under Section 7 of the Code, admitted the Corporate Debtor into Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”). Mr. Ravindra Chaturvedi was appointed as the Interim

Resolution Professional (hereinafter referred to as “IRP”) and later confirmed as the RP for conducting the CIRP of the Corporate Debtor.

2.2 Public announcement as per Regulation 6 of the CIRP Regulations in Form A was made on 14.01.2024, for inviting claims from creditors, workers, and employees of the Corporate Debtor under Section 15 of the Code, with 26.01.2024 as the last date for receipt of claims. Pursuant to publication of Form A, the CoC was constituted on 03.02.2024.

2.3 In the first CoC meeting dated 10.02.2024, the CoC comprised of three financial creditors, namely, Krishkan Investment Private Limited, Axis Trustee Services Limited (Debenture Trustee acting on behalf of Holders NP1 Capital Trust) and Incred Financial Services Limited. The CoC appointed the erstwhile IRP as the RP of the Corporate Debtor.

2.4 Pursuant to second CoC meeting dated 05.03.2024 wherein the CoC passed the resolution for publication of Form-G in two newspapers, the erstwhile RP published the 1st Form G on 12.03.2024 inviting Expression of Interest (hereinafter referred to as “EoI”) with 27.03.2024 as the last date of submitting the EoI. Later, the erstwhile RP published the prospective list of Prospective Resolution Applicants (hereinafter referred to as “PRA”) on 06.04.2024 and the Final List of PRAs on 21.04.2024 in which five PRAs were qualified including Mr. Armaan Sunil Kothari.

2.5 Following the publication of the final list of PRAs, the erstwhile RP asked them to submit their Resolution Plans. In the 5th CoC meeting dated 18.06.2024, the CoC members were informed by the erstwhile RP that he had received resolution plans from two PRAs i.e., Subhlaxmi Investment Advisory Pvt. Ltd.

and MKS Constro-Venture Private Limited. The said Resolution Plans were thereafter opened in the presence of the CoC members and the respective PRAs. Further, upon due deliberation, the CoC members observed that the amounts offered under both Resolution Plans were inadequate, considering the value of the Corporate Debtor. Accordingly, it was unanimously decided that further negotiations with the PRAs were necessary. In the said meeting, it was also informed that 180-day period of the CIRP from the admission date of 12.01.2024, would expire on 10.07.2024. Consequently, the CoC resolved to file an application for a 90-day extension of the CIRP. Accordingly, the erstwhile RP filed IA No. 3660 of 2024 before this Tribunal seeking an extension of the CIRP period by an additional period of 90 days from 10.07.2024 to 09.10.2024 which was allowed by this Tribunal *vide* order dated 23.07.2024.

2.6 In the 6th CoC meeting dated 17.07.2024, the CoC resolved to replace the erstwhile RP with Kanchansobha Debt Resolution Advisors Private Limited (earlier known as Kanchansobha Debt Resolution Advisors LLP) i.e., current RP of the Corporate Debtor. Accordingly, the IA No. 4017 of 2024 was filed by Axis Trustee Services on behalf of the CoC members for replacement of the RP and the same was allowed *vide* order of this Tribunal dated 23.08.2024.

2.7 Later, the proposed Resolution Plans submitted by two PRAs, namely, Subhlaxmi Investment Advisory Pvt. Ltd. and MKS Constro-Venture Private Limited were rejected in the 7th CoC meeting dated 12.08.2024 and the CoC resolved to issue fresh Form G in consequence of rejection of given Resolution Plans. Pursuant to this, the RP published the 2nd Form G on 17.08.2024.

Paragraph 17 of the present IA refers to claims submitted and admitted by the RP including related parties.

2.8 After the issuance of 2nd Form G on 17.08.2024, the Applicant received 8 Eols. Further, after scrutiny, the Applicant/RP had issued the provisional list of PRAs on 12.09.2024 in which 7 (Seven) PRAs qualified. Further, the Applicant published the Final list of PRAs on 27.09.2024 in which all the 7 (Seven) PRAs qualified. However, after further discussion and receiving information about retrieval of the code base and broker database of the Corporate Debtor, the CoC, in its 10th meeting dated 21.11.2024, resolved in favour of issuance of another fresh Form G and consequently, the third Form G was published on 22.11.2024 with 07.12.2024 as last date for submission of the Eol and 29.01.2025 as last date for submission of Resolution Plan.

2.9 In the 11th CoC meeting dated 26.12.2024, the RP informed the CoC that pursuant to the issuance of 3rd Form G dated 22.11.2024, he had received 8 Eols on or before 07.12.2024, i.e., the last date for submission of Eols. The PRAs who submitted their Eols included Kalyan Toll Infrastructure Limited, Anirudh Agro Farms Limited and Aakash Value Realty Private Limited. Further, during the same meeting, the Applicant/RP presented the Request for Resolution Plan (hereinafter referred to as “RFRP”) along with the Evaluation Matrix for the CoC’s consideration and the same were approved by the CoC after detailed deliberation.

2.10 The 13th CoC meeting of the Corporate Debtor was convened by the Applicant/RP on 25.02.2025, wherein the Applicant invited the PRAs for discussions and negotiations with the CoC members. Following detailed

deliberations, it was resolved that the PRAs, namely, Subhlaxmi Investment Advisory Pvt. Ltd. and MKS Constro-Venture Private Limited would submit their revised resolution plans by 27.02.2025. Further, the Applicant apprised the CoC members that upon receipt of the revised resolution plans and completion of the due diligence process, a compliance certificate would be issued in respect of the PRAs. Thereafter, the final resolution plans of Subhlaxmi Investment Advisory Pvt. Ltd. and MKS Constro-Venture Private Limited would be placed before the CoC for voting. Later, the revised resolution Plan of Mr. Armaan Sunil Kothari was received on 27.02.2025 and was duly circulated among the CoC members. Further, the RP issued the Compliance Certificate on 01.03.2025 and informed the CoC members that the e-voting on the final resolution plan submitted by Mr. Armaan Sunil Kothari would commence on 01.03.2025 and remain open until 04.03.2025. The Resolution Plan submitted by Mr. Armaan Sunil Kothari placed for the e-voting vide email dated 1st March, 2025 was approved by the CoC by 83.46% of votes, through e-voting on 04.03.2025 and hence, Mr. Armaan Sunil Kothari was declared as the SRA of the Corporate Debtor.

- 2.11 The Applicant/RP had issued the Compliance Certificate dated 28.02.2025 wherein he informed the CoC that the proposed Resolution Plan of the SRA not only conforms to the provisions of the Code as well as CIRP Regulations but also the SRA and his affiliate Company i.e., Cornetstone Estate Development Private Limited is eligible to submit the Resolution Plan under Section 29A of the Code.

2.12 The Applicant/RP issued Letter of Intent (hereinafter referred to as “LOI”) dated 04.03.2025, in favour of the SRA and mentioned that the SRA must deposit Rs. 90,00,000/- i.e., 10% of the Resolution Plan amount proposed for the stakeholders and CIRP Costs in the form of Performance Bank Guarantee (hereinafter referred to as “PBG”) as Performance Security in favour of the Corporate Debtor for implementation of the Resolution Plan. The PBG should be valid for an initial period of 12 (Twelve) months from the date of approval by the CoC.

2.13 The Applicant/RP received the Additional Addendum to Plan from the SRA on 20.05.2025 wherein it was clarified that, all the Compulsorily Convertible Preference Share (including those held by related parties) of the Corporate Debtor shall stand extinguished pursuant to capital reduction whereas other liability to be assigned to New Company/SPV without any payment. Other such clarifications were also made in the Additional Addendum to the Plan dated 20.05.2025 as evident from its copy placed on record through the Additional Affidavit dated 26.05.2025.

2.14 Pursuant to queries raised by this Tribunal vide order of this Tribunal dated 02.09.2025, the Ld. Counsel for the Applicant/RP filed the Additional Affidavit dated 15.09.2025 wherein it was stated that the RP conducted the 15th CoC meeting dated 08.09.2025 to apprise the CoC members about the queries raised in the aforesaid order dated 02.09.2025 such as the basis of distribution of the Resolution Plan amount among financial creditors. The SRA clarified that the distribution would be made strictly in accordance with the Resolution Plan and subject to mutual consent and approval of the CoC. The members

expressed agreement and requested circulation of an email resolution for formal approval. Accordingly, the RP circulated the resolution on 10.09.2025 wherein it was resolved that the manner of distribution within the Financial creditors class shall be determined by mutual consent of the CoC, in compliance with the Code and the approved Resolution Plan. The same was duly confirmed through email approvals by the major creditors constituting 87% of the COC, including NP1 Capital on behalf of Axis Trustee and Incared Financial Services on 10.09.2025, thereby recording acceptance of the distribution framework.

2.15 Later, the 16th CoC meeting was held on 12.09.2025 wherein the Applicant/RP informed the CoC that an additional claim of Rs. 2,94,154 was received from the EPFO on 21.08.2025, after the resolution plan had already been reserved for orders by this Tribunal. Considering the statutory nature of EPFO dues and to avoid litigation or delays, the RP verified and admitted the claim with the approval of the CoC, and the Successful Resolution Applicant (SRA) confirmed inclusion of the same within the plan without altering the existing distribution, thereby increasing the total plan value from Rs. 14,67,78,106 to Rs. 14,70,77,260/-, thereby confirming full payment of the PF claim amount admitted. The CoC unanimously approved letter received from SRA confirming this inclusion, and it was resolved that an affidavit would be filed before the Hon'ble NCLT incorporating the SRA's confirmation.

2.16 It is submitted that this Tribunal had raised queries regarding SRA's rights over proceeds of the Preferential, Undervalued, Fraudulent, and Extortionate (hereinafter referred to as "PUFE") transactions, etc to the Ld. Counsel for the

Applicant/RP. Pursuant to it, the Applicant/RP filed its Additional Affidavit dated 16.02.2026 before this Tribunal wherein it was stated that the CoC approved the resolution regarding SRA's exclusive right upon the proceeds of PUFE transactions with 100% voting in 18th CoC meeting dated 11.02.2026.

2.17 The RP has complied with the requirements under Section 30(2)(a) to (f) of the Code and Regulations 38(1)(a), 38(1A), 38(2)(a) to (c) and 38(3) of the CIRP Regulations. The RP has also provided Compliance Certificate dated 21.11.2024 as well as "FORM H" dated 15.09.2025 as mandated under Regulation 39(4) of the CIRP Regulations, for seeking approval of the Plan by us.

3. VALUATION OF ASSETS OF CORPORATE DEBTOR AND CLAIMS RECEIVED

3.1 The RP submitted that, to ensure proper valuation of the Corporate Debtor's properties, two Registered Valuers were appointed by the CoC. The Fair Value of the Corporate Debtor's assets is mentioned in Form H as Rs. 556.82 Lakhs and the Liquidation Value of the Corporate Debtor's assets is Rs. 556.82 Lakhs which were determined as follows:

Sr. No.	Particulars	Valuer	Fair Value (Rs. In Lakhs)	Liquidation Value (Rs. In Lakhs)
1.	Securities and Financial Assets (S&FA)	Futurevalue Advisors India Private Limited	556.82	556.82
		Ankit Gupta	556.82	556.82
Average Value			556.82	556.82
Grand Total			556.82	556.82

3.2 As on 30.05.2025, the list of Corporate Debtor's creditors, uploaded on the website of Insolvency and Bankruptcy Board of India (hereinafter referred to as "IBBI"), based on the claims received by the Applicant is as under:

Sr. No.	Creditors	Claim Amount (Rs.)	Claim Amount Admitted (Rs.)	No. of received Claims
1.	Secured Financial Creditors belonging to any class of creditors	NIL	NIL	NIL
2.	Unsecured Financial Creditors belonging to any class of creditors	NIL	NIL	NIL
3.	Secured Financial Creditors (Other than Financial Cs belonging to any class of creditors	23,75,01,330	23,75,01,330	2
4.	Unsecured FCs (Other than FCs belonging to any class of creditors	19,87,95,998	18,66,52,934	4
5.	Operational creditors (Workmen)	NIL	NIL	NIL
6.	Operational creditors (Employees)	1,10,96,282	78,75,664	10

7.	Operational creditors (Government Dues)	4,71,945	4,71,945	1
8.	Operational creditors (Other than Workmen, Employees and Government Dues)	4,74,93,488	2,52,83,182	12
9.	Other creditors, if any, (other than Financial Creditors and Operational Creditors) i.e., Allcheckdeals India Private Limited-Related Party	2,76,00,00,000	2,76,00,00,000	1
TOTAL		3,25,53,59,043	3,21,77,85,055	30

4. BRIEF BACKGROUND OF CORPORATE DEBTOR

4.1 The Corporate Debtor was incorporated on 05.11.2020 as a private limited company. The Corporate Debtor was engaged in the business of real estate, loan services and a provider of agent networks for real estate professionals. The CIN of the Corporate Debtor is U73100MH2020PTC349457 and its registered address is 4th Floor, Gayatree Plaza, Turner Road, Bandra (West), Mumbai-400050, Maharashtra. As per its MCA Master Data, the directors of the Corporate Debtor were Mr. Devesh Singh and Mr. Rahul Yadav.

4.2 As per the SRA's due diligence on the Corporate Debtor, it was found that the mounting burden of debt, mismanagement of funds, slow-down in business operation and lack of control in planning were the factors behind the stressed

state of liquidity of the Corporate Debtor which led to declaration of Corporate Debtor's account as Non-Performing Asset (NPA) and the Corporate Debtor having gone into CIRP.

5. BRIEF BACKGROUND OF SRA

- 5.1 The SRA submits that he is the head of Spectrum group of companies and its affiliate companies including Cornetstone Estate Development Private Limited. He has experience of more than 10 years in real estate industry and is a partner in various real estate and construction projects in Mumbai and Pune.
- 5.2 The net-worth of the SRA is Rs. 55,113.71 Lakhs as on 30.06.2024. The Ld. Counsel for the Applicant/RP has produced the copy of the Net Worth Certificate dated 22.01.2024 of the SRA as on 31.03.2023 on record to highlight the financial viability of the SRA.
- 5.3 It is also stated that the SRA may either directly invest in the Corporate Debtor or a Special Purpose Vehicle (SPV) in which the SRA will initially either directly (or indirectly through intermediate holding company(ies) or any other Person or entity) hold controlling position in the SPV, with an option to divest the equity on or any time after the date. It is further clarified that the shareholders and directors of the said New Company/ SPV shall be eligible as per Section 29A of the Code. Provided however that, if the divestment is proposed to be done within 3 months from the Completion Date, the Resolution Applicant will procure and submit an undertaking to the Financial Creditors regarding eligibility of the transferee under section 29A of the IBC. Further, no dilution or

disinvestment or transfer shall be made in favour of any entity which is disqualified or ineligible under Section 29A of the Code.

6. SALIENT FEATURES OF PLAN APPROVED BY COC

6.1 The SRA proposed to make an upfront payment on effective date (within 85 days from NCLT Approval date) of Rs. 9,00,00,000/- (Nine Crore Rupees) along with bank balance of Rs. 5,67,78,106/- as confirmed by the Applicant/RP on 26.02.2025 as per the Resolution Plan which are as follows:

Sr. No.	Particulars	Claim Amount Submitted (Rs.)	Claim Amount Admitted (Rs.)	Proposed Upfront Payment (Rs.)
1.	CIRP Cost	47,97,894	47,97,894	At Actuals or Rs. 47,97,894 To be deducted from the available cash and bank balance with Corporate Debtor as on date of submission of Resolution Plan
2.	Secured Financial Creditors	23.75,01,330	23.75,01,330	14,10,04,267
3.	Unsecured Financial Creditors	4,43,53,007	3,52,09,943	3,52,099
4.	Operational Creditors	1.10,96,282.00	78,75,664	78,757

	(Employees and Workmen)			
5.	Operational Creditors (Government Dues)	4,71,945	4,71,945	4,71,945
6.	Operational Creditors (Other than dues to employees, workmen and government dues)	4,74,93,488.00	3,67,29,810	3,67,298
7.	Related Party Claims	2,911,442,991	2,911,442,991	---
	Total Resolution Amount	3,25,95,64,889.00	3,23,64,37,529.00	14,70,77,260 including cash and bank balance available as on date of approval of resolution plan i.e., Rs.5,67,78,106

6.2 Section VI of the Plan read with Addendum by the SRA dated 20.05.2025, summarises the treatment of claims from various creditors in the following manner:

a) CIRP Cost: It is stated that during the CIRP Period, cash flows generated by the Corporate Debtor will be sufficient to pay the CIRP Costs till the NCLT Approval Date. The unpaid costs due to lack of sufficient cash flows with Corporate Debtor as of the NCLT Approval Date upto Rs. 47,97,894/- shall be paid by the Resolution Applicant from the cash and bank balance available on date of implementation of resolution plan. Once the CIRP Costs have been paid in full as set out above, it is clarified that no Claims, liabilities, fines, costs, expenses or any other payment of such nature or otherwise, that are or are claimed to constitute CIRP Costs shall be payable by the Corporate Debtor or the Resolution Applicant. It is clarified that any excess CIRP cost incurred over the proposed amount shall be recovered from the amount proposed to the secured financial creditors and the Resolution Applicant's outlay shall not exceed the actual CIRP cost incurred. However, if the Corporate Debtor has enough cash flow to meet the CIRP cost, the surplus amount allocated shall be appropriated to the secured financial creditors.

b) Secured Financial Creditors: The SRA proposes to make the payment of Rs. 14,10,04,267/- as full and final settlement towards dues of secured Financial Creditors which shall be inter-se agreed upon by them. Save and except the aforesaid sum of INR 14,10,04,267 thereof which is being paid in full and final settlement/payment of the entire claim of the Secured Financial Creditors, the rest of the claim of the Secured Financial Creditors shall be discharged in full by assignment of residual debt to the

New company (SPV) against the payment made in the resolution Plan.

The aforesaid assignment of Residual debt of Secured Financial [Creditors 1o the new company against the above payment shall be [deemed to have discharged the said claim in full and there shall be no other liability for Resolution Applicant as well as Corporate Debtor towards the Current Secured Financial Creditors.

c) Unsecured Financial Creditors: The aggregate admitted claim of the Unrelated Financial Creditors is Rs. 3,52,09,943/- As against the aforesaid claim of the Unrelated Unsecured Financial Creditors, the Resolution Applicant will make a payment of Rs. 3,52,099 (less Mandatary Dissenting Unsecured Financial Creditor Payments (as defined hereinafter) to the Approving Financial Creditors (“Financial Creditor Payments”) as consideration for settlement (“Financial Creditor Settlement”) of the Admitted Unsecured Financial Creditor Debt.

d) Operational Creditors: The SRA proposes to pay the amount of Rs. 3,67,298/- as full and final settlement of the claims of other operational creditors which shall be paid in proportion to the claim so admitted by the RP, the rest of the claim/receivables of the Other Operational Creditors shall be assigned in full as the residual debt receivable from Corporate Debtor to the new company (SPV). Further, the said receivables of the Other Operational Creditors shall be extinguished immediately upon such assignment without any further payment to the Current Other Operational Creditors. The aforesaid conversion of rest of the claim of Other Operational Creditors as assigned residual debt to new company shall

be deemed to have discharged the said claim in full and there shall be no other liability for Resolution Applicant as well as Corporate Debtor towards the Other Operational Creditors. The Other Operational Creditor payments shall be distributed among the other operational creditors on basis pro-rate to their admitted other operational creditor debt.

e) Employees and Workmen: The Plan proposes to settle the claims of employees and workmen worth Rs. 78,75,664/- for which it has allocated the amount of Rs. 78,757/- for payment irrespective of submission of any claim or not in compliance Section 30(2)(b) of the Code read with Regulation 38 of | the CIRP Regulations and Section 53 of the Code. (“Workmen and Employees Payments”). This payment shall be towards full and final payment and settlement of all claims (whether admitted or not) of all employees and workmen (whether employed or terminated) of the Corporate Debtor and shall be paid in proportion to the claim so admitted by the RP. Any further liability arising on account of dues to workmen and/ or employees, from the completion date shall be deemed as settled. After the completion date, should any liability arise on account of directions of any court of law/ forum/ decision of CoC/ adjudicating authority etc., the same shall be met out of the amount proposed towards secured financial creditors.

f) Related Party: The Plan proposes nil amount to be paid against related party claims of Rs. 291,14,42,991/-. The rest of claim/book liability of the related party claim shall also be assigned as residual debt to the new company (SPV). Further, the said assigned residual debt to the related

party claim shall be extinguished immediately without any further payment to the related party.

g) Government and Statutory Dues: As per the updated list of creditors shared by the RP, Rs. 1,77,791/- is proposed to be made to Government and Statutory Authorities in compliance Section 30(2)(b) of the Code read with Regulation 38 of the CIRP Regulations. It shall be deemed that all contingent liabilities have been discharged completely and the respective government departments/tax authorities shall have no | rights to claim any amounts from the resolution applicants post approval of this resolution plan by the NCLT.

h) Shareholders' Equity: All the equity shares outstanding as on date of Resolution Plan will be transferred in the name of SRA or his affiliate company and the existing equity shareholder including the preferential share capital will get extinguished.

6.3 Upon payment of the Resolution amount to all the stakeholders as per the terms of the Resolution plan: i) the Corporate Debtor alone shall stand irrevocably and unconditionally discharged from all the claims of the Financial creditors and to that extent all the claims of the financial creditors shall stand satisfied and extinguished only against the corporate debtor by way of operation of law. However, such release and discharge of the corporate debtor as part of the corporate insolvency resolution process and by way of 'operation of law', shall not discharge the guarantors and the rights available to the financial creditors to proceed against the guarantors.

6.4 The terms and conditions for the effective implementation have been provided in Section V of the Plan, which deals with implementation of the Resolution Plan, etc. It is stated that all the payments / settlement proposed in the resolution plan shall be made within 85 days from the date of receipt of order of NCLT approving the Resolution Plan. The implementation of the Resolution Plan shall commence immediately from the NCLT Approval Date, and completion of the implementation of the Resolution Plan shall be carried out in accordance with the steps set out as below and in Section VIII (Conduct between Hon'ble NCLT Approval Date and Completion Date) of the Resolution Plan, and performance of all other actions as set out in this Resolution Plan, subject to satisfaction, or waiver by the SRA, as the case may be, of the Condition Precedent i.e. Receipt of certified copy of NCLT Order sanctioning the Resolution Plan.

6.5 As far as the source of funds for the implementation of the Plan is concerned, it is submitted that the SRA has adequate liquid funds in the form of bank balance and deposit with banks to pay the entire resolution amount and shall not require any external fund for the same. Further, the SRA directly or through SPV and/ or its Affiliates and entities as financial/ strategic investors will infuse funds, in one or more tranches, into the Corporate Debtor by way of equity, quasi equity, and/ or debt or 2 combination thereof ("Fund Infusion") which shall be utilized for the purpose of payments proposed to be made under this Resolution Plan, to the extent the same is not paid out of the internal cash flows of the Corporate Debtor. Further, the SRA, at its sole discretion, may

infuse such additional amounts as may be required for improving the business operations of the Corporate Debtor.

6.6 It is further stated that the applicable regulatory fees payable to the IBBI under Regulation 31A(2) have been duly accounted for as part of the CIRP cost, and the Resolution Plan specifically provides for payment of such regulatory fee from the CIRP cost. The amount of regulatory fee payable, being 0.25%, works out to Rs. 2,66,367.75/-, which has been included as part of the CIRP cost to be paid in priority and at actuals by the SRA.

7. MANAGEMENT OF CORPORATE DEBTOR

9.1 The SRA will constitute the Implementation and Monitoring Committee (hereinafter referred to as “IMC”) which is in line with the RFRP. The IMC comprised of the RP of the Corporate Debtor, one representative of the SRA and one member of the current CoC. The IMC would be tasked with monitoring funds and implementation of plan.

8. PUFEE TRANSACTIONS

8.1 As far as the PUFEE transactions are concerned, there was one IA filed by the RP against the Corporate Debtor’s suspended Board of Directors, which is pending before this Tribunal, i.e., IA (IBC) No. 3889/2024. The said IA was filed on 13.07.2024 for seeking recovery of Rs. 5849.51 Crores which would be payable to the SRA. However, it was dismissed as withdrawn *vide* order dated 11.04.2025 as the Ld. Counsel for the Applicant/RP sought withdrawal

of IA No. 3889/2024 as well as permission to file a new application for PUF transactions.

8.2 Later, the Applicant/RP filed the IA No. 3773/2025, under Section 44(1) and 66(1) of the Code, on 20.02.2025, for recovery of Rs. 7,349.51 Crores against the suspended Board of Directors of the Corporate Debtor.

8.3 Pursuant to the queries raised by this Tribunal over SRA's exclusive right upon the proceeds of the PUF transactions as well as amount difference in the transaction details between IA Nos. 3889/2024 and 3773/2025, the Applicant/RP filed the Additional Affidavit dated 16.02.2026 wherein it provided the details of PUF transactions as well as those of fraudulent/wrongful trading under Sections 43 and 66 of the Code. The Applicant/RP clarified that the CoC, in its 18th meeting dated 11.02.2026, had approved the SRA's right upon the proceeds of both the categories of transactions.

9. PERFORMANCE GUARANTEE

9.1 It is submitted that the SRA has furnished a performance bank guarantee of Rs. 90,00,000/- (Ninety Lakhs Rupees) in terms of Regulation 39(4), of which Rs. 25,00,000/- (Twenty-Five lakhs only) was deposited as Earnest Money Deposit along with the Resolution Plan and thereafter the balance amount of Rs 65,00,000/- (Sixty-Five Lakhs Rupees) was deposited in favour of 4B Networks Private Limited on 07.03.2025. The SRA has produced the copy of the Bank Statement from 01.01.2025 to 12.02.2025 of its account on record *vide* Additional Affidavit dated 15.09.2025.

10. RELIEFS AND CONCESSIONS

10.1 The SRA has sought various reliefs and waivers as per Section X of the Resolution Plan wherein waiver is sought in relation to non-compliance regarding filing of Income Tax Return under Section 139 of Income Tax Act, 1961 of the Corporate Debtor along with certain other reliefs which are necessary to keep the Corporate Debtor as a going concern.

10.2 The SRA has also sought waiver from payment of fees, stamp duty, etc., regarding the Plan as well as permission to amend the Corporate Debtor's Memorandum of Association, Articles of Association and its registered office without any further deed and action.

11. ANALYSIS AND FINDINGS

11.1 We have heard the Ld. Counsel for the RP and perused the Plan and related documents submitted along with the I.A.

11.2 Indubitably, as it is apparent from the Form H, that the value of the Plan as well as the amount distributed to the stakeholders is not such as should have been. Though the fair value and the Liquidation Value of the Corporate Debtor is Rs. 556.82 Lakhs & the total realisable amount under the Plan is Rs. 14,70,77,260/- only against the amount admitted by the RP of the Corporate Debtor i.e. Rs. 323,64,37,529/-, which is resulting into a huge reduction of haircut of 95%.

11.3 Upon perusal of available documents, it was observed that that though the SRA's name was mentioned in the Provisional as well as Final list of PRAs

in the capacity of individual, the Plan constantly refers the SRA as Armaan Sunil Kothari and his SPVs/ group Companies including Cornetstene Estate Development Private Limited (hereinafter referred to as “CEDPL”). In fact, the business plan proposed in the Plan comprised of acquiring the Corporate Debtor through SRA's company named CEDPL or his other affiliated companies and would even involves the formation of Special Purpose Vehicle (hereinafter referred to as “SPV”) wherein the SRA either directly or indirectly through his affiliate companies would hold controlling position in the SPV to manage the Corporate Debtor. However, the present Application does not contain the details of the SRA's companies including CEDPL including their eligibility under Section 29A of the Code. Further, the Net Worth Certificate dated 22.01.2024 of the SRA as produced in the Applicant/RP's Additional Affidavit dated 15.09.2025 does not provide clear details of the land mentioned in the said Certificate. The market value of the lands mentioned in it is said to be Rs. 547,50,00,000/- but there is no mention of acres of land or even complete address of the lands in the SRA's net Worth Certificate. Moreover, the net worth Certificate of the SRA's companies including CEDPL has not been annexed in the present Applications or other Additional Affidavits.

11.4 We hold that it is a trite position of law that the commercial wisdom of the CoC is beyond the pale of challenge before the Tribunal and with respect to the application for approval of the resolution plan, the jurisdiction of this Tribunal is limited to determine whether or not the resolution plan, as approved by requisite majority of CoC, complies with the requirements

specified under Section 30(2) of the Code. This includes, inter alia, examining whether the resolution plan contravenes any of the provisions of the law for the time being in force and conforms to such other requirements as may be specified by IBBI. This is further evidenced by Section 61 of the Code which permits any person aggrieved by the order of the Tribunal to prefer an appeal to the NCLAT on the grounds, inter alia, that the approved resolution plan is in contravention of the provisions of any law for the time being in force; or there has been material irregularity in exercise of the powers by the RP during the CIRP period.

11.5 It hardly needs to be emphasized that in CIRP, the role of the CoC is that of a protagonist, who takes the key decisions in its commercial wisdom and also takes the consequences thereof. It cannot be gainsaid that the decisions of CoC must reflect the fact that it has taken into account the maximization of the value of the assets of the Corporate Debtor, and that the interest of all the stakeholders has been adequately balanced. The Hon'ble NCLAT could also view in *Padmanabhan Venkatesh vs. Shri V. Venkatachalam & Ors.* [Company Appeal (AT) (Insolvency) No. 128 of 2019], that the Resolution Plan must ensure not only maximisation of value of the assets of the Corporate Debtor as also the value of the Financial Creditors and the Operational Creditors thereby balancing the interest of the stakeholders. However, we are also unable to appreciate the nonapplication of mind of the CoC when the proceeds of the PUFEE applications were held to be exclusive right of the SRA which shall bear the expenses of such PUFEE applications as evident from the perusal of the Plan as well as Applicant/RP's Additional

Affidavit dated 16.02.2026. It is also noted that the proceed/outcome of aforementioned applications would be utilised by the SRA for the business of the Corporate Debtor and the SRA would pursue the avoidance application after the implementation of the Resolution Plan at its own cost and himself retain the entire proceeds of PUFEE application. Indubitably, it creates an impression that the beneficiary of the recoveries/outcome of the PUFEE application would be SRA rather than the creditors which is in contravention to the provisions of Section 36(3)(f) of the Code, as in terms of the said clause, any asset or their value recovered through proceedings for avoidance transaction in accordance with Chapter III of the Code constitute asset of the Corporate Debtor. Such asset could be utilised to clear the dues of the creditors. It would not be out of context to note that it was only the SRA who could know about the avoidable transactions and could be benefited from such information. All other bidders/PRA's were deprived of such information but also the position taken by the CoC regarding SRA's exclusive right over the proceeds of the PUFEE application was legally incorrect in view of the Section 66 of the Code as well as Hon'ble Supreme Court's decision in *Piramal Capital and Housing Finance Limited vs. 63 Moons Technologies Limited.*, [(2025) 10 SCC 452]. Further, the Hon'ble NCLAT, Principal Bench in *Mr. Sandeep Lucky, SRA vs Sh. Rajeev Lochan, RP of Ritzy Chemicals Pvt. Ltd. and Others.*, [Company Appeal (AT) (Insolvency) No. 1904 of 2025] has recently observed the same wherein it upheld the NCLT New Delhi's order dated 07.11.2025 in IA No. 52 of 2025 in CP(IB) No. 692/ND/2024 and dismissed the contention of CoC's Commercial wisdom overriding the law

laid down in the Code as well as CIRP Regulations regarding the application of recoveries from PUFЕ applications.

11.6 Thus, the process of CIRP could not be conducted by the RP in a transparent and fair manner. The lapse can be looked at, clothed with a fact that the value of plan submitted by SRA is much less than the value of PUFЕ applications filed under Section 43 and 66 of the Code. It is settled that recoveries from applications under Section 43 and 66 of the Code cannot go to the kitty of the SRA, thereby enabling unjust enrichment of the SRA at the expense of the creditors/Corporate Debtor. Had the avoidance transactions been mentioned in the Information Memorandum, the other bidders could possibly submit better plans. Moreover, the Applicant/RP failed to produce the copies of the Information Memorandum, Request for the Resolution Plan as well as Transaction Audit Report in the present Application. This shows the material irregularities in the conduct of CIRP proceedings by the Applicant/RP.

11.7 Based on the above discussions, we conclude that the Resolution Plan submitted for approval of this Tribunal does not meet all the parameters laid down in Section 30(2) of the Code read with Regulations 35A, 38(2) and 39 of the CIRP Regulations on account of its contravention of provisions of the law and non-conformity to the requirements specified by IBBI as well as material irregularity in determining the proceeds of PUFЕ applications. Consequently, the present IA for approval of the Resolution Plan does not deserve to be allowed.

ORDER

The **IA (I.B.C.) (Plan) No. 46/MB/2025 in C.P.(IB) No. 786/MB/2023** is **dismissed** and the Resolution Plan submitted by Mr. **Armaan Sunil Kothari** is hereby **rejected** in terms of Section 31(2) of the Code.

Liberty is granted to RP/CoC to re-run the process strictly in accordance with the Code and CIRP Regulations and in that event, an extension of the CIRP period of 4 months shall be deemed to have been hereby granted for the purpose. The CoC, however, shall be at liberty to take a contrary call if it so desires in its wisdom.

Sd/-
SANJIV DUTT
MEMBER (TECHNICAL)

Sd/-
ASHISH KALIA
MEMBER (JUDICIAL)

//LRA-Tanmay Jain//