NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH
2. IA/116/2026 C.P. (IB)/2803(MB)2019

IN THE MATTER OF

Bank of India

Vs

M/S. TD Toll Road Pvt Ltd

U/s 7 of the Insolvency and Bankruptcy Code, 2016

Order Delivered on 20.08.2026

CORAM:
MS. LAKSHMI GURUNG
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:
For the Applicant:
For the Respondent:

ORDER

IA/116/2026: - The above IA is listed for pronouncement of the order. The same is pronounced in open court, vide a separate order.

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)
//Zakir//

Sd/-
LAKSHMI GURUNG
Member (Judicial)

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, V

IA (IBC) NO. 116 OF 2026

IN

CP (IB) NO. 2803 of 2019

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

IN THE MATTER OF

Bank of India

Member, Committee of Creditors of TD Toll Road Private Limited

Having address at: Asset Recovery Branch, Star House, Fourth Floor No. 30 (Old No. 17), Errabalu Street, Chennai - 600 001

Canara Bank

Member, Committee of Creditors of TD Toll Road Private Limited

Having its office at Specialised Prime Corporate Branch, Maker Chamber III, 7th Floor, Nariman Point, Mumbai 400 021.

At: Stressed Asset Management Branch, Circle Office Building, 8th Floor, 'B'

Wing, C-14, G-Block, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051.

India Infrastructure Finance Company Limited
Member, Committee of Creditors of TD Toll Road Private Limited
Having office at 5th Floor, Office Block-2, Plate A&B, NBCC Tower, East Kidwai Nagar, New Delhi - 110 023.

Union Bank of India
Member, Committee of Creditors of TD Toll Road Private Limited
Asset Management Branch, No. 38 & 39, Whites Road, Royapettah, Chennai - 600 014

UCO Bank
Member, Committee of Creditors of TD Toll Road Private Limited
Having address at Asset Management Branch 2nd Floor, 328, Thambu Chetty Street Chennai - 600 001.

Punjab National Bank
Member, Committee of Creditors of TD Toll Road Private Limited
Having address at, Zonal Sastra Centre, PNB Pragati Tower, 1'1 Floor, C-9, G-

Block, BKC, Bandra (East), Mumbai -400 051.

… Applicants

Versus

Mr. S Rajendran

Resolution Professional of TD Toll Private Limited

Having his office at: Office No. 188/87, 2nd Floor, Evalappan Mansion, Habibullah Road, T Nagar, Chennai - 600 017

… Respondent/ Resolution Professional

IN THE ORIGINAL MATTER OF

Bank of India

… Financial Creditor

Versus

TD Toll Private Limited

… Corporate Debtor

Order Delivered on: 20.08.2026

Coram:

Ms. Lakshmi Gurung	Sh. Charanjeet Singh Gulati
Member (Judicial)	Member (Technical)

Appearance through VC/Physical/Hybrid Mode:

For the Applicant: - Adv. T.Ravichandran a/w Sr. Adv. S. Ravi (VC)

For the Respondent/RP:- Sr. Adv. Arvindh Pandian, Adv. Yajura Devi R. V. (VC)

For the Resolution Applicant:- Adv. Chirag Kamdar, Adv. Bhanu Chopra i/b Adv. Deepak Deshmukh (PH)

ORDER

IA (IBC) NO. 116 OF 2026

1. The present Interlocutory Application dated 06.01.2026 has been filed by the Bank of India, Canara Bank, India Infrastructure Finance Company Limited, Union Bank of India, UCO Bank and Punjab National Bank being Members of Committee of Creditors of T/D Toll Road Private Limited ('**the Applicant**') under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ('**IBC/the Code**') read with Rule 11 of National Company Law Tribunal Rules, 2016 ('**NCLT Rules'**) with the following prayers:
    a) *Direct the Respondent/Resolution Professional to distribute the sum of Rs.120 crores available in the form of fixed deposits to the members of CoC as resolved and approved by the CoC in its 24th meeting held on 11.12.2025, and*
    b) *pass such other orders which are deemed fit and necessary in the nature and circumstances of the case and thus render justice.*

Brief facts as per the Application;

2. The Corporate Insolvency Resolution Process ('**CIRP'**) of M/s.T/D Toll Private Limited ('**Corporate Debtor'**) was initiated vide order dated 25.11.2019 in CP (IB) NO. 2803 of 2019 under Section 7 of the Code ('**said order'**). Pursuant to the said order, the Mr. Mr. S Rajendran was appointed as the Interim Resolution Professional ('**IRP**') of the Corporate Debtor.

3. It is submitted that the Promoters challenged the order dated 25.11.2019 by filing Company Appeal (AT) (Insolvency) No. 1392 of 2019 before the Hon'ble NCLAT. During the hearing held on 03.12.2019, the IRP was

directed not to constitute the CoC to enable the Promoters to settle the claims of the creditors. However, as the Promoters failed to do so, the appeal was dismissed on 22.05.2020.

4. The Applicants are the members of the Committee of Creditors (**CoC**) of the Corporate Debtor. The voting share of the Applicants in the CoC is as under:

Sr. No.	Name of the Bank	Voting Share (%)
1.	Bank of India	7.93
2.	UCO Bank	12.55
3.	Punjab National Bank (e-Oriental Bank of Commerce)	9.94
4.	Canara Bank	26.50
5.	Union Bank of India (e-Corporation Bank)	19.98
6.	IIFCL	23.10
Total		100

5. It is submitted that in 1st CoC meeting held on 04.06.2020, the CoC had resolved to continue the Respondent as the Resolution Professional of the Corporate Debtor. Further, the Respondent had issued Form G and invited expressions of interest from prospective resolution applicants (**PRA**). Accordingly, he received interests from four (4) PRAs. Pursuant to the issuance of RFRP, only two resolution plans were received from the PRAs. Both the plans were rejected by CoC. Subsequently due to Covid Pandemic Lockdown, the CoC in its 6th meeting decided to proceed with publication of 2nd round of Form G. Accordingly, Form G was published on 14.12.2020. In response to the said Form G, seven (7) expression of interests were received. However, only three (3) PRAs submitted their resolution plans.

6. The Applicants submits that the Resolution Plan submitted by Consortium of Mr S.M Kamal Pasha (Proprietor of Golden Hatcheries and Mr Syed Fahad (Proprietor of Standard Farm) (referred to as 'Resolution

Applicant') was approved by the CoC with 100% voting in its 10th meeting dated 03.04.2021. Pursuant thereto, a letter of intent was also issued by the Respondent to the Resolution Applicant and in turn the Resolution Applicant furnished a bank guarantee of Rs.8.62 Crores. Subsequently, the Respondent had filed the application IA/1505/2021 seeking approval of resolution plan submitted by the resolution Applicant.

7. It is stated that, during the pendency of plan IA seeking approval of resolution plan, the Promoter filed Civil Appeal No. 4799/2021 before the Hon'ble Supreme Court challenging the order of Hon'ble NCLAT dated 22.05.2020. Hon'ble Supreme Court vide its order dated 03.01.2022 stayed the proceedings of CIRP. In view of the stay granted by the Hon'ble Supreme Court, the application seeking approval of resolution plan was kept in abeyance by this Tribunal.

8. The Applicants submit that the Supreme Court by virtue of the order dated 14.03.2022 had directed that the Resolution Professional cannot continue the conciliation proceedings with the National Highways Authority of India.

9. The Applicants submit that on 09.12.2024, the Hon'ble Supreme Court had dismissed the aforesaid appeal and upheld the order of CIRP passed by this Tribunal with directions to all parties to agitate their rights before this Tribunal.

10. The Applicants submit that IA/1505/2021, seeking approval of the Resolution Plan submitted by Mr. S.M Kamal Pasha (Proprietor – Golden Hatcheries) in consortium with Mr. Syed Fahad (Proprietor – Standard Farm), was considered by this Tribunal on 08.12.2025. In view of the CoC's decision to withdraw the application, on the ground that the Resolution Plan had become unfeasible due to the passage of time and subsequent

developments, this Tribunal, vide order dated 08.12.2025, permitted withdrawal of the said application.

11. The Applicants submit that the Respondent continued to run the business of the corporate debtor as a going concern, the corporate debtor has now generated cash deposits of around Rs. 100 crores. Further, a conciliation proceeding between National Highways Authority of India and the corporate debtor is pending and the corporate debtor is likely to fetch a sum of Rs.100 crores out of the proceedings.

12. The Applicants submit that a sum of Rs.124 crores are available in fixed deposits with the Applicant No.2 bank and leaving aside a sum of Rs.4 crores to meet the emergency expenses a sum of Rs. 120 crores are available in the account of the corporate debtor as informed by the Respondent.

13. The Applicants submit that over the period from the initiation of CIRP, the financial status of the corporate debtor has augmented to a significant level resulting in the maximization of the value of the corporate debtor. The Applicants being financial institutions had extended facilities to the corporate debtor and the enormous delay in the insolvency resolution process had resulted in nonreceipt of any payments to the Applicants.

14. It is submitted that Rs.120 crores is available with the corporate debtor and the expenses towards CIRP costs are being paid from and out of the cash available with the corporate debtor. The Applicants submit that various issues with regard to the conduct of CIR process of the corporate debtor was discussed in the 24th CoC meeting held on 11.12.2025. The issue with regard to the interim distribution of available cash amongst the members of CoC members was discussed in 22nd CoC meeting and on the request of the Applicants the resolution on interim distribution was put to

consideration in the 24th CoC meeting held on 11.12.2025 by the Respondent. In the said meeting the CoC had unanimously approved with 100% voting share the distribution of surplus fund of Rs.120 crores (available in the form of fixed deposits) to all the secured Financial Creditors forming part of CoC in the ratio of their voting share, subject to approval of NCLT.

15. Hence, this present application has been filed seeking appropriate directions to the Respondent to make interim distribution available in the form of fixed deposits to all the secured Financial Creditors forming part of CoC to protect their interest.

Affidavit in Reply by Respondent, in brief:

16. The Respondent submits that he does not per se object to prayers sought by the CoC in the instant IA and it may be decided by the Tribunal on merit as it may be deemed fit and proper in the interest of justice.

17. It is submitted that the Corporate Debtor, i.e., TD Toll Road Private Limited (TDTRPL) is an Indian private company, a subsidiary of Reliance Infrastructure Ltd., formed to manage the Build-Operate-Transfer (BOT) project for widening the Trichy to Dindigul stretch (NH 45) in Tamil Nadu to a four-lane highway, operational since 2012 and presently under CIRP.

18. The Respondent submits that the admitted claims of the Corporate Debtor are to the extent of Rs. 284.00 Crores. Out of this, Rs. 278.75 Crores pertains to Secured Financial Creditors (6 nos.) and Rs. 5.24 Crores pertains to Operational Creditors (2 nos.). It is also submitted that no claims in the nature of dues to Unsecured Financial Creditor, Statutory dues, Workmen and Employee Dues or dues to any other stakeholders of the

Corporate Debtor were filed against the Corporate Debtor. The claim determination is as under:

a. Secured Financial Creditors

Sr. no.	Particulars	Amount claimed (Rs. in crores)	Claims Admitted (Rs. in Crores)
1.	Canara Bank	74.02	73.86
2.	India Infrastructure Finance Company Ltd	64.39	64.39
3.	Union Bank of India	55.82	55.7
4.	UCO Bank	34.97	34.97
5.	Punjab National Bank (E-Oriental Bank of Commerce)	27.83	27.72
6.	Bank of India	22.11	22.11
Total		**279.14**	**278.75**

b. Operational Creditor

Sr. no.	Particulars	Amount claimed (Rs. in crores)	Claims Admitted (Rs. in Crores)
1.	M/s. Markolines Traffic Control Private	7.59	5.24 (No Appeal against for portion of Claim rejection by the RP)
2.	National Highway Authority India (NHAI)	109.36	NIL (No Appeal filed by NHAI against for claim rejection by RP)
Total		**116.95**	**5.24**

19. It is submitted that NHAI's claim of Rs. 109.36 Crores was determined at NIL, as the Corporate Debtor had secured two arbitral awards in its favour and NHAI did not challenge the rejection of its claim. A settlement of Rs. 105.31 Crores was also arrived at before the Conciliation Committee of Independent Experts (CCIE) on 07.12.2021, and after the Hon'ble Supreme Court vacated the stay on 09.12.2024, the conciliation proceedings resumed and are presently ongoing. It is further submitted that, under the Concession Agreement, secured creditors have priority over any claim of

NHAI, and the pending proceedings would be continued by the Resolution Applicant. It is also submitted that the second overlay works was completed in April 2025 at a cost of Rs. 92 Crores from the toll revenues.

20. It is submitted that since the Corporate Debtor is a going concern, generating steady toll revenues, the Respondent is able to ensure that all essential operational expenses, statutory dues, and the CIRP costs are met from these revenues. Every month approx. Rs. 3 to 4 Crores are available in the Corporate debtor, as Net surplus after meeting operational expenses and CIRP costs.

21. The Respondent submits that as of December 2025, the Corporate Debtor reflect a cash surplus of approximately Rs. 127 Crores which are held in fixed deposits out of which the CoC has sought for distribution of Rs. 120 Crores in this IA.

22. The CoC, in its commercial judgment, identified Rs. 120 Crores as distributable surplus, while maintaining a reserve of the balance to cover unforeseen operational contingencies and immediate CIRP costs if any. The CoC has deliberated the above in the earlier CoC meetings held on 20.09.2025 (20th CoC meeting) and 02.12.2025 (23rd CoC meeting) as well.

23. It is submitted that the resolution plan approval application (IA/1505/2021) was allowed as withdrawn on 08.12.2025 due to changed circumstances and non-feasibility. Subsequently, in the 24th CoC meeting held on 11.12.2025, the CoC unanimously resolved (100% voting share) to seek approval of this Tribunal for the interim distribution of Rs. 120 Crores among secured financial creditors in proportion to their voting shares. In the said meeting, the CoC deliberated to re-initiate the CIRP by issuing a fresh Expression of Interest (**EoI**) in Form G, and also seek extension of CIRP period for 180 days from 09.12.2025 to 06.06.2026. Pursuant thereto,

an IA No. 673 of 2026 has been filed with this Tribunal seeking such extension which is currently pending before this Tribunal.

24. In 25th CoC Meeting held on 07.01.2026, the CoC approved the issuance of Form G. Pursuant thereto, the Respondent has issued Form G calling for EoIs, on 09.01.2026 in English Language (Financial Express) and Vernacular Languages (Tamil & Marathi) Newspapers publications as per the provisions the Code and Regulations thereunder.

25. It is submitted that the CoC decided in the aforesaid meeting that RFRP will be issued clearly stating that the Surplus cash and cash equivalents as on specific date or on Resolution plan approval date whichever is earlier are marked for distribution to CoC. Thus, the interim distribution of Rs. 120 Crores is only intended to provide immediate relief to creditors without prejudice to the ongoing efforts to achieve a successful resolution for the Corporate Debtor.

26. The Respondent states that even in the unlikely event of the Corporate Debtor going into liquidation, yet the proposed distribution does not affect the priority of payments as per waterfall mechanism stipulated under Section 53 of the Code. By reserving funds for CIRP costs and operational stability, the distribution to secured financial creditors aligns with the spirit of the waterfall mechanism, ensuring that those with prior charges receive value from the asset's operations.

27. The Respondent exercised due diligence in verifying that the Corporate Debtor's operational stability and interest of all other stakeholders as per the provisions of the Code are not compromised by this distribution.

Analysis and Findings

28. We have heard the Ld. Counsels for the parties and perused the record.

29. Through the present Interlocutory Application, the Applicants seek direction to the Respondent/Resolution Professional to make an interim distribution of Rs. 120 Crores to the members of the CoC, contending that Corporate Debtor has surplus funds available with it in the form of Fixed Deposit and that such interim distribution is necessary to protect the interests of the CoC members, particularly when the CIRP costs are being met independently.

30. The Respondent submits that he has no objection to the reliefs sought in the present Application and leaves the matter to the discretion of this Tribunal. It is further submitted that the Corporate Debtor is a going concern generating steady toll revenues and is capable of meeting its operational expenses, statutory dues and CIRP costs from its own revenues, without any recourse to the surplus funds. It is further submitted that the proposed distribution does not disturb the priority of payments contemplated under the waterfall mechanism prescribed under Section 53 of the Code, as even in a liquidation scenario, the secured financial creditors would rank in priority. Further, the proposed interim distribution does not affect the interests of any stakeholder.

31. The following relevant and undisputed facts are noted:

i. The CIRP of TD Toll Road Private Limited (TDTRPL), a subsidiary of Reliance Infrastructure Limited operating the Trichy–Dindigul (NH-45) BOT highway project, commenced on 25.11.2019.

ii. The Promoters challenged the admission order before the Hon'ble NCLAT. The constitution of the CoC was initially deferred to facilitate settlement; however, upon failure of the settlement, the appeal was dismissed on 22.05.2020.

iii. The admitted claims aggregate Rs. 284.00 Crores, comprising Rs. 278.75 Crores of six Secured Financial Creditors and Rs. 5.24 Crores of Operational Creditors.

iv. The Applicants, namely Bank of India, UCO Bank, Punjab National Bank, Canara Bank, Union Bank of India and IIFCL, constitute 100% of the CoC voting share.

v. Pursuant to two rounds of Form G, resolution plans were received from three (3) prospective resolution applicants.

vi. Thereafter, the Resolution Plan submitted by the consortium of Mr. S.M. Kamal Pasha and Mr. Syed Fahad (Resolution Applicant) was approved by the CoC with 100% voting share on 03.04.2021, whereupon IA No. 1505 of 2021 was filed for its approval.

vii. During the pendency of the plan approval application, the Hon'ble Supreme Court stayed the CIRP proceedings and directed the Resolution Professional not to continue the conciliation proceedings with NHAI.

viii. On 09.12.2024, the Hon'ble Supreme Court dismissed the Civil Appeal, upheld the CIRP, and directed the parties to approach this Tribunal for their rights/grievances, if any.

ix. The Corporate Debtor continued as a going concern, generating steady toll revenues and accumulating cash surplus of approximately Rs. 127 Crores in fixed deposits.

x. On 08.12.2025, this Tribunal permitted withdrawal of IA No. 1505 of 2021 which was filed seeking approval of Resolution Plan, as the CoC found the Resolution Plan commercially unviable due to the passage of time and subsequent developments.

xi. In its 24th CoC Meeting held on 11.12.2025, the CoC unanimously resolved to seek: (i) interim distribution of Rs. 120 Crores among the Secured Financial Creditors in proportion to their voting shares; (ii) extension of the CIRP by 180 days; and (iii) issuance of a fresh Form G.

32. We note that the surplus amount of approximately Rs.127 Crores was generated by the Corporate Debtor during the CIRP from its regular toll operations while continuing as a going concern. It is an admitted position that the Corporate Debtor has sufficient cash flows to meet its operational expenses, statutory dues and CIRP costs from its ongoing revenues. The Respondent has also stated that the proposed distribution would not affect the functioning of the Corporate Debtor or meeting CIRP expenses.

33. It is submitted that, in the 24th CoC Meeting held on 11.12.2025, the CoC recorded as under:

> *"All the CoC members present constituting 100% voting share unanimously resolved and approved the distribution of surplus funds of Rs.120 Crores available in the form of fixed deposits to all the secured Financial Creditors forming part of CoC in the ratio of their voting share, subject to approval of NCLT."*

34. The aforesaid resolution reflects that the CoC, after due deliberation and in the exercise of its commercial wisdom, resolved to distribute, a part of the surplus funds while retaining adequate reserves to meet contingencies and CIRP costs. The Respondent has also not opposed the relief sought and has left the matter to the discretion of this Tribunal.

35. During the course of hearing on 10.07.2026, the Ld. Counsel on behalf of the Resolution Applicant (consortium of Mr. S.M. Kamal Pasha and Mr. Syed Fahad) was present. By order dated 09.12.2024 in Civil Appeal No. 4799/2021, the Hon'ble Supreme Court had directed the parties including the Resolution Applicant to raise all pleas and contentions before this Tribunal. Accordingly, although the Resolution Applicant is not a party to the present Application, we have heard the Ld. Counsel for the Resolution Applicant.

36. The Ld. Counsel for the Resolution Applicant contended that the order dated 08.12.2025 of this Tribunal, permitting withdrawal of the Resolution Plan submitted by the consortium of Mr. S.M. Kamal Pasha and Mr. Syed Fahad, was set aside by the Hon'ble NCLAT vide order dated 20.04.2026 in Company Appeal (AT) (Insolvency) No. 211 of 2026. It was contended that, despite the Resolution Plan having already been approved by the CoC and the matter being pending before this Tribunal, the CoC, in its 24th meeting held on 11.12.2025, passed a resolution approving distribution of Rs.120 Crores affects the Resolution Plan, which is contrary to Regulation 18(2) of the Insolvency Resolution Process for Corporate Persons Regulations, 2016.

37. With regards to the above contention, it is relevant to reproduce the relevant portion of Regulation 18(2) of the CIRP Regulation, 2016 for ready reference:

> *"**18. Meeting of the Committee***
>
> *(2) A resolution professional may convene a meeting, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty-three per cent of the voting rights.*

> ***Explanation:*** *For the purposes of sub- regulation (2) it is clarified that meeting (s) may be convened under this sub-regulation till the resolution plan is approved under sub-section (1) of section 31 or order for liquidation is passed under section 33 and decide on matters which do not affect the resolution plan submitted before the Adjudicating Authority."*

38. The aforesaid regulation stipulates that the CoC may convene meetings on request received from members of the CoC. The explanation to the said regulation clarifies that such meeting may be convened even after the resolution plan has been submitted before the Adjudicating Authority until the plan is approved under Section 31(1) of the Code or a liquidation order is passed under Section 33, provided that the decisions taken do not affect the resolution plan pending before the Adjudicating Authority.

39. We note that the CoC, in its 10th meeting held on 03.04.2021, approved the Resolution Plan submitted by the Resolution Applicant with 100% voting share. Subsequently, the CoC in its 24th Meeting held on 11.12.2025, passed the resolution approving the distribution of the surplus fund of Rs. 120 Crores between the creditors.

40. The resolution approving the interim distribution of the surplus fund among the CoC members does not modify or alter any term of the Resolution Plan including the rights and obligations of the Resolution Applicant. The said resolution provides for the distribution of the surplus funds generated during the CIRP without any contribution from the Resolution Applicant, and does not belong to Resolution Applicant. Further, the right of the Resolution Applicant accrues only after the Corporate Debtor is handed over to the Resolution Applicant, and the decision to interim distribute does not tantamount modification of Resolution Plan. Therefore, such resolution for interim distribution is independent of the Resolution Plan and does not affect its consideration or

implementation and does not prejudice the rights of the Resolution Applicant under the plan. Therefore, in our considered view, no right is affected, modified, or altered, and there is no violation of Regulation 18(2) of the CIRP Regulations, 2016.

41. The Ld. Counsel for the Resolution Applicant also relied upon the observations of the Hon'ble NCLAT in Company Appeal (AT) (Insolvency) No. 211 of 2026, vide judgment dated 20.04.2026, in paragraphs 14, 20 and 21, to contend that the proposed distribution would affect the Resolution Plan, which read as under:

> *"**14.** Learned counsel for the RP and the CoC have relied and referred to the 22nd CoC Meeting and 23rd CoC Meeting. 22nd CoC meeting was held on 04.11.2025 and under Agenda Item No. 8 "any other matter with the permission of the Chair", following was noticed:*
>
> > ***"08 Any other matter(s) with the permission of the Chair Further course of action Update after internal approvals by CoC members:***
> > *RP recalled that during the last CoC meeting held on 6th October 2025, the CoC members discussed the following items proposed by BOI and expressed their views.*
> > *a. Withdrawal of resolution plan already approved by CoC in May 2021.*
> > *b. Initiating fresh CIRP from issuing Form G stage. c. Distribution of cash surplus funds to the financial creditors.*
> > *Comp. App. (AT) (Ins.) Nos. 211 of 2026 11 of 26 He added that some of the CoC members needed time to discuss for submission to NCLT in the hearing scheduled on 11th November 2025.*
> > *However, the RP made it clear that as per Reg. 18 of CIRP Regulations, the CoC cannot take any decision which would affect the resolution plan already*

approved by CoC and filed with NCLT and pending for their approval. Accordingly, the RP requested the CoC members to take due note of the provisions.

All the CoC members expressed their views as listed below and also requested the RP to record their views:..”

...

20. *Hon'ble Supreme Court had occasion to again reiterate the same proposition in 'State Bank of India & Ors.' Vs. 'Consortium of Murarilal Jalan and Florian Fritsch & Anr.' reported in [(2025 4 SCC 354], where in paragraph 125 following was laid down:*

*“**125**. In light of the aforesaid, it is clear that the existing insolvency framework does not provide any scope for effecting further modifications or withdrawals of the resolution plan approved by the CoC, at the behest of the successful resolution applicant, once the plan has been submitted to the adjudicating authority. The submitted resolution plan is binding and irrevocable as between the CoC and the successful resolution applicant in terms of the provisions of IBC and the 2016 Regulations as well. In other words, once a CoC approved resolution plan is submitted to the adjudicating authority i.e. NCLT, it immediately becomes binding on the CoC and the SRA, even if the adjudicating authority has not yet given its stamp of approval on the same. While deciding so, this Court re-emphasised the object under Section 31(1) IBC and observed that once the adjudicating authority has approved the plan under Section 31(1) IBC, the resolution plan is binding on all the stakeholders including those stakeholders who are not direct participants of CIRP. Therefore, there is absolutely no Comp. App. (AT) (Ins.) Nos. 211 of 2026 16 of 26 scope for modification of the terms of a resolution plan which has received the imprimatur of the adjudicating authority, be it by the adjudicating authority itself, the CoC or the SRA.”*

> ***21**. The resolution plan approved by the CoC on 07.05.2021 was clearly binding on the CoC and the CoC had no jurisdiction to authorised the RP to withdraw the plan. RP and CoC has referred to 22nd CoC Meeting held on 04.11.2025 and 23rd CoC Meeting held on 02.12.2025. In the 22nd CoC Meeting in Agenda Item No.8, the view of the RP was clearly noticed that as per the Regulation 18 of the CIRP Regulations, 2016, CoC cannot take any decision which would affect resolution plan already approved by the CoC. In this reference, we may refer to the Regulation 18 of the CIRP Regulations which deals with the meetings of the committee. Regulation 18(2) provides as follow:*
>
> > *"**18. Meetings of the committee.***
> > *(2) A resolution professional may convene a meeting, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty-three per cent of the voting rights.*
> > *[Explanation: For the purposes of sub- regulation (2) it is clarified that meeting (s) may be convened under this sub-regulation till the resolution plan is approved under sub-section (1) of section 31 or order for liquidation is passed under section 33 and decide on matters which do not affect the resolution plan submitted before the Adjudicating Authority.]"*

42. In the aforesaid paragraphs, the Hon'ble NCLAT observed that the decision to withdraw the Resolution Plan directly affected the Resolution Plan of the Resolution Applicant. However, in the present case, the decision pertains merely to the interim distribution of surplus funds available with the Corporate Debtor, which accrued during the CIRP without any efforts on the part of the Resolution Applicant and belongs to the Corporate Debtor. Accordingly, such distribution does not affect the Resolution Plan in any manner.

43. The Ld. Counsel for the Resolution Applicant then argued that, in view of Section 20 of the Code, the Resolution Professional is under a statutory obligation to preserve the Corporate Debtor as a going concern. Any profit or loss incurred during the CIRP is merely a consequence of maintaining the Corporate Debtor as a going concern. It was submitted that, since the Corporate Debtor is required to be handed over to the Resolution Applicant as a going concern, any surplus generated from its operations during the CIRP forms part of the Corporate Debtor and must accordingly be transferred to the Resolution Applicant.

44. In this regard, it is relevant to reproduce Section 20 of the Code for ready reference:

> ***"Section 20-Management of operations of corporate debtor as going concern.***
>
> *(1) The interim resolution professional shall make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.*
>
> *(2) For the purposes of sub-section (1), the interim resolution professional shall have the authority—*
>
> *(a) to appoint accountants, legal or other professionals as may be necessary;*
>
> *(b) to enter into contracts on behalf of the corporate debtor or to amend or modify the contracts or transactions which were entered into before the commencement of corporate insolvency resolution process;*
>
> *(c) to raise interim finance provided that no security interest shall be created over any encumbered property of the corporate debtor without the prior consent of the creditors whose debt is secured over such encumbered property:*

Provided that no prior consent of the creditor shall be required where the value of such property is not less than the amount equivalent to twice the amount of the debt.

(d) to issue instructions to personnel of the corporate debtor as may be necessary for keeping the corporate debtor as a going concern; and

(e) to take all such actions as are necessary to keep the corporate debtor as a going concern."

45. The Section 20 of the Code requires the Interim Resolution Professional to protect and preserve the value of the property of the Corporate Debtor and manage its operations as a going concern. The provision merely prescribes the duties and powers of the Interim Resolution Professional and is silent on any right of the Resolution Applicant to the surplus generated during the CIRP from the operations of the Corporate Debtor as a going concern.

46. We note that the surplus funds were generated from the operations of the Corporate Debtor while it was being managed as a going concern under the control of the Resolution Professional under the supervision of the CoC, in accordance with Section 20 of the Code. We observe that the said surplus is a result of the Corporate Debtor's operations during the CIRP and is not attributable to any effort or contribution on the part of the Resolution Applicant. The obligation to maintain the Corporate Debtor as a going concern under the aforesaid section cannot be construed as conferring an automatic right upon the Resolution Applicant to the surplus generated during the CIRP.

47. At this juncture, we refer to the judgement of Hon'ble NCLAT in case of ***Manjeet Cotton Pvt. Ltd. v. Phoenix ARC Pvt. Ltd.*** ((2026) ibclaw.in 584 NCLAT) dated 27.04.2026, where the Hon'ble NCLAT have held as under:

*"**35.** A Resolution Plan is essentially a commercial arrangement based on the assets, liabilities, and financial position of the Corporate Debtor as known and evaluated at the time of its approval. Only those assets and values which are identified and accounted for in the Plan can be said to vest in the Resolution Applicant. Any value or asset which is not contemplated, quantified, or provided for in the Plan cannot be later claimed by way of implication.*

…

***39**. It is clear from the above that the Resolution Plan is completely silent on the treatment of surplus cash flow generated during the CIRP period. There is no clause which states that such surplus will vest in the Resolution Applicant. The surplus generated during CIRP was neither contemplated nor allocated under the Plan, and therefore cannot be brought within the scope of "accretions" merely by a broad interpretative exercise.*

…

41**. …**The crucial factor here is that this surplus was generated during the CIRP period, when the Corporate Debtor was under the control of the Resolution Professional and was being run under the oversight of CoC. The Appellant had no role in generating this surplus, nor had it taken any operational or financial risk during that period. Therefore, such surplus cannot be treated as a benefit arising from the Appellant's efforts or investment. Instead, it remains part of the value generated during CIRP for the benefit of the insolvency process.

42. Further, the fact that the surplus amount was kept in fixed deposits does not change its nature. The legal character of the funds depends on how and when they were generated, not on the form in which they are held. Since the surplus was generated during CIRP, it continues to retain its character as part of the insolvency estate.

***43.** We also find that the Appellant's argument that the financial creditors have already been satisfied under the*

Resolution Plan is not correct. The Resolution Plan only deals with the assets and values considered at the time of its approval. Any additional surplus generated during CIRP, which was not part of the Plan, cannot be said to have been settled or extinguished.

44. *…The IBC provides a clear mechanism under Section 53 for distribution of assets forming part of the insolvency estate. In the absence of any provision in the Resolution Plan governing the distribution of such surplus, the Adjudicating Authority was correct in directing that it be distributed in accordance with Section 53.*

…

52. *From the perspective of fairness also, we find that the Respondent's case has merit.* ***The financial creditors have taken significant haircuts under the Resolution Plan, and the CIRP process was sustained by them. If the Appellant is allowed to take the entire surplus, despite not contributing to its generation and despite it not being part of the Resolution Plan, it would result in an unintended and unjust benefit to the Appellant at the cost of the creditors. The objective of the Code is also to maximize value from the resolution of the CD in the CIRP process and the decision of the Adjudicating Authority is intended to achieve the objective of the Code****.*

53. *We also note that* ***the Adjudicating Authority is well within its jurisdiction in passing the Impugned Order, as the direction to distribute the surplus does not tantamount to modifying the Resolution Plan.*** *The impugned order rather addresses a situation, which was not contemplated in the Plan, and the same has been addressed by applying the statutory provisions of the Code.*

54. *In view of the above,* ***we are of the view that the surplus cash flow generated during the CIRP period does not belong to the Appellant and must be treated as part of the insolvency estate. The Adjudicating Authority has rightly directed its distribution in accordance with Section 53 of the IBC****."*

[Bold for Emphasis]

48. From the aforesaid judgment, it is clear that the surplus generated during the CIRP does not belong to Resolution Applicant, but belongs to the insolvency estate and can be distributed in accordance with Section 53 of the Code. It was further held that directing such distribution does not amount to a modification of the Resolution Plan.

49. Ld. Counsel for the Resolution Applicant has failed to demonstrate any asset or any value much less any surplus generated by the Corporate Debtor during CIRP, was identified and accounted for in the resolution plan and can be said to be vested in the Resolution Applicant as per the Resolution Plan. Therefore, any such surplus cannot be claimed by the Resolution Applicant, as the Resolution Applicant has failed to demonstrate that such surplus belongs to him. Accordingly, in view of the aforesaid judgment and the reasons discussed hereinabove, the contention advanced by the Ld. Counsel for the Resolution Applicant is rejected.

50. In view of the facts and circumstances of the case, considering the judgment of the Hon'ble NCLAT in **Manjeet Cotton Pvt. Ltd. v. Phoenix ARC Pvt. Ltd** ***(Supra)***, and the discussion hereinabove, there is no impediment in permitting the interim distribution of Rs. 120 Crores available in fixed deposits to the CoC members, as approved by the CoC in its 24th meeting held on 11.12.2025, which is also in compliance with Section 53 of the Code. Accordingly, the I.A. (IBC) No. 116 of 2026 is **allowed** and **disposed of**.

Sd/-	**Sd/-**
Charanjeet Singh Gulati	**Lakshmi Gurung**
Member (Technical)	Member (Judicial)

Saumya, LRA