NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH

5. IA/1972/2025 C.P. (IB)/4666(MB)2019

IN THE MATTER OF

Samata Nagari Sahkari Patsanstha
Maryadit Kopargaon
Vs
Kalyani Education Private Limited
U/s 7 of the Insolvency and Bankruptcy Code, 2016

Order Delivered on 24.08.2026

CORAM:

SH. VINAY GOEL
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:

For the Petitioner: -
For the Respondent
in IA/1972/2025: - Adv. Palak Damani i/b. Manilal Kher Ambalal & Co. (R1) (PH)

ORDER

IA/1972/2025: - The above **IA/1972/2025** is listed for pronouncement of orders. The same is pronounced in open court vide a separate order

Sd/-
VINAY GOEL
Member (Judicial)

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)

//Anmol//

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, V

IA (IBC) NO. 1972 OF 2025

IN

CP (IB) NO. 4666 OF 2019

Section 21 (1) of the Insolvency and Bankruptcy Code, 2016 and Regulation 17(1) of Insolvency and Bankruptcy Board of India Regulations, 2016

IN THE MATTER OF

Vinit Gangwal

Resolution Professional of M/s. Kalyani Education Private Limited

Office No. 503, Varun Capital, J M Road, Opp. Jangli Maharaj Temple, Bharat Petrol Pump Lane, Near Citiotel, Shivajinagar, Pune – 411005

… Applicant

Versus

Edelweiss Asset Reconstruction Company Limited

Acting in the capacity of Trustee of EARC SC Trust 112

Edelweiss House, Off CST Road, Kalina, Mumbai – 400098

… Respondent No. 1

State Bank of India

1st Floor, "Kerom", Plot No A - 112, Circle, Road No 22, Wagle Ind, Estate, Thane (West) - 400604

… Respondent No. 2

Samata Nagari Sahkari Patsanstha Maryadit

Samata Marg. Near Khandaknala, Main Road, Kopargaon, District Ahmednagar, Maharashtra - 423601

… Respondent No. 3

Janlaxmi Gramin Bigarsheti Sahakari Patsanstha Maryadit

K.G. Road, Akole. Tai. Akole, District Ahmednagar, Maharashtra – 422601

… Respondent No. 4

Shivkrupa Sahakari Patpedhi Limited

04, Jay Tower, First Floor, Opp. Punjani Estate, Cadbury Junction, Khopat, Thane West – 400601

… Respondent No. 5

IN THE ORIGINAL MATTER OF

Samata Nagari Sahkari Patsanstha Maryadit, Kopargaon

… Financial Creditor

Versus

M/s. Kalyani Education Private Limited

… Corporate Debtor

Order Delivered on: 24.08.2026

Coram:

Sh. Vinay Goel — Member (Judicial)

Sh. Charanjeet Singh Gulati — Member (Technical)

Appearance through VC/Physical/Hybrid Mode:

For the Applicant: - CA Raghunath Sarangapani (VC)

For the Respondent:- Counsel Varun Nathani, Adv. Suchitra Valjee, Adv. Neelaksh Pal i/b Manilal Kher Ambalal (R – 1) (PH)
Ms. Sneha Phene i/b Mr. Tapan Agrawal (R-3, R-4 & R-5) (VC)

ORDER

IA (IBC) NO. 1972 OF 2025

1. The present Interlocutory Application dated 11.04.2025 has been filed by the Vinit Gangwal, the Resolution Professional of M/s. Kalyani Education Private Limited ('**the Applicant**') under Section 21(1) of the Insolvency and Bankruptcy Code, 2016 ('**IBC/the Code**') and Regulation 17(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('**CIRP Regulations, 2016'**) with the following prayers:
   a) *To allow the present Interlocutory Application;*
   b) *To approve the reconstitution of the Committee of Creditors of the Corporate Debtor as being in accordance with the law.*

Brief facts as per the Application:

2. The Corporate Insolvency Resolution Process ("**CIRP**") of the Corporate Debtor was commenced vide order dated 19.02.2021 passed by this Tribunal. Pursuant thereto, the Applicant was appointed as the Interim Resolution Professional ("**IRP**") of the Corporate Debtor. Thereafter, Public announcement in Form A was issued on 23.02.2021 for inviting claims from the creditors of the Corporate Debtor, on or before 05.03.2021.

3. Pursuant thereto, the Applicant constituted Committee of Creditors ("**CoC**") on 22.03.2021. The list of CoC member, along with its respective claims, admitted claims and voting shares, is set out below:

Sr. No.	**Name of Financial Creditor**	**Claim Received (Rs.)**	**Claim Admitted (Rs.)**	**Voting Share (%)**
1.	Edelweiss Asset Reconstruction Company Limited	1,78,52,39,404.70	1,78,52,39,404.70	95.19%
2.	State Bank of India	23,32,68,350.03	4,63,20, 719.13	2.47
3.	Samata Nagari Sahkari Pathasanstha Maryadit	1,67,82, 786. 76	1,67,82,786.76	0.895
4.	Janlaxmi Gramin Bigarsheti Sahakari Patsanstha Maryadit Akole	1,05,35,065.00	1,04,02,766.00	0.55
5.	Shivkrupa Sahakari Patpedhi Limited, Mumbai	1,67,72,696.00	1,67,72,696.00	0.894
Total		**2,06,25,98,302.49**	**1,87,55,18,372.59**	**100**

4. In the 1st CoC meeting held on 22.03.2021, the Applicant was confirmed as the Resolution Professional ('**RP**') of the Corporate Debtor.

5. Pursuant to the admission of the Corporate Debtor into CIRP, the Suspended Directors filed an appeal bearing Company Appeal (AT) (Insolvency) No. 215 of 2021 against the admission order dated 19.02.2021. The said Appeal was dismissed by the Hon'ble NCLAT vide

order dated 20.09.2021. An appeal was preferred by the Suspended Director of the Corporate Debtor before the Hon'ble Supreme Court bearing Civil Appeal No(s). 6013/2021. Vide order dated 09.03.2022, the Hon'ble Supreme Court granted a stay on the CIRP of the Corporate Debtor. Subsequently, vide order dated 17.12.2024, the Hon'ble Supreme Court dismissed the appeal and consequently the stay was vacated.

6. It is submitted that during the pendency of the Appeal, the Suspended Director sought to satisfy the claims of the M/s Samta Nagari Sahkari Patsanstha Maryadit, Kopargaon (Respondent No 3), in consortium with Janlaxmi Gramin Bigarsheti Sahakari Patsanstha Maryadit (Respondent No 4) and Shivkrupa Sahakari Patpedhi Limited (Respondent No 5).

7. Respondent No. 3 through email dated 06.01.2022 sought to revise their claim to Rs. NIL and sought to no longer participate in the CoC and CIRP process of Corporate Debtor. The Applicant, vide reply dated 31.01.2022, responded to the said request and set out objections raised by the members of the CoC, including that the settlement was not contemplated under the Code except under Section 12A, that Respondent No. 3, having initiated the CIRP, could not remove from the process through such settlement, and that the settlement was contrary to the object and spirit of the Code, as it indicated an attempt to use the CIRP as a recovery mechanism rather than for resolution of the Corporate Debtor.

8. Respondent No. 3, vide letter dated 18.02.2022, responded to the Applicant's communication, stating that it had solely incurred the costs towards responding to and representing the matter before the Hon'ble NCLAT and the Hon'ble Supreme Court in both appeals. Respondent No. 3 further contended that, in terms of Regulation 12A of the CIRP Regulations, it was well within its rights to revise its claim to Rs. NIL.

9. The Applicant submits that pursuant to the said letter, it updated the list of claimants and removed the Respondent Nos. 3 to 5 from the CoC.

10. Hence, this present application has been filed seeking approval for the reconstitution of the CoC. The list of CoC members, along with their claim received, admitted claims and voting share as on 20.02.2025, is as follows:

Sr. No.	Name of Financial Creditor	Claim Received (Rs.)	Claim Admitted (Rs.)	Voting Share (%)
1.	Edelweiss Asset Reconstruction Company Limited	1,78,52,39,404.70	1,78,52,39,404.70	84.72%
2.	State Bank of India	32,27,64, 191.06	32,20,81 ,041.06	15.28%
Total		**2, 10,80,03,595.76**	**2,10, 73,20,445.76**	**100**

<u>Affidavit in Reply by Respondent, in brief:</u>

11. Respondent No. 1 filed a separate reply, whereas Respondent Nos. 3 to 5 filed a common reply.

12. Vide daily order dated 13.08.2026 in the present IA, Respondent No. 2 was set ex parte, and their right to file a reply stood forfeited.

<u>Reply by Respondent No. 1</u>

13. The Respondent No. 1 submits that after one (1) year from the commencement of CIRP by email dated 06.01.2022, the Respondent No. 3 along with Respondent No. 4 and 5 sought to withdraw themselves from the CoC of the Corporate Debtor as they have settled their claim with erstwhile director of the Corporate Debtor and would no longer participate in the CIRP process. In this regard, several objections were raised by the Respondent No. 1 and despite the objections, the Applicant proceeded to illegally reconstitute the CoC by removing Respondent Nos. 3 to 5 as CoC members.

14. Respondent No. 1 submits that the Code specifically provides a mechanism for settlement under Section 12A, which requires approval of 90% of the CoC. Since no such approval was obtained by Respondent Nos. 3 to 5, the settlement between the erstwhile management and Respondent Nos. 3 to 5 is contrary to the provisions of the Code.

15. Respondent No. 3 had no intent to complete the CIRP process and had filed the Petition under Section 7 with a view to pressurize the Corporate Debtor or its erstwhile management to settle its dues.

16. It is submitted that, as per the Guidelines for Committee of Creditors dated 06.08.2024 issued by the Insolvency and Bankruptcy Board of India, Respondent Nos. 3 to 5, being members of the CoC, could not unilaterally withdraw from the CoC. Such conduct is contrary to the Code and has the effect of delaying and derailing the CIRP process.

17. Respondent No. 1 states that this Tribunal ought to direct Respondent Nos. 3 to 5, as CoC members, to participate in the CIRP process and discharge their duties. Once the CoC was constituted, the Applicant had no power change the composition of the CoC or modify the Committee as the power to modify/reconstitution a committee vest only with this Tribunal.

18. The Respondent No. 1 submits that the Applicant to restore the composition of the CoC to its original constitution.

<u>Reply by Respondent Nos. 3 to 5</u>

19. Respondent Nos. 3 to 5 informed the Applicant regarding the Consent Terms dated 22.06.2021 entered into with the Erstwhile Promoters of the Corporate Debtor, whereby the outstanding debt due to Respondent Nos. 3 to 5 was agreed to be settled for a total sum of Rs. 2,55,00,000/- as against the admitted claim of Rs. 4,39,58,248.76/-.

20. Respondent No. 3, vide email dated 06.01.2022, informed the Applicant of the settlement and stated that Respondent Nos. 3 to 5 had issued a 'No Dues Certificate'. Accordingly, the Applicant was requested to remove their claims from the list of Financial Creditors in the CIRP.

21. The Applicant, vide email dated 31.01.2022, opposed the settlement, stating that it was unlawful, as it amounted to withdrawal from the CIRP after its initiation and was contrary to the objectives and spirit of the Code.

22. Respondent Nos. 3 to 5 submit that they acted in compliance with Regulation 12A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('**CIRP Regulation, 2016**'), which allows a creditor to update its claim or withdraw it once the same is satisfied.

23. It is stated that the settlement with the Erstwhile Promoters was entered into for resolution of their dues and that there has been no violation of the provisions of the Code in relation to the settlement or withdrawal of their claims. They further contend that the settlement neither contravenes the Code nor prejudices the interests of the other creditors or the continuation of the CIRP.

24. Accordingly, Respondent Nos. 3 to 5 seek directions to the Applicant to remove their names from the list of Financial Creditors and reconstitute the CoC accordingly, and to acknowledge the settlement entered into with the Erstwhile Promoters as lawful and valid.

Analysis and Findings

25. We have heard the Ld. Counsels for the parties and perused the documents placed on record.

26. Through the present Interlocutory Application, the Applicant seeks reconstitution of the CoC of the Corporate Debtor by removing Respondent Nos. 3 to 5 and retaining Respondent Nos. 1 and 2 as its members.

27. *Per contra*, Respondent No. 1 contends that the Applicant illegally reconstituted the CoC by removing Respondent Nos. 3 to 5 as its members. It further submits that the settlement between Respondent Nos. 3 to 5 and the erstwhile management is contrary to Section 12A of the Code. It further contends that the Applicant had no authority to alter the composition of the duly constituted CoC and that such power vests with this Tribunal.

28. Respondent Nos. 3 to 5, on other hand, contended that, upon settlement of their dues with the Erstwhile Promoters, they were entitled to update/withdraw their claims in accordance with Regulation 12A of the CIRP Regulations, 2016, and that their withdrawal from the CoC did not violate the Code or prejudice the interests of the other creditors or the CIRP. Further, seeks directions to the Applicant to reconstitute the CoC.

29. The following relevant and undisputed facts are noted:

a) The CIRP against the Corporate Debtor was initiated by this Tribunal vide order dated 19.02.2021.

b) The Applicant/Resolution Professional, pursuant to the claims received in Form A, constituted the CoC on 22.03.2021, comprising Edelweiss Asset Reconstruction Company Limited (94.19% voting share), State Bank of India (2.47% voting share), Samata Nagari Sahkari Pathasanstha Maryadit (0.895% voting share), Janlaxmi Gramin Bigarsheti Sahakari Patsanstha Maryadit, Akole (0.55% voting share), and Shivkrupa Sahakari Patpedhi Limited (0.894% voting share).

c) The order dated 19.02.2021 was challenged by the Suspended Director of the Corporate Debtor before the Hon'ble NCLAT in Company Appeal (AT) (Insolvency) No. 215 of 2021 which was subsequently dismissed vide order 20.09.2021.

d) Thereafter, the Suspended Director filed Civil Appeal No. 6013 of 2021 before the Hon'ble Supreme Court, wherein stay was granted on 09.03.2022. The appeal was subsequently dismissed on 17.12.2024.

e) During the pendency of the appeal, the Suspended Director entered into Consent Terms dated 22.06.2021 with Respondent Nos. 3 to 5, whereby their outstanding claims of Rs. 4,39,58,248.76/- were agreed to be settled for Rs. 2,55,00,000/-.

f) Respondent No. 3, vide email dated 06.01.2022, informed the Applicant of the settlement of the claim of Respondent 3 to 5 and requested withdrawal of their claims from the CIRP.

g) Subsequently, Respondent Nos. 3 to 5 were removed from the list of creditors, leaving only Respondent Nos. 1 and 2 as members of the CoC.

30. Respondent No. 1 contended that the withdrawal of the claims of Respondent Nos. 3 to 5, on the ground that their claims had been satisfied pursuant to the settlement between them and the erstwhile management, is contrary to the provisions of the Code. Respondent Nos. 3 to 5, however, contended that the said updation/withdrawal of their claims was made in accordance with Regulation 12A of the CIRP Regulations, 2016. In this regard, it is relevant to reproduce Regulation 12A of the CIRP Regulations, 2016:

> ***"Regulation 12A. Updation of Claim***
>
> *A creditor shall update its claim as and when the claim is satisfied, partly or fully, from any source in any manner, after the insolvency commencement date."*

31. Upon a plain reading of the aforesaid Regulation, it is clear that a creditor is mandatorily required to update its claim as and when the claim satisfy is partly or fully, from any source after the Insolvency Commencement date.

32. In the present case, it is an admitted fact, as noted above, that Respondent Nos. 3 to 5 (having collectively 2.339% voting share) entered into Consent Terms dated 22.06.2021 with the erstwhile management of the Corporate Debtor, pursuant to which their outstanding claims were settled for Rs. 2,55,00,000/-, as against their admitted claims of Rs. 4,39,58,248.76/- during the CIRP of the Corporate Debtor. Upon satisfaction of their claims, Respondent Nos. 3 to 5, by email dated 06.01.2022, revised and updated their claims before the Resolution Professional to Rs. NIL.

33. We observe that such revision of the claims is in consonance with Regulation 12A of the CIRP Regulations, 2016, which requires a creditor to update its claim when the same is satisfied, partly or fully, from any source in any manner after the insolvency commencement date. Since the claims of Respondent Nos. 3 to 5 stood satisfied pursuant to the Consent Terms during the CIRP, and they had no further claim against the Corporate Debtor, they accordingly revised their claims to Rs. NIL.

34. Further, even if Respondent Nos. 3 to 5, who prior to the settlement had a combined voting share of 2.33%, were to remain members of the CoC, they would have 0% voting share since their claims stand revised to Rs. NIL. Therefore, their continued inclusion in the CoC would have no impact on its decision-making process.

35. The Respondent No. 1 has further contended that the settlement between Respondent Nos. 3 to 5 and the erstwhile management was contrary to Section 12A of the Code, as it was not approved by the requisite 90% voting share of the CoC. In this regard, it is relevant to reproduce Section 12A of the Code for ready reference:

> **"Section 12A – Withdrawal of application admitted under Section 7,9 or 10**
>
> *(1) Subject to sub-section (2), the Adjudicating Authority may allow the withdrawal of an application admitted under section 7, 9 or 10, on an application made by the resolution professional, with the approval of ninety percent voting share of the committee of creditors in such manner as may be specified.*
>
> *(2) Notwithstanding anything contained in any law for the time being in force, an application admitted under section 7, 9 or 10 shall not be withdrawn -*
>
> *a. before the constitution of the committee of creditors under sub-section (1) of section 21; and*
>
> *b. after the first invitation for submission of a resolution plan has been issued by the resolution professional.*
>
> *(3) The Adjudicating Authority shall pass an order under sub-section (1) within a period of thirty days from the date of receipt of the application:*
>
> *Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.".*

36. The aforesaid provision specifically deals with the withdrawal of an application admitted under Section 7, 9 or 10 of the Code, subject to the approval of ninety per cent voting share of the Committee of Creditors and the prescribed procedure.

37. In the present case, the settlement between Respondent Nos. 3 to 5 and the erstwhile management was limited to the satisfaction of their individual

claims and was not for the withdrawal of the application admitted under Section 7 against the Corporate Debtor. The CIRP of the Corporate Debtor continued despite the settlement, and Respondent Nos. 3 to 5 merely updated their claims to Rs. NIL upon satisfaction thereof. Therefore, Section 12A of the Code, which concerns withdrawal of the insolvency application, has no application here.

38. As regards the contention that the Applicant had no authority to alter the composition of the duly constituted CoC and that such power vests with this Tribunal. Upon perusal of the Application, it is observed that the present Application has been filed by the Applicant precisely to seek the approval of this Tribunal for reconstitution of the CoC, consequent to the updation of the claims of Respondent Nos. 3 to 5 in terms of Regulation 12A of the CIRP Regulations, 2016. Therefore, the contention that the Applicant has acted beyond its authority is misconceived.

39. In view of the facts and circumstances of the present case, and the discussion hereinabove, we are of the considered view that the reconstitution of the CoC, by retaining Respondent Nos. 1 and 2 and removing Respondent Nos. 3 to 5 as its members, is in accordance with law. Thus, the prayer (b) is granted, accordingly, the present IA (IBC) No. 1972 of 2025 is **allowed** and **disposed of** in the aforesaid terms.

Sd/-
Vinay Goel
Member (Judicial)

Sd/-
Charanjeet Singh Gulati
Member (Technical)

Saumya, LRA