



## **Baron Infotech Limited**

**Reg. Office:** Flat No 504, 5<sup>th</sup> Floor,  
Micasa Flora, Survey No. 131 to 141,  
Durga Enclave, Kompally,  
Secunderabad, Rangareddi TG 500014  
Phone: (+91) (40) 6360062  
E-mail: [info@baroninfotech.com](mailto:info@baroninfotech.com)  
URL : [www.baroninfotech.com](http://www.baroninfotech.com)  
CIN : L72200TG1996PLC025855

Date: 11<sup>th</sup> December, 2025

To,  
The General Manager-Department of  
Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers, Dalal  
Street, Mumbai – 400001.

Dear Sir/Madam,

**Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015.**

**Scrip Code: 532336; Stock Symbol: BARONINF**

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Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is hereby informed that in the matters of Baron Infotech Limited (undergoing Corporate Insolvency Resolution Process), Application bearing IA (IBC) (Plan) 4/2025 has been filed by the Resolution Professional for approval of Resolution Plan was rejected by the Hon'ble National Company Law Tribunal (NCLT) Hyderabad Bench.

Pursuant to NCLT order, Dr.V.Ahalada Rao, having IBBI Regn. No.IBBI/IPA-002/IP-N00074/2017-2018/10172 is appointed as the Resolution Professional of Corporate Debtor.

A copy of NCLT order is attached for your reference.

Kindly, take the same on record.

Thanking You,

With Regards,

**For BARON INFOTECH LIMITED**

**BONDALAPATI SRINIVASA RAO**  
**RESOLUTION PROFESSIONAL**  
**REGISTRATION NO. IBBI/IPA-001/IP-P-01643/2019-2020/12743**  
**PROJECT SPECIFIC E-MAIL ID- [ip.baroninfotech@gmail.com](mailto:ip.baroninfotech@gmail.com)**



S.No.1

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – II  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
09-12-2025 AT 10:30 A.M.**

**IA (IBC)(Plan)/04/2025, IA (IBC)/610/2025,  
IA (IBC)/279/2025, IA (IBC)/214/2025, IA (IBC)/377/2025,  
Intervention Petition (IBC)/05/2025 in IA (IBC)(Plan)/04/2025,  
Intervention Petition (IBC)/03/2025 in IA (IBC)(Plan)/04/2025  
and IA (IBC)/1285/2025 in CP (IB) No.164/7/2023  
U/s 7 of IBC**

**IN THE MATTER OF:**

Avantine Software Pvt Ltd

**...Petitioner**

**AND**

Baron Infotech Limited

**...Respondent**

**C O R A M:-**

**SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)  
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

**O R D E R**

**IA (IBC) (Plan)/04/2025**

Orders pronounced, recorded vide separate sheets. In the result, this IA (IBC)(Plan)/04/2025 is rejected.

**IA (IBC)/610/2025**

Orders pronounced, recorded vide separate sheets. In the result, this application is disposed of.

**IA (IBC)/279/2025**

Orders pronounced, recorded vide separate sheets. In the result, this application is disposed of.

**IA (IBC)/214/2025**

Orders pronounced, recorded vide separate sheets. In the result, this application is disposed of.

**Contd....**



(2)

**IA (IBC)/377/2025**

Orders pronounced, recorded vide separate sheets. In the result, this application is disposed of.

**Intervention Petition (IBC)/05/2025 in IA (IBC)(Plan)/04/2025**

Orders pronounced, recorded vide separate sheets. In the result, this application is disposed of.

**Intervention Petition (IBC)/03/2025 in IA (IBC)(Plan)/04/2025**

Orders pronounced, recorded vide separate sheets. In the result, this application is disposed of.

**IA (IBC)/1285/2025**

Orders pronounced, recorded vide separate sheets. In the result, this application is disposed of.

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**



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

**IA(IBC) (Plan)/04/2025, IA(IBC) 279/2025, IA(IBC) 377/2025,  
Intervention Petition (IBC) 3/2025 in IA (IBC) (Plan)/04/2025,  
Intervention Petition (IBC) 5/2025 in IA(IBC)(Plan) 4/2025, IA (IBC)  
610/2025 & IA(IBC) 1285/2025**

**in**

**C.P (IB) 164/7/HDB/2023**

**In the matter of M/s.Aventine Software Pvt. Ltd. vs. M/s.Baron  
Infotech Limited**

**1. IA(IBC)(Plan) 04/2025 - Date of Institution:27.01.2025**

Mr.Bondalapati Srinivasa Rao  
Resolution Professional  
Regd. No.IBBI/IPA-001/IP-01643/2019-2020/12743,  
# 6-3-244/5, Sarada Devi Street,  
Premnagar, Hyderabad – 500 004.  
[bsrfca@gmail.com](mailto:bsrfca@gmail.com); [ip.baroninfotech@gmail.com](mailto:ip.baroninfotech@gmail.com)  
Mob: 9989194249

**...Applicant**

**Counsels Present:**

For the Applicant : Mr.Krishna Grandhi, Ld. Sr. Counsel  
alongwith Mr.Avinash Alladi,  
Advocate

**2. IA(IBC) 279/2025 - Date of Institution 03.02.2025**

**Between:**

Ms. Maligi Hima Bindu  
C-705, Wing-C, Block-K  
Fortune One, Ward – 12  
Banjara Hills  
Hyderabad – 500 034

**...Applicant/PRA**



**And**

1. Mr.B.Srinivasa Rao,  
Resolution Professional of M/s.Baron Infotech Ltd.  
6-3-244/5, Sarada Devi Street, Premnagar  
Hyderabad – 500 004

**...Respondent No.1**

2. M/s.Aventine Software Pvt. Limited  
Sole CoC Member of M/s.Baron Infotech Ltd.  
Insta Office Business Solutions Private Ltd.  
Sy.No.55, # 108, NYN Arcade  
Gachibowli, Hyderabad – 500 033

**...Respondent No.2**

**Counsels Present:**

- |                      |   |  |
|----------------------|---|--|
| For the Applicant    | : | Mr. Harsh Chowdary, Ld. Advocate   |
| For the Respondent 1 | : | Mr.Krishna Grandhi, Ld. Sr. Counsel<br>alongwith Mr.Avinash Alladi, Advocate |
| For the Respondent 2 | : | Mr. Amir Bavani, Ld. Advocate  |

**3. Intervention Petition (IBC) 3/2025 in IA(IBC)(Plan)/4/2025 -  
Date of Institution: 04.02.2025**

**Between:**

M/s.Innopark (India) Private Limited  
5<sup>th</sup> Floor, Unit 2A/1, (Octave Block) at Parcel 4  
Salarpuria Sattva Knowledge City  
Madhapur, Rangareddy  
Hyderabad – 500 081

**...Applicant**

**And**

1. Mr.B.Srinivasa Rao,  
Resolution Professional of M/s.Baron Infotech Ltd.,  
# 6-3-244/5, Sarada Devi Street,  
Premnagar,  
Hyderabad – 500 004.

**...Respondent No.1**



2. M/s.Aventine Software Pvt. Ltd.  
Sole CoC Member of M/s.Baron Infotech Ltd.,  
Insta Office Business Solutions Private Ltd.,  
Sy.No.55, # 108, NYN Arcade,  
Gachibowli, Hyderabad – 500 033.

**...Respondent No.2**

3. Mr. Haridasu Sambasiva Rao  
Erstwhile Interim Resolution Professional  
M/s.Baron Infotech Limited  
# 6-3-244/5, Sarada Devi Street  
Premnagar  
Hyderabad – 500 004

**...Respondent No.3**

**Counsels Present:**

- For the Applicant : Mr. Shaik Gouse, Ld. Mr. Syed Burhan  
Uddin Furqan and Mr. Aditya Bucha,  
Advocates  
For the Respondent 1 : Mr. Krishna Grandhi, Ld. Senior Counsel  
along with Mr. Avinash Alladi, Advocate  
For the Respondent 2 : Mr. Amir Bavani, Ld. Advocate

**4. Intervention Petition (IBC) 5/2025 in IA(IBC)(Plan)/4/2025 -  
Date of Institution: 05.02.2025**

**Between:**

Mr.S.Sarweswara Reddy  
Plot No.8-2-603/23/3 & 8-2-603/23, 15  
2<sup>nd</sup> Floor, HSR Summit, Banjara Hills  
Road No.10, Beside No.1 News Channel Office  
Hyderabad – 500 034

**...Applicant/Intervenor**

**And**



Mr.B.Srinivasa Rao,  
Resolution Professional of M/s.Baron Infotech Ltd.,  
# 6-3-244/5, Sarada Devi Street,  
Premnagar,  
Hyderabad – 500 004.

**...Respondent/Applicant**

**Counsels Present:**

For the Applicant : Mr. G. Bhupesh, Ld.Advocate  
For the Respondent : Mr.Krishna Grandhi, Ld. Sr. Counsel  
alongwith Mr.Avinash Alladi, Advocate

**5. IA(IBC) 377/2025 -**

**Date of Institution: 06.02.2025**

**Between:**

Ms. Maligi Hima Bindu  
C-705, Wing-C, Block-K  
Fortune One, Ward – 12  
Banjara Hills  
Hyderabad – 500 034

**...Applicant/PRA**

**And**

1. Mr.B.Srinivasa Rao,  
Resolution Professional of M/s.Baron Infotech Ltd.  
6-3-244/5, Sarada Devi Street, Premnagar  
Hyderabad – 500 004

**...Respondent No.1**

2. M/s.Aventine Software Pvt. Limited  
Sole CoC Member of M/s.Baron Infotech Ltd.  
Insta Office Business Solutions Private Ltd.  
Sy.No.55, # 108, NYN Arcade  
Gachibowli, Hyderabad – 500 033

**...Respondent No.2**



**Counsels Present:**

For the Applicant : Mr. Harsh Chowdary, Ld. Advocate  
For the Respondent 1 : Mr. Krishna Grandhi, Ld. Sr. Counsel  
alongwith Mr. Avinash Alladi, Advocate  
For the Respondent 2 : Mr. Amir Bavani, Ld. Advocate

**6. IA(IBC) 610/2025 -**

**Date of Institution: 01.04.2025**

**Between:**

Mr. S. Sarweswara Reddy  
Plot No. 8-2-603/23/3 & 8-2-603/23, 15  
2<sup>nd</sup> Floor, HSR Summit, Banjara Hills  
Road No. 10, Beside No. 1 News Channel Office  
Hyderabad – 500 034

**...Applicant/PRA**

**And**

1. Mr. B. Srinivasa Rao  
Resolution Professional of M/s. Baron Infotech Ltd.  
# 6-3-244/5, Sarada Devi Street  
Premnagar  
Hyderabad – 500 004

**...Respondent No.1**

2. M/s. Aventine Software Pvt. Ltd.  
Sole CoC Member of M/s. Baron Infotech Ltd.  
Insta Office Business Solutions Private Ltd.  
Sy. No. 55, # 108, NYN Arcade  
Gachibowli, Hyderabad – 500 033

**...Respondent No.2**

**Counsels Present:**

For the Applicant : Mr. Avinash Desai, Ld. Senior Counsel  
along with Mr. G. Bhupesh, Advocate  
For the Respondent 1 : Mr. Krishna Grandhi, Ld. Sr. Counsel  
alongwith Mr. Avinash Alladi, Advocate  
For the Respondent 2 : Mr. Amir Bavani, Ld. Advocate





**7. IA(IBC) 1285/2025 -**

**Date of Institution: 25.07.2025**

**Between:**

Mr.S.Sarweswara Reddy  
Plot No.8-2-603/23/3 & 8-2-603/23, 15  
2<sup>nd</sup> Floor, HSR Summit, Banjara Hills  
Road No.10, Beside No.1 News Channel Office  
Hyderabad – 500 034

**...Applicant/PRA**

**And**

1. Mr.B.Srinivasa Rao  
Resolution Professional of M/s.Baron Infotech Ltd.  
# 6-3-244/5, Sarada Devi Street  
Premnagar  
Hyderabad – 500 004

**...Respondent No.1**

2. M/s.Aventine Software Pvt. Ltd.  
Sole CoC Member of M/s.Baron Infotech Ltd.  
Insta Office Business Solutions Private Ltd.  
Sy.No.55, # 108, NYN Arcade  
Gachibowli, Hyderabad – 500 033

**...Respondent No.2**

**Counsels Present:**

For the Applicant	:	Mr. Avinash Desai, Ld. Senior Counsel along with Mr. G. Bhupesh, Advocate
For the Respondent 1	:	Mr.Krishna Grandhi, Ld. Sr. Counsel alongwith Mr.Avinash Alladi, Advocate
For the Respondent 2	:	Mr. Amir Bavani, Advocate

**Date of Order: 09.12.2025**

**Coram:**

**Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)**  
**Shri Sanjay Puri, Hon'ble Member (Technical)**



**[PER : RAJEEV BHARDWAJ]**

**ORDER**

1. The Application bearing IA (IBC) (Plan) 4/2025 has been filed by the Resolution Professional (**RP**) of the Corporate Debtor, M/s. Baron Infotech Limited (**CD**), under Sections 30(6) and 31(1) of the Insolvency and Bankruptcy Code, 2016 (**IBC**), read with Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (**CIRP Regulations**), seeking, inter alia, approval of the Resolution Plan<sup>1</sup>, submitted by the Successful Resolution Applicant, Mr. Vivek Kumar Ratakonda (**SRA**) duly approved by the Committee of Creditors (**COC**) in the 11<sup>th</sup> COC Meeting held on 21.01.2025 with 100% voting share<sup>2</sup>.
2. Intervention Petitions (IBC) 03/2025 and 05/2025 have been filed by the unsuccessful Resolution Applicants, M/s. Innopark (India) Private Limited and Mr. S. Sarweswara Reddy, respectively, seeking impleadment in IA (IBC) (Plan)/04/2025 on the ground that their Resolution Plans were wrongly rejected vis-à-vis that of the SRA. Further, IA(IBC) 610/2025 and IA(IBC) 1285/2025, filed by Mr. S. Sarweswara Reddy, and IA No. 279/2025 and IA No. 377/2025, filed by another unsuccessful Resolution Applicant, Ms. Maligi Hima Bindu, raised procedural grievances concerning the conduct of the CIRP by the RP/CoC, and sought consequential directions for acceptance or reconsideration of their respective Resolution Plans. As

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<sup>1</sup> Resolution Plan and the Scheme of Arrangement alongwith the Share Valuation Report dated 13.10.2024 @ pg. no.115 to 208 of the application

<sup>2</sup> Minutes of the 11<sup>th</sup> COC meeting approving the Resolution Plan @ pg. 112 to 114 of the application.



all these applications are directly linked to the approval or rejection of the Plan submitted by Mr. Vivek Kumar Ratakonda, they are being taken up together for adjudication along with IA (IBC) (Plan)/04/2025.

#### A. BACKGROUND

3. The Company Petition CP(IB) No. 164/7/HDB/2023 filed by M/s.Aventine Software Pvt. Ltd., the Financial Creditor (FC), was admitted by this Authority u/s 7 of IBC, vide Order dated 10.05.2024 (**Admission Order**), thereby commencing CIRP<sup>3</sup> against the CD, and appointing Mr.Haridasu Sambasiva Rao as the Interim Resolution Professional (IRP).
4. Upon assuming charge, the IRP issued a Public Announcement on 15.05.2024 in Form-A, inviting claims from the creditors of the CD. The last date for receipt of claims was 28.05.2024. After verification and collation, the IRP admitted claims as on 21.09.2024 as follows:

S.No.	Name of the Creditor	Amount of Claim submitted (Rs.)	Final Claim admitted (Rs.)	FC/ OC	Voting %
<b>A: Financial Creditor (Non-Related)</b>					
1.	Aventine Software Pvt. Ltd.	1,28,54,428	1,28,54,428	FC	100%
<b>B: Financial Creditors (Related)</b>					
1.	Vishnu Vardhan Reddy	25,48,786	25,48,786	FC	--

<sup>3</sup> Corporate Insolvency Resolution Process



<b>Total Financial Creditors (A+B)</b>		<b>1,54,03,214</b>	<b>1,54,03,214</b>		<b>100%</b>
<b>C: Operational Creditors</b>					
1.	Golla Joel Joshua	12,30,880	12,30,880	OC	--
2.	Tirupathi Prashanth	14,11,200	14,11,200	OC	--
3.	Syed Abdul Aziz	14,11,200	14,11,200	OC	--
4.	Pilli Uday Kumar	8,07,520	8,07,520	OC	--
5.	Golla Grace Anusha	7,99,680	7,99,680	OC	--
6.	P.S.R.Associates	7,20,000	7,20,000	OC	
7.	Emart Online LLC	24,96,500	24,83,017	OC	
8.	Others	12,02,755	3,89,735	OC	
<b>Total (C)</b>		<b>1,00,79,735</b>	<b>92,53,232</b>	<b>--</b>	<b>--</b>
<b>Total (A+B+C)</b>		<b>2,54,82,949</b>	<b>2,46,56,446</b>	<b>--</b>	<b>100%</b>

5. Based on the admitted claims, the CoC was constituted on 02.06.2024 with the sole Financial Creditor, M/s. Aventine Software Pvt. Ltd. (ASPL), holding 100% voting share.
6. IBBI-registered valuers were appointed on 24.06.2024 for conducting valuation of the CD's assets.
7. The Fair Value and Liquidation Value of the CD were determined at Rs.29.06 lakhs and Rs.0.26 lakhs, respectively. The Liquidation Value is merely 0.89% of the Fair Value.
8. During the CIRP, the RP conducted a total of eleven (11) meetings of the CoC.



9. The RP issued Form-G on 09.07.2024, inviting Expressions of Interest (EOIs) from Prospective Resolution Applicants (PRAs). In response, 40 EOIs were received. After due diligence, the IRP issued the Final List of 28 PRAs on 24.08.2024 and shared the Information Memorandum (IM), Request for Resolution Plan (RFRP), and Evaluation Matrix (EM) with them. The last date for submission of Resolution Plans was initially on 28.09.2024.
10. At the request of PRAs, the last date for submission of Resolution Plans was extended upto 08.10.2024 and subsequently upto 13.10.2024.
11. In response to the RFRP, the following 15 PRAs submitted their Resolution Plans, which were placed before the CoC in its 6<sup>th</sup> meeting held on 15.10.2024 for review and consideration.
  - 1) Capvital Advisors Private Limited
  - 2) Davuluri Srinivasa Rao
  - 3) Envision Consortium
  - 4) Evervolt Green Energy Pvt. Ltd.
  - 5) Innopark (India) Private Limited
  - 6) Jyothi Doradla
  - 7) Maligi Hima Bindu
  - 8) Norfolk Technology Services Ltd.
  - 9) NPRS Financial Services Pvt. Ltd.
  - 10) Resurgent Property Ventures Pvt. Ltd.
  - 11) Saweswara Reddy
  - 12) Seema Bucha
  - 13) Sonal Yogeshbhai Shah



14) Square Sales Private Limited

15) Vivek Kumar Ratakonda

12. The RP engaged Mr. Lovkesh Batra and Associates as Process Advisors for independent evaluation of the Resolution Plans. The Process Advisors assessed all Plans on the basis of the RFRP and the Bid Evaluation Matrix and submitted the Evaluation Matrix workings on qualitative and quantitative parameters on 26.11.2024 and 12.12.2024, which were circulated to the CoC on 26.11.2024 and 14.12.2024<sup>4</sup>, respectively.
13. Mr.Bondalapati Srinivasa Rao was appointed as Resolution Professional (**RP**) by the CoC in its 1<sup>st</sup> meeting held on 08.06.2024, which was approved by this Authority vide Order dated 08.01.2025 in IA 1261/2024 subject to receipt of confirmation of his name from the IBBI, which was received on 20.01.2025<sup>5</sup>.
14. At the request of RP, the Process Advisors shared the Final Reports prepared under Sections 29A and 30(2) alongwith the Evaluation Matrix workings by mail on 17.01.2025 and the RP placed the same before the 10<sup>th</sup> COC Meeting held on 20.01.2025 for review and deliberations.
15. In the 10th (adjourned) meeting, the CoC once again reviewed all the Resolution Plans and deliberated upon their feasibility and viability.

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<sup>4</sup> Mails filed as Annexures 2 & 3 @ pgs.12 & 13 of the Memo dated 10.11.2025

<sup>5</sup> IBBI confirmation letter @ pg. 107 of the application



16. In the 11th CoC meeting held on 21.01.2025, the CoC discussed the Resolution Plan<sup>6</sup> dated 13.10.2024, amounting to Rs.2,58,98,169/- submitted by Mr. Vivek Kumar Ratakonda. The Plan was approved with 100% voting share. The RP accordingly declared Mr. Vivek Kumar Ratakonda as the SRA who deposited Rs.25,00,000/- towards Performance Security.
17. The SRA submitted an unconditional undertaking confirming his acceptance of all the terms and conditions stipulated under the RFRP<sup>7</sup>.
18. After granting extensions from time to time, the last date for completion of the CIRP stood extended upto 04.02.2025.

**B. SALIENT FEATURES OF THE RESOLUTION PLAN OF MR. VIVEK KUMAR RATAKONDA/SRA:**

**19. Details of the Successful Resolution Applicant:**

- i. Mr. Vivek Kumar Ratakonda is a Fellow Member of the Institute of Chartered Accountants of India with over 30 years of experience in Corporate Restructuring and Advisory Services. He has a proven track record of successfully assisting companies facing financial challenges, helping them navigate complex situations and providing strategic solutions for sustainable growth and profitability. His expertise extends across various industries and he is renowned for his ability to deliver comprehensive and effective restructuring services.

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<sup>6</sup> Key features of the Scheme of Arrangement are filed @ pgs. 38 to 52 of the application

<sup>7</sup> Undertaking of SRA is filed as Annexure-12 @ pg.209 to 210 of the application



- ii. The SRA is an experienced professional with deep expertise in the business of data tools and analysis. Over the years, he has played a pivotal role in developing and implementing advanced data solutions that empower organisations to make informed decisions. His knowledge spans across building robust data analytics platforms, integrating real-time information systems and utilizing cutting-edge technologies to transform raw data into actionable insights.
- iii. The SRA's entrepreneurial journey is a testament to his strategic foresight and business acumen. His unique ability to anticipate market needs and create businesses that align with future demands is evident in his successful promotion of companies across Information Technology, trade finance and fintech.

**Restructuring and Business Turnaround of the CD under IBC provisions:**

- 20. The resolution plan provides for restructuring of the CD by way of merger of M/s.Ticker Limited with M/s.Baron Infotech Limited. There are provisions for this under the IBC. The IBC defined a Resolution Plan as a Plan to resolve the insolvency of a Corporate Debtor as a going concern. The relevant provisions are:

Regulation 37 (ba) – the CIRP Regulations permits restructuring of the corporate debtor, by way of merger, amalgamation and demerger.

Regulation 37(c) of the CIRP Regulations permits the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;

Section 5(26) of the IBC, 2016, defines a “Resolution Plan”





“A Plan proposed by the Resolution Applicant for Insolvency Resolution of the Corporate Debtor as a going concern in accordance with Part II.

21. M/s.Ticker Limited (**Transferor Company**) was incorporated on 04.02.2005 with CIN: U72900MH2005PLC151034, having its Registered Office at FT Tower, 4<sup>th</sup> Floor, CTS No.256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra. The Ticker group is one of the leading global content providers in the financial information service industry and virtual digital assets that integrate and disseminate ultra-low latency data feeds, news and information.
22. M/s.Baron Infotech Limited (**Transferee Company/CD**) was mainly engaged in the business of Computer Software, Hardware, Networking and Communication Solutions for its own use or sale in India or for Export outside India.
23. It is averred that a Resolution Plan may include provisions for the restructuring of the CD, including by way of merger, amalgamation and demerger and relied on the judgement in ***Bijal Dineshchandra Sanghvi and Anr. v. Sumit Rajnikant Mehta***<sup>8</sup>, by the Hon’ble NCLAT, Principal Bench, New Delhi.
24. Since reviving the existing business requires much capital to be infused and the gestation period would be too long for market presence, the Resolution Applicant proposed a corporate restructuring by way of merger of M/s.Ticker Limited with M/s.Baron Infotech Limited as part

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<sup>8</sup> (Company Appeal) (AT) (Insolvency) No.1475 of 2024.



of the Corporate Debtor's Insolvency Resolution pursuant to approval of the Board of Directors of the Transferor Company, subject to the approval of the Resolution Plan by this Authority.

25. Business continuation in the CD:

Post-acquisition, the Resolution Applicant plans to continue the Transferor Company's business, which is significant with several reasons:

i. Growing demand for Real-Time Data:

The financial industry increasingly relies on real-time, high-speed data to make quick, informed decisions. Banks, corporate treasuries, and investment desks require ultra-low latency data feeds to stay competitive in fast-paced markets, especially for trading and risk management. This creates a strong demand for reliable data providers.

ii. Scalability and Market Reach:

With advancements in technology, the scalability of data services is immense. The ability to reach a global audience of financial institutions with real-time feeds and news offers expansive growth opportunities, especially in emerging markets where the financial industry is evolving rapidly.



iii. Integration with Existing Business:

The synergy between these data driven activities and the company's current business can create additional revenue streams, reduce operational costs, and enhance service offerings, further boosting overall business potential.

26. Rationale behind the Scheme of Arrangement:

The proposed Scheme of Arrangement involving the merger of M/s. Ticker Limited (Transferor Company) with M/s. Baron Infotech Limited (Transferee Company/CD) ensures the continuity of the CD, which preserves the going concern valuation of the CD, develops the market, and generate adequate cash flow compared to an asset under liquidation.

27. The key benefits of the proposed merger are as follows:

- i. Revival of the Transferee Company/CD as a going concern.
- ii. Enhancing the scale of operations and reduction in overheads, administrative, managerial, and other expenditure, operational rationalisation, sharing of organisational efficiency and optimal utilisation of resources.
- iii. Would enhance shareholder value for both companies by way of improved financial position and cash flows, increased asset base, and stronger consolidated revenue and profitability.



- iv. Combined entity will help to undertake larger expansion strategies and to tap bigger opportunities in the industry.
28. Upon merger becoming effective, the name of the CD would be renamed as M/s.Ticker Limited or some other name the Registrar of Companies (ROC) permits to reflect the company's activities in its name.
29. In consideration of the merger of M/s.Ticker Limited (Transferor Company) into the Corporate Debtor, M/s.Baron Infotech Limited (Transferee Company), the swap ratio for allotment of shares is as under:

**“1 (One) Equity Share of Rs.10/- each of M/s.Baron Infotech Limited shall be allotted for every 10 (Ten) Equity Shares of Rs.1/- each held by Members in M/s.Ticker Limited on Record Date”.**

The Share Exchange Ratio has been arrived at on the basis of the Valuation Report<sup>9</sup> prepared by Mr. Sri Ranga Gorantla, Registered Valuer (Securities or Financial Assets) with Regn. No.IBBI/RV/02/2019/11253, dated 02.10.2024.

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<sup>9</sup> Share Valuation Report - @ pgs. 190 to 208 of the application



30. Number of shares allotted pursuant to the merger of Ticker Limited:

An allotment of 17,49,29,447 shares of Rs.10/- each fully paid up, to the Equity Shareholders of M/s.Ticker Limited (Transferor Company) shall be made proportionately as a consideration for the merger of the Transferor Company into the Corporate Debtor.

31. Shareholding pattern of M/s.Ticker Limited (M/s.Baron Infotech Limited - name as proposed in this Scheme), Pre & Post CIRP (consequent to the merger under this Plan).

Category	No. of Equity shares held before CIRP (Rs.1/- each)	No. of Equity Shares held after CIRP (Rs.10/- each)
Promoters	1,18,05,36,380	11,80,53,638
Public Shareholders	56,87,58,085	5,68,75,809
<b>Total</b>	<b>1,74,92,94,465</b>	<b>17,49,29,447</b>

\*As per the Statement of Change dated 28.12.2024, the Transferor Company's capital structure changed slightly due to the issuance of equity shares under Employee Stock Options after the Resolution Plan submission on 13.10.2024, resulting in an increase of 59,655 equity shares in public shareholders category before CIRP and consequently, 5,966 equity shares in public shareholders category after CIRP.

32. Lock-in period:

Pursuant to the Scheme of Arrangement, lock-in period for the equity shares held/allotted to the shareholders of the Transferor Company (Promoters & Public) is as follows:



- i. 75% of the shares held/allotted to each shareholder of the Transferor Company shall be subject to a lock-in period of twelve (12) months from the date of trading approval.
- ii. 25% of the shares held/allotted to each shareholder of the Transferor Company shall be freely tradable and not to subject to any lock-in restrictions.

33. Preferential allotment of shares to the strategic investors:

As part of the Resolution Plan, an allotment of 2,00,00,000 equity shares of Rs.10/- each of the CD on a preferential allotment basis to identified strategic investors within six months from the date of the NCLT approval and the equity shares will be issued at a premium and may occur in one or multiple tranches, depending on prevailing market conditions.

These shares rank pari passu with the Company's existing share capital and shall be treated as public shareholders to maintain a maximum public shareholding as per Rule 19A(5) Securities Contracts (Regulation) Rules, 1957. After the approval of this Authority, these shares will be listed and admitted for trading on the Bombay Stock Exchange (BSE).



## 34. Indicative Shareholding of the Corporate Debtor – post CIRP:

S.No.	Category	No. of shares held before CIRP (Rs.10/- each)	Voting share held before CIRP (%)	No. of shares held after CIRP (Rs.10/- each)	Voting share held after CIRP (%)
1.	Promoter#	12,69,200	12.44	0	0
2.	Public Shareholders#	89,30,800	87.56%	4,46,540	0.22%
3.	Resolution Applicant	0	0	1,00,00,000	4.86%
4.	Financial Creditor			3,21,360	0.16%
5.	Shares allotted to the Shareholders of Ticker Ltd. consequent to the Scheme under this Plan				
	i. Promoters	0	0	11,80,53,638	57.39%
	ii.Public Shareholders	0	0	5,68,75,809	27.65%
6.	Preferential Allotment to the Strategic Investors (Public Shareholders)	0	0	2,00,00,000	9.72%
<b>Total</b>		<b>1,02,00,000</b>	<b>100%</b>	<b>20,56,97,347</b>	<b>100%</b>

\*As per the Statement of Change dated 28.12.2024, the Transferor Company's capital structure changed slightly due to the issuance of equity shares under Employee Stock Options after the Resolution Plan submission on 13.10.2024, resulting in an increase of 59,655 equity shares in public shareholders category before CIRP and consequently, 5,966 equity shares in public shareholders category after CIRP.



# The table provides an indicative outline of the anticipated shareholding structure, providing a preliminary view of how shares may be distributed post-implementation of the Plan. However, the actual extinguishment and capital reduction process will be precisely calculated based on the shares held by promoters and public shareholders as of the specified record date. This ensures that the adjustments to share capital are accurately aligned with the real-time shareholding structure at that critical point, i.e. the record date. Such an approach maintains an equitable balance among stakeholders, adheres to regulatory norms, and achieves the desired capital restructuring as envisaged in the Resolution Plan.

### 35. Minimum Public Shareholding (MPS)

Proviso in Rule 19A(5) of the Securities Contracts (Regulation) Rules, 1957

Every Listed Company shall maintain public shareholding of at least five percent (5%), as a result of the implementation of the Resolution Plan approved under Section 31 of the IBC.

**The public shareholding post preferential allotment to the strategic investors and allotment consequent to the Scheme of Arrangement are as follows:**

S.No.	Category	No. of shares held after CIRP (Rs.10/- each)	Voting share % held after CIRP
1.	Existing shareholders of the CD	4,46,540	0.22%
2.	Shares allotted to the Unsecured Financial Creditor	3,21,360	0.16%
3.	Shares allotted to the Public Shareholders of Ticker Limited, consequent to the Merger under this Plan	5,68,75,809	27.65%





4.	Preferential Allotment to the Identified Strategic Investors (Public Shareholders)	2,00,00,000	9.72%
<b>Total</b>		<b>7,76,43,709</b>	<b>37.75%</b>

\*As per the Statement of Change dated 28.12.2024, the Transferor Company's capital structure changed slightly due to the issuance of equity shares under Employee Stock Options after the Resolution Plan submission on 13.10.2024, resulting in an increase of 59,655 equity shares in public shareholders category before CIRP and consequently, 5,966 equity shares in public shareholders category after CIRP.

The shares allotted to the above-mentioned categories of shareholders shall be treated as part of the public shareholding of the CD, which ensures compliance with the MPS requirements mandated by the Securities Contracts (Regulation) Rules, 1957, and the applicable Stock Exchange Listing Regulations.

### C. Contour of the Resolution Plan:

36. The amounts provided for the stakeholders under the Resolution Plan are as under:

(Rs. in lakhs)						
Sl. No.	Category of Stakeholder*	Sub-Category of the Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	--	--	--	--
		(b) Other than (a) above.				
		(i) who did not vote in favour of the Resolution Plan	--	--	--	--
		(ii) who voted in favour of the resolution plan	--	--	--	--
		<b>Total [(a) + (b)]</b>	--	--	--	--



**National Company Law Tribunal, Hyderabad Bench, Court-II**

**IA (IBC) (Plan) 4/2025,  
IA(IBC) 279, 377, 610, 1285 and  
Intn.Ptns.3 & 5/2025 in IA(IBC)(Plan) 4/2025 in  
C.P.(IB) No.164/7/HDB/2023**

**Date of Order: 09.12.2025**

2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of Section 21	25.488	25.488	25.488	100%
		(b) Other than (a) above:				
		(i) who did not vote in favour of the Resolution Plan	--	--	--	--
		(ii) Who voted in favour of the Resolution Plan	128.54	128.54	128.54	100%
		<b>Total [(a)+(b)]</b>	<b>154.03</b>	<b>154.03</b>	<b>154.03</b>	<b>100%</b>
3.	Operational Creditors	(a) Related Party of Corporate Debtor	--	--	--	--
		(b) Other than (a) above				
		(i) Government	--	--	--	--
		(ii) Workmen	--	--	--	--
		(iii) Employees	--	--	--	--
		(iv) Others (Consultants & BSE)	100.80	92.53	92.53	91.80%
		<b>Total [(a)+(b)]</b>	<b>100.80</b>	<b>100.80</b>	<b>100.80</b>	<b>91.80%</b>
4.	Other debts and dues		--	--	--	--
<b>Grand Total</b>			<b>254.83</b>	<b>246.56</b>	<b>246.56</b>	<b>96.75%</b>

**37. Financial Proposal** - The Successful Resolution Applicant proposes the following Plan value as a part of his proposal:

S.No.	Category of the Creditor	Claims Admitted (Rs.)	Resolution Amount (Upfront) (Rs.)	Equity Allotment of Shares (Rs.10/- each)	(%)	Total Settlement (Rs.)
1.	CIRP Cost	12,41,723	12,41,723	--	100%	12,41,723
2.	Unsecured Financial Creditor	1,28,54,428	96,40,828	*32,13,600	100%	1,28,54,428
3.	Unsecured Financial Creditor (Related Party)	25,48,786	25,48,786	--	100%	25,48,786
4.	Operational Creditors	92,53,232	92,53,232	--	100%	92,53,232
<b>Total</b>		<b>2,58,98,169</b>	<b>2,26,84,569</b>	<b>32,13,600</b>		<b>2,58,98,169</b>

\* Allotment of 3,21,360 Equity Shares of Rs.10/- each of the Corporate Debtor to the Unsecured Financial Creditor, i.e. M/s. Aventine Software Private Limit.



38. **Financial Outlay** - The funds infusion, Equity Allotment and Schedule of Payments of the Plan are as follows:

S.No.	Description	Payment Schedule	Amount (Rs.)
I.	Upfront Cash Payment		
i.	CIRP Cost	< 30 days of the NCLT Order	12,41,723
ii.	Unsecured Financial Creditor	i. Cash Payment: < 30 days of the NCLT Order	96,40,828
		ii. Equity Allotment: 3,21,360 Equity Shares of Rs.10/- each (<30 days of the NCLT Order)	32,13,600
iii.	Unsecured Financial Creditor (Related Party)	<30 days of the NCLT Order	25,48,786
iv.	Operational Creditors	<30 days of the NCLT Order	92,53,232
v.	To meet the contingencies	<30 days of the NCLT Order	3,15,431
	<b>Total funds infusion / Equity Allotment to meet the stakeholder's claims (upfront)</b>	<b>&lt;30 days of the NCLT Order</b>	<b>2,62,13,600</b>
II.	Resolution Applicant – funds infusion towards the Capex and Working Capital needs	<30 days of the NCLT Order	7,70,00,000
III.	Funds infusion for the Capex and working capital needs – Through the Strategic Investors	<180 days of the NCLT Order (Minimum Amount)	20,00,00,000
IV.	Total Financial outlay Funds/Equity allotment to revive the Company	Total (I+II+III)	30,32,13,600

**39. Funds infusion / Equity Allotment under the Plan by the Resolution Applicant for the revival of the Company:**

S.No.	Description	Amount (Rs.)
i.	Total funds infusion to meet the stakeholder's claims	2,30,00,000
ii.	Resolution Applicant – Funds infusion towards the Capex and Working Capital needs	7,70,00,000
iii.	Funds infusion towards the Capex and Working Capital needs – Strategic Investors	20,00,00,000
iv.	Total funds infusion under the Plan	30,00,00,000
v.	Equity Allotment to the Financial Creditors – 3,21,360 Equity Shares of Rs.10/- each	32,13,600
<b>Total Financial Outlay to revive the Company</b>		<b>30,32,13,600</b>

**40. Monitoring Committee (MC)<sup>10</sup>:**

The Resolution Plan provides for constitution of the Monitoring Committee (MC) consisting of Resolution Professional, any other Insolvency Professional, or any other person as a member to oversee the implementation and monitoring of the Resolution Plan. The Company's existing directors shall vacate the office and ensure the filing of the relevant forms for the induction of new directors as envisaged under the Resolution Plan. The MC shall carry out the day-to-day operations and management of the Company.

**41. Source of Funds:**

The SRA possesses sufficient network and resources to fulfil the payments outlined in the Resolution Plan. The Network Certificate confirms the Applicant's financial capacity to provide the required

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<sup>10</sup> Pg. no. 149 of the Application



funds and underscores the Applicant's substantial liquid assets, particularly shares in listed companies, further validating their ability to meet the financial obligations of the Plan. If the required funds are unavailable, the SRA will secure the balance through their associates. The CD will allot equity shares to those associates proportionately based on their contributions alongside the SRA, as outlined in **Chapter VI(I)(A)(3).**

**42. Compliance of mandatory contents of Resolution Plan under IBC and CIRP Regulations<sup>11</sup>:**

The Applicant is stated to have conducted a thorough compliance check of the Resolution Plan in terms of Section 30(2)(a), (b) & (c) of IBC as well as Regulations 38 & 39 of the CIRP Regulations and has submitted Form-H under Regulation 39(4). A copy of the **Form-H** has also been filed as Annexure-14.<sup>12</sup> It is submitted that the Resolution Applicant has filed an Affidavit pursuant to Section 30(1) of IBC confirming that they are eligible to submit the Plan under Section 29A of IBC and that the contents of the said Certificate are in order.

**43. Reliefs & Concessions:**

Besides seeking approval of the Resolution Plan submitted by Mr. Vivek Kumar Ratakonda, the Applicant has also prayed for grant of reliefs, waivers and concessions to the Resolution Applicant, as set out in Chapter X<sup>13</sup> of the Plan and also @ pgs.32 to 38 of the application.

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<sup>11</sup> Mandatory contents of the Resolution Plan and Compliance with the IBC Provisions are filed @ pgs.27 to 28 of the application.

<sup>12</sup> Page nos.212-219 of the Application

<sup>13</sup> Reliefs and Concessions - @ pg. no.44 of the Resolution Plan



**44. Competition Act, 2002:**

The Resolution Applicant undertakes that the Resolution Plan has no anti-competitive covenants and does not support any abuse of dominant position. Further, considering the turnover and asset size of the Company (as per the latest available Audited Financials), no approval is required under the Competition Act, 2002.

45. In response to the Order of this Authority dated 04.11.2025, the Ld. Counsel for the RP/CoC filed a Memo on 10.11.2025 furnishing the following information:

- a) Justification for the reduction of shareholding of public shareholders of Corporate Debtor<sup>14</sup>
- b) The contemporaneous and original Evaluation Matrix of all the PRAs<sup>15</sup>; and
- c) The Minutes of the 10<sup>th</sup> & 11<sup>th</sup> COC Meetings<sup>16</sup>.

46. We have heard Learned Counsels for all the parties and gone through the entire record including written submissions filed by the parties.

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<sup>14</sup> Annexure A1 @ pgs.6 to 11 of the Memo dated 10.11.2025

<sup>15</sup> Annexures A2 to A5 @ pgs.12 to 21 of the Memo dated 10.11.2025

<sup>16</sup> Annexures A6 & A7 @ pgs.22-33 & 34-40 of the Memo dated 10.11.2025 respectively



## D. FINDINGS

47. There can be no fetters on the commercial wisdom of the Committee of Creditors (CoC), and this principle has been unequivocally reaffirmed by the Hon'ble Supreme Court in a catena of judgments including ***K. Sashidhar v. Indian Overseas Bank***<sup>17</sup>, ***Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta***<sup>18</sup>, ***Maharashtra Seamless Limited v. Padmanabhan Venkatesh***<sup>19</sup>, ***Kalpraj Dharamshi v. Kotak Investment Advisors Limited***<sup>20</sup>, and ***Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited***<sup>21</sup>. The scope of judicial review over the CoC's commercial decision is narrow and limited strictly to the parameters prescribed under Sections 30(2) and 31 of the Code. The Adjudicating Authority may reject or remit a Resolution Plan only where it fails to satisfy the requirements of Section 30(2), violates statutory provisions or eligibility norms, or is vitiated by fraud, arbitrariness or material irregularity. Here, we also refer to the decision in ***K. Sashidhar v. Indian Overseas Bank and Ors. supra***, wherein it was held:

35. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in

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<sup>17</sup> (2019) 12 SCC 150

<sup>18</sup> (2020) 8 SCC 531

<sup>19</sup> (2020) 11 SCC 467

<sup>20</sup> (2021) 10 SCC 401

<sup>21</sup> (2021) 9 SCC 657



respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established Under Section 188 of the I & B Code. The powers and functions of the Board have been delineated in Section 196 of the I & B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan Under Section 30(4) of the I & B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan Under Section 30(4) of the I & B Code.

48. In *India Resurgence ARC Private Limited v. Amit Metaliks Limited*<sup>22</sup>, the Hon'ble Supreme Court reiterated that consideration and approval of a Resolution Plan lies essentially within the commercial wisdom of the CoC. Judicial review under Section 30(2) is limited to examining whether the plan contravenes any provision of law or fails to meet

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<sup>22</sup> (2021)19 SCC 672





requirements specified by the Board. The Hon'ble Court held that a dissenting financial creditor cannot challenge an approved Resolution Plan merely on grounds relating to valuation of its security interest, once the CoC has exercised its commercial wisdom.

49. In light of the settled legal position, we shall examine the Resolution Plan submitted by Mr. Vivek Kumar Ratakonda strictly within the parameters delineated above.
50. In the present case, objections to the approval of the Resolution Plan have been raised by unsuccessful Resolution Applicants, namely, M/s. Innopark (India) Private Limited and Mr. S. Sarweswara Reddy, through Intervention Petitions (IBC) 3 of 2025 and 5 of 2025 in IA (IBC) (Plan)/04/2025, respectively, seeking to be impleaded in the Interlocutory Application filed for approval of the Resolution Plan.
51. Further, Mr. S. Sarweswara Reddy has also filed IA (IBC) 610/2025 and IA (IBC) 1285/2025 seeking directions for evaluation of his Resolution plan and that of the Successful Resolution Applicant by an independent insolvency professional, and further seeking to set aside the calling and holding of the 10<sup>th</sup> and 11<sup>th</sup> CoC meetings on grounds of alleged illegality.
52. Another unsuccessful Resolution Applicant, Ms. Maligi Hima Bindu, in IA (IBC) 279/2025, has alleged that her Resolution Plan was illegally rejected by the Resolution Professional without affording adequate opportunity of negotiation or resorting to a challenge mechanism. In IA (IBC) 377/2025, she seeks to set aside the proceedings of the 11<sup>th</sup> CoC meeting dated 21.01.2025.



53. It is, however, a settled position of law that an unsuccessful Resolution Applicant has no locus standi to challenge the decision of the CoC. Reliance is placed on the judgment of the Hon'ble NCLAT in ***Binani Industries Limited v. Bank of Baroda & Anr.***<sup>23</sup>, wherein it was held that “*an unsuccessful Resolution Applicant has no vested right to challenge the approval of the Resolution Plan.*” Further, in ***Hem Singh Bharana v. M/s Pawan Doot Estate Pvt. Ltd.***<sup>24</sup>, the Hon'ble NCLAT reiterated that “*once the CoC has approved a Resolution Plan in its commercial wisdom, it is bound by its decision, and unsuccessful Resolution Applicants have no locus standi to question the same.*”
54. Nevertheless, since the allegations concern procedural irregularities that may independently fall within the scope of judicial scrutiny under Section 30(2), we deem it appropriate to briefly examine them.
55. The objections raised in all these applications are substantially similar, and the stand of the CoC and the Resolution Professional remains consistent. Broadly, the issues raised can be classified under the following heads:
- (i) Extension of time for submission of resolution plan;
  - (ii) Violation of Regulation 19 of the CIRP Regulations
  - (iii) Denial of opportunity under Sections 25(i) and 30(5) of the IBC
  - (iv) Holding of 10th and 11th Meetings of the CoC
  - (v) Notice to the Operational Creditors
  - (vi) Capital Restructuring
  - (vii) Challenge Mechanism

<sup>23</sup>[Company Appeal (AT) (Insolvency) No. 82 of 2018, dated 14.11.2018]

<sup>24</sup>[Company Appeal (AT) (Insolvency) No. 1232 of 2022, dated 05.01.2023]



### **Extension of time for submission of Resolution Plan**

56. As per the terms of the RFRP, the last date for submission of the Resolution Plan was 28.09.2024. However, the last date was extended twice, first to 08.10.2024 and lastly to 13.10.2024. Even the Applicant in Intervention Petition (IBC) 03 of 2025 and Intervention Petition (IBC) 05/2025 has also submitted the Plan during the extended period on 10.10.2024 and 13.10.2024, respectively. Besides these Applicants themselves availing the benefit of extended period, the IRP received requests from the PRAs for extension of timeline.

57. Any such extension is to be made with the approval of the CoC as per Regulation 36B(6) of the CIRP Regulations, which says:

*The resolution professional may, with the approval of the committee, extend the timeline for submission of Resolution Plans.*

58. It is an admitted position that no meeting of the CoC was held between 29.08.2024 and 14.10.2024, a fact also evident from the information furnished by the IRP to the BSE, placed at Annexure-3 of Intervention Petition (IBC) 03/2025. Therefore, it is clear that no approval of the CoC was taken for extending the date of receiving the Resolution Plans to 13.10.2024.

59. However, both extensions were subsequently ratified in the 6th CoC meeting held on 15.10.2024. Ratification by the CoC has the effect of validating the extension retrospectively, particularly where no prejudice is shown to have been caused to any stakeholders.



60. In view of this, while there is some force in the plea that the extensions were not approved in advance, the subsequent ratification by the CoC cures the procedural irregularity and no material illegality or prejudice is demonstrated because of extension dates to receive resolution plans so as to vitiate the CIRP on this ground.

### **Violation of Regulation 19 of the CIRP Regulations**

61. With respect to the Applicants' contention that the meetings of the CoC were convened in violation of Regulation 19 of the CIRP Regulations, it is noted that Regulation 19(1) stipulates a minimum notice period of five days for convening a meeting of the CoC. However, Regulation 19(2) expressly permits curtailment of the notice period to not less than 24 hours, provided the CoC accords its approval. The object of this provision is to ensure procedural flexibility where circumstances warrant urgent deliberation.
62. A conjoint reading of Sections 28(1) and 28(2) of the IBC with Regulation 25(1) of the CIRP Regulations makes it clear that prior approval of the CoC is mandatory only for matters expressly enumerated under Section 28(1)(a) to (m) as this clause use the word "*shall*". For issues falling outside the scope of Section 28(1), Regulation 25(2) uses the word "*may*", thereby permitting such matters to be placed before the CoC without requiring prior approval.



63. Consequently, administrative and procedural matters, such as scheduling of meetings or reduction of notice period do not require prior approval of the CoC. Therefore, subsequent ratification by the CoC is adequate compliance with Regulation 19(2).
64. The 10<sup>th</sup> CoC meeting is stated to have been held on 20.01.2025 and 11<sup>th</sup> CoC meeting on 21.01.2025. The RP and CoC have taken the plea that 10<sup>th</sup> meeting was held on 19.01.2025, but it was adjourned to 20.01.2025. In the 10<sup>th</sup> meeting held on 20.01.2025, the CoC ratified the convening of the adjourned meeting on shortened notice (not less than 24 hours) and also approved holding the 11<sup>th</sup> CoC meeting at 7:30 p.m. on 21.01.2025. Once the CoC has accorded such approval and ratification, the requirements of Regulation 19(2) stand duly satisfied.

### **Denial of opportunity under Sections 25(i) and 30(5) of the IBC**

65. Denial of opportunity may arise where the RP or the CoC fails to adhere to the principles of natural justice and transparency, thereby preventing a PRA from having its plan duly considered or from being heard. This requirement is implicit in Sections 25(i) and 30(5) of the IBC.
66. Under Section 25(i) of the IBC, the duty of the Resolution Professional is to present all Resolution Plans to the CoC. Under Section 30(5), the right of a Resolution Applicant is limited to participate in the meeting when the Resolution Plan is under consideration; it does not confer a right to attend all CoC meetings or to be involved in every internal deliberation of the CoC.



67. The record shows that all the Applicants were duly informed of, and participated in, the resolution process at appropriate stages. The Applicant in Intervention Petition (IBC) 03/2025 was specifically requested to attend the 6<sup>th</sup> CoC meeting held on 15.10.2024 at 5:00 p.m., and was kept apprised of subsequent developments through email communications dated 30.10.2024, 26.12.2024, and 15.01.2025, including requests for further information. The Applicant in Intervention Petition (IBC) 05/2025 attended the 6<sup>th</sup> and 9<sup>th</sup> CoC meetings, and furnished clarifications on its Resolution plan during the meetings held on 15.10.2024 and 23.12.2024 respectively. He also received timely notices of meetings through emails dated 30.10.2024, 28.11.2024, and 21.12.2024. The Applicant in IA (IBC) 279/2025 has herself admitted that she was given an opportunity to attend the 6<sup>th</sup> and 9<sup>th</sup> CoC meetings. In response to emails dated 14.10.2024 and 21.12.2024, she confirmed participation through her authorised representative and submitted the required documents. Ms. Maligi Hima Bindu also acknowledged the email convening the meeting scheduled on 23.12.2024. All PRAs were informed to attend the 9<sup>th</sup> CoC meeting scheduled on 23.12.2024 for deliberations on the Resolution Plans, and a Zoom link was circulated to facilitate participation.
68. Thus, the Resolution Plans were discussed across several meetings, during which the PRAs were repeatedly asked to provide clarifications and supporting documents. The CoC ultimately approved the Resolution Plan in its 11<sup>th</sup> meeting.



69. In view of the Applicants' demonstrable participation throughout the process, and consistent communication from the RP, the allegation of denial of opportunity is baseless and is accordingly rejected.

### **Holding of 10<sup>th</sup> and 11th Meetings of the CoC**

70. The RP was appointed in place of the IRP vide Order dated 08.01.2025 in IA No. 1261 of 2024, subject to confirmation by the IBBI, which accorded its approval on 20.01.2025. Such confirmation is mandatory under Section 22(4) of the IBC. The appointment of the RP becomes effective only after such confirmation. Section 22(4) IBC provides as follows:

*The Adjudicating Authority shall forward the name of the resolution professional proposed under clause (b) of sub-section (3) to the Board for its confirmation and shall make such appointment after confirmation by the Board.*

71. Thus, the appointment of the new RP stands completed only upon confirmation of his name by the IBBI. Vide letter dated 20.01.2025, the IBBI confirmed the proposal forwarded by this Authority, and the relevant extract of the said letter reads:

*"...The Board hereby confirms that there is nothing adverse on record against proposed Insolvency Professional...."*

72. Along with the said letter, the IBBI also enclosed its communication dated 06.01.2020 (**Annexure-9** of IA 04 of 2025), stating that an online platform has been created for all NCLT Benches to access a live



database of Insolvency Professionals, enabling verification of whether any disciplinary proceedings are pending. It is further stated that the database includes details only of those IPs who hold a valid Authorisation for Assignment (AFA), which itself is issued only if no disciplinary proceedings are pending. The letter also clarifies that pendency of disciplinary proceedings is not the sole criterion, and in its concluding paragraph, it states:

*“We hope this arrangement is suffice the requirement of NCLT for appointment of IPs as IRP, RP, Liquidator or BT as the case may be.....”*

73. The stand of the Respondents is that in view of letter dated 06.01.2020, confirmation of the appointment by the IBBI was merely formality and therefore, the IRP handed over the record to the newly appointed RP on 15.01.2025, and the RP formally took charge on 18.01.2025, after which the 10th and 11th meetings of the CoC were convened.
74. However, the purpose of forwarding the proposal to the IBBI is not confined merely to ascertaining whether disciplinary proceedings are pending. It is also to ensure that the proposed RP is professionally eligible, conflict-free, competent, and suitable to conduct the CIRP, thereby maintaining integrity, transparency, and regulatory oversight over the insolvency process.
75. In view of the above, it is evident that the RP's assumption of charge on 15.01.2025, prior to the IBBI's confirmation dated 20.01.2025, was procedurally premature. The statutory mandate under Section 22(4) requires that the appointment of the RP attains legal efficacy only after confirmation by the Board. The general communication of the IBBI





dated 06.01.2020, being merely an administrative facilitation for accessing the live database of Insolvency Professionals, cannot be construed as a deemed or automatic confirmation for any specific appointment. The statutory requirement is for a specific confirmation in each individual case.

76. Consequently, the RP's assumption of charge prior to 20.01.2025 was, at best, premature and without completion of the mandatory statutory formality. It is equally settled that procedural irregularities that do not cause prejudice to the stakeholders may not invalidate subsequent actions, particularly where the CoC has acted with consensus and the IBBI has, thereafter, duly confirmed the appointment. However, the legal sustainability of the actions taken between 15.01.2025 and 20.01.2025 depends on whether any material prejudice, procedural impropriety, or conflict of interest is demonstrated.
77. In the present case, the apparent prejudice is evident from the manner in which the meetings were hurriedly convened. The notice for the 10th CoC meeting scheduled on 19.01.2025 at 5:30 PM was issued on 18.01.2025 at 3:49 PM and signed by the RP (**Annexure R-2** to the CoC's counter in Intervention Petition (IBC) 03/2025). Similarly, notice for the 11th CoC meeting scheduled on 21.01.2025 at 7:30 PM was issued on 20.01.2025 at 7:00 PM. In the 11th COC meeting, a detailed presentation along with Resolution Plans was reportedly placed before the CoC, as disclosed in para (m) of the RP's reply in Intervention Petition (IBC) 03/2025. It is also stated that a comprehensive evaluation matrix was placed before the CoC.



78. However, the intimation to the BSE regarding the 10th CoC meeting mentions the date as 20.01.2025. There is no notice convening a meeting on 20.01.2025, nor are minutes produced showing that a meeting on 19.01.2025 was held and adjourned to 20.01.2025. If the meeting was adjourned from 19th to 20th, the minutes ought to record what transpired on that date and who were present. However, no such minutes has been placed on record.
79. Similarly, the minutes of the 10th and 11th COC meetings record that they were held through physical and virtual (hybrid) modes. However, the minutes do not disclose which participants attended through video-conferencing. This omission strengthens the objectors' case, especially since the intimation sent to the BSE correctly records that the ballot paper had already been dispatched for voting.
80. Under Regulation 24(7) of the CIRP Regulations, the RP must circulate minutes within 48 hours of the meeting. The draft minutes of the 10th and 11th COC meetings were circulated only on 22.01.2025 (4:40 PM) and 24.01.2025 (11:13 PM), respectively, along with the ballot papers. Without waiting for approval of the minutes or the conclusion of voting, the RP intimated approval of the Resolution Plan of Shri Vivek Kumar Ratakonda to the BSE on 23.01.2025 (**Annexure-1** of the Rejoinder in Intervention Petition (IBC) 03/2025). The Prospective Resolution Applicants were also informed of rejection of their Plans vide email dated 23.01.2025.



81. The Respondents attempted to justify convening the meetings on 20.01.2025 and 21.01.2025 on the ground that the CIRP period was about to expire. However, this explanation does not withstand scrutiny, as the CIRP period had already been extended from 06.11.2024 to 04.02.2025 vide Order dated 06.11.2024 in IA(IBC)/2131/2024 (**Annexure-8** of the Resolution Application), and a further 12 days stood excluded thereafter.
82. In light of the foregoing discussion, it is evident that the conduct of the 10th and 11th CoC meetings suffers from multiple procedural infirmities arising directly from the RP's premature assumption of charge and the manner in which the meetings were convened and conducted. The inconsistent dates, absence of proper notices, lack of recorded participation details, and the premature intimation of approval of the Resolution Plan to the BSE collectively demonstrate prejudice to the stakeholders and undermine the transparency, fairness, and deliberative process mandated under the IBC and the CIRP Regulations. These defects go beyond mere technical irregularities and materially affect the decision-making process of the CoC. Accordingly, the decisions taken in the 10th and 11th CoC meetings, including the approval of the Resolution Plan, cannot be sustained in their present form and warrant appropriate corrective intervention by this Adjudicating Authority.



## Notice to the Operational Creditors

83. The inclusion of Operational Creditors in the CoC process is not a mere procedural formality but a fundamental component of good corporate governance. The requirement of giving notice to Operational Creditors is anchored in the principles of transparency, fairness, and statutory compliance underlying the CIRP framework. Section 24(3)(c) of the IBC mandates issuance of notice to such Operational Creditors whose aggregate admitted dues are not less than ten per cent of the total debt. Even where an individual Operational Creditor's admitted claim falls below this threshold, if the aggregate admitted claims of all Operational Creditors collectively exceed the statutory minimum of ten per cent, issuance of notice under Section 24(3)(c) becomes compulsory. Section 24(3) IBC provides:

*"The resolution professional shall give notice of each meeting of the committee of creditors to—*

*(c) operational creditors or their representatives if the amount of their aggregate dues is not less than ten per cent of the debt."*

84. The use of the expression "shall" in Section 24(3)(c) makes the requirement mandatory. Once the admitted dues of Operational Creditors cross the statutory threshold, the Resolution Professional is duty-bound to issue notice of each CoC meeting. Failure to issue such notice constitutes a breach of a mandatory procedural requirement under the Code. The Resolution Professional is, therefore, legally obligated to issue notice of each meeting of the Committee of Creditors to such Operational Creditors or their authorised representatives. This



ensures their participation, though without voting rights, in the deliberations of the CoC and enables them to place their views, objections, or concerns before the CoC and the Resolution Professional.

85. In the present case, the admitted claims of various categories are: Financial Creditors (Non-Related) – Rs.1,28,54,428; Financial Creditors (Related) – Rs.25,48,786; totalling Rs.1,54,03,214; and Operational Creditors – Rs.2,46,56,446. Accordingly, the aggregate admitted dues of the Operational Creditors exceed ten per cent of the total admitted debt. In view of Section 24(3)(c) of IBC, notice of CoC meetings was mandatorily required to be issued to all the Operational Creditors.
86. Learned counsel for the Respondents has relied upon the decision in *Bhushan Shringarpure and others v. B.K. Sharma*<sup>25</sup> to argue that non-service of the CoC meeting notices to Operational Creditors holding more than 10% of the aggregate debt is not fatal. However, the said judgment emphatically recognises that Section 24(3)(c) is mandatory. In Para No.14 it was observed:

14. A bare reading of the aforesaid provision i.e. Section 24(3)(c) shows that it is mandatory in nature and it is incumbent upon the RP to serve notice to all the Operational Creditors of each meeting of the CoC or if they elect their authorized representatives after notice is received by them, then the notice of meeting to the authorized representatives. There is no question of otherwise knowledge acquired of the meetings of the CoC by the Operational Creditors as

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<sup>25</sup> 2023) ibclaw.in 254 NCLAT.



has been argued by Counsel for Respondent No. 1. It is also true that in view of Section 24(4) the Operational Creditor or their representatives shall not have a right to vote in each meeting of the CoC in which they participate and in case they remain absent despite notice then they cannot rake up a dispute for getting the proceeding invalidated on that account. However, in the decision rendered by this Tribunal in the case of ANG Industries Ltd. (Supra), dealing with the same situation arising from the non-compliance of Section 24(3)(c) it has been held that:

“15. From the aforesaid provisions the intention of the legislature is clear that the Committee of Creditors while approving or rejecting one or other resolution plan should follow such procedure which is transparent. Those who will watching the proceeding such as (suspended) Board of Directors or its Partners; Operational Creditors or its representatives and Resolution Applicant(s) are not mere spectator but may express their views to the Committee of Creditors for coming to conclusion in one or other way.”

(Own emphasis)

87. After holding that issuance of notice is mandatory, the Hon’ble NCLAT in ***Bhushan Shringarpure*** nevertheless declined to invalidate the CIRP, having regard to the minimal loss of only a marginal amount of 1–2% and in view of the resolution plan already having been approved. Instead, costs of Rs.1,00,00,000/- were imposed on the RP. The Hon’ble Tribunal also distinguished ***Rahul Khilnani & Anr. v. Sh. Atul Kumar Jain & Ors.***<sup>26</sup>, noting that although Operational Creditors lack voting rights, that cannot lead to the conclusion that non-issuance of notice causes no prejudice. Such an interpretation would render Section 24(3)(c) otiose and defeat its legislative intent.

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<sup>26</sup> (2022) ibclaw.in 760 NCLAT



88. Therefore, we are of the view that the Operational Creditors having more than 10% share in the admitted claims possess the statutory right to attend the meetings, express their views, and participate in the discussions, even though they do not enjoy voting rights. Non-issuance of such notice, when viewed in the context of other surrounding facts, clearly indicates a lack of transparency in the conduct of the CIRP and suggests that the decisions of the CoC and the RP were taken in an arbitrary manner.

### Capital Restructuring

89. Section 5(26) of the IBC contemplates that a Resolution Plan may provide for the restructuring of the Corporate Debtor. The Explanation appended to Section 5(26) clarifies that such restructuring may include measures such as merger, amalgamation, and demerger. Section 5(26) says:

*5(26) “resolution plan” means a plan proposed by resolution applicant for insolvency resolution of the corporate debtor as a going concern in accordance with Part II;*

*Explanation. - For removal of doubts, it is hereby clarified that a resolution plan may include provisions for the restructuring of the corporate debtor, including by way of merger, amalgamation and demerger.*

90. Thus, the legislative scheme expressly recognizes that a Resolution Plan may reorganize the Corporate Debtor in any manner necessary for its revival as a going concern. Capital restructuring, merger, demerger, and substantial changes in shareholding are permissible tools for achieving this objective.



91. Further, Regulation 37 of the CIRP Regulations enumerates the measures that may be incorporated in a Resolution Plan for maximisation of value. Regulation 37(ba) authorises restructuring of the Corporate Debtor by way of merger, amalgamation, or demerger, while Regulation 37(c) enables substantial acquisition of shares of the Corporate Debtor or its merger or consolidation with one or more persons. These provisions demonstrate that capital restructuring and changes in the shareholding pattern form permissible components of a Resolution Plan. Regulation 37 reads in relevant part as follows:

***Regulation 37.** A resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets, including but not limited to the following: -*

*(ba) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;*

*(c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;*

92. Therefore, the proposed reduction of share capital and other restructuring measures fall squarely within the statutory framework and constitute a permissible component of an approved resolution plan, provided that such measures comply with other mandatory safeguards under the Code and Regulations.





93. The Resolution Plan of Mr. Vivek Kumar Ratakonda provides for revival of the Corporate Debtor through merger of “Ticker Limited” for consideration of Rs.174.93 crores by allotting equity shares of the Corporate Debtor to the shareholders of Ticker Limited and infusion of Rs.20 crores by unnamed “strategic investors.” However, these investors are neither included in the Provisional List nor the Final List of Prospective Resolution Applicants. This raises the question whether the RP/IRP has conducted the due diligence required under Regulation 36A(8) of the CIRP Regulations. This due diligence ensures that only credible, eligible, and legally permissible persons participate in or acquire control through the resolution process. Regulation 36A(8) provides:

*(8) The resolution professional shall conduct due diligence based on the material on record in order to satisfy that the prospective resolution applicant complies with-*

*(a) the provisions of clause (h) of sub-section (2) of section 25;*

*(b) the applicable provisions of section 29A, and*

*(c) other requirements, as specified in the invitation for expression of interest.*

94. The contention of the Respondents is that Section 29A applies exclusively at the time of submission and solely to the entity submitting the Resolution Plan as settled in *Arcelor Mittal India Private Limited v. Satish Kumar Gupta and Ors*<sup>27</sup> case. It is submitted that the transferor company does not qualify as a ‘connection person’ under section 29A(j), having neither controlled nor influenced the plan’s submission, nor acted jointly with the SRA in any manner. It is further

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<sup>27</sup> (2019)2 SCC 1



contended that its role in the proposed amalgamation is merely an implementation mechanism under Regulation 37, and therefore the RP was correct in seeking eligibility only from the SRA.

95. However, while capital restructuring and merger are permissible, the RP's statutory obligation of due diligence cannot be diluted merely because the restructuring is to be achieved through a post-approval amalgamation. When a merger or capital infusion results in new individuals or entities acquiring substantial shareholding or control of the Corporate Debtor, through a Resolution Plan under IBC, their identity and eligibility must be verified. This requirement flows from Sections 29A, 30(2), Regulation 36A(8), and the fundamental principles of transparency and integrity governing the CIRP. Even during liquidation if any such scheme is filed under Regulation 2B of the Liquidation Regulations, compliance of Section 29-A is to be made.
96. In the present case, the Resolution Plan (i) introduces Ticker Limited as the entity to be merged with the Corporate Debtor, and (ii) introduces unidentified "strategic investors" who are to infuse Rs.20 crores. The RP has not placed any material regarding the beneficial ownership, corporate structure, control, or financial capability of Ticker Limited. Similarly, no details, identity, proof of funds, or eligibility certificates have been furnished with respect to the so-called "strategic investors". In the absence of such material, the RP cannot be said to have complied with Regulation 36A(8).



97. Section 29A was enacted to eliminate conflicts of interest and preserve the credibility of the CIRP. The provision disqualifies a broad category of persons, including those acting jointly or in concert, from submitting or influencing a Resolution Plan. The Hon'ble Supreme Court in *Arun Kumar Jagatramka v. Jindal Steel and Power Ltd.*<sup>28</sup> explained that a person who has contributed to the downfall of the Company cannot be allowed to participate in its revival. This principle underlies Section 29A. The argument that Section 29A applies only to the formal Applicant cannot be extended to legitimise opacity concerning entities that will hold substantial equity post-resolution. The Hon'ble Supreme Court in *Swiss Ribbons v. Union of India*<sup>29</sup>, as well as in *Chitra Sharma v. Union of India*<sup>30</sup> emphasised that the objective of Section 29A is to prevent ineligible or tainted persons from re-entering through proxy structures. Therefore, failure to disclose the identity of future shareholders defeats the purpose of Section 29A and undermines the CoC's ability to make an informed commercial decision.
98. The RP was duty-bound to examine and disclose: (i) the shareholding pattern of M/s.Ticker Limited;(ii) its financial statements;(iii) its beneficial ownership; (iv) any related-party or conflict-of-interest concerns; and (v) whether any shareholders or directors suffered disqualification under Section 29A. No such material has been made available. The same deficiency applies with respect to the unidentified strategic investors.

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<sup>28</sup>(2020) ibclaw.in 44 SC

<sup>29</sup> (2019)4 SCC 17

<sup>30</sup> Writ Petition (Civil) No. 744 of 2017, decided on 09.08.2018



99. In the absence of such disclosures, the CoC's commercial wisdom was exercised without full knowledge of persons who would ultimately acquire ownership and control of the Corporate Debtor. This vitiates the decision-making process, as the CoC cannot be deemed to have approved the Plan with informed consent.
100. Further, feasibility and viability under Section 30(2)(c) require the Plan to be implementable. A Plan dependent upon unnamed investors, unidentified sources of funds, and unspecified merger entities cannot meet this test. The RP ought to have insisted upon commitment letters, proof of funds, Section 29A affidavits, and supporting documents from all persons proposed to acquire shareholding or contribute funds.
101. In view of the above, we find that while capital restructuring is statutorily permissible, the present Plan suffers from material deficiencies relating to (i) absence of due diligence under Regulation 36A(8), (ii) non-disclosure of incoming shareholders and funders, and (iii) absence of Section 29A compliance for all persons acquiring control; leading to the impairment of the CoC's commercial decision-making. These deficiencies go to the root of the Resolution Plan and cannot be treated as mere curable irregularities. This violates Regulation 36B, 39(1A) and 39(1B), and IBC principles of transparency, fairness and value maximization.

### **Challenge Mechanism**

102. Regulation 39(1A)(a) of the CIRP Regulations permits the Resolution Professional to allow one modification to a Resolution Plan, subject to



the terms of the Request for Resolution Plan (**RFRP**). Likewise, Regulation 39(1A)(b) enables the Resolution Professional to adopt a challenge mechanism to allow Resolution Applicants to improve their Plans, where such a mechanism is contemplated under the RFRP. Regulation 39(1A) provides as follows:

(1A) The resolution professional may, if envisaged in the request for resolution plan-

(a) allow modification of the resolution plan received under sub-regulation (1), but not more than once; or

(b) use a challenge mechanism to enable resolution applicants to improve their plans.

103. This Regulation is an enabling provision and does not cast any obligation upon the Resolution Professional or the Committee of Creditors to permit modification of a Resolution Plan. In this regard, we agree with the submissions of learned counsel for the Respondents, who have relied upon *Findoc Finvest Private Limited v. Surendera Raj Gang*<sup>31</sup>. The decision not to go for challenge mechanism despite having provision in RFRP falls squarely within the domain of the CoC's commercial wisdom, has been accorded primacy by the Hon'ble Supreme Court in *Essar Steel India Ltd. Committee of Creditors v. Satish. Kumar Gupta*<sup>32</sup> wherein it was held that: "the commercial wisdom of the CoC has been given paramount status without any judicial intervention for ensuring completion of the stated processes within the timelines prescribed by the IBC."

<sup>31</sup> Company Appeal (AT) (Insolvency) No. 249 of 2025, decided on 18.03.2025

<sup>32</sup>(2020) 8 SCC 531



104. Similarly, the evaluation matrix applied by the CoC falls entirely within its commercial wisdom. In *IMR Metallurgical Resources AG v. Ferro Alloys Corporation Limited & Ors.*<sup>33</sup>, it was held, particularly in para 12, that the commercial wisdom of the CoC is non-justiciable and that the jurisdiction of the Adjudicating Authority is confined to examining the limited grounds under Section 30(2) of the Code. In *PNC Infratech Limited v. Deepak Maini*<sup>34</sup>, it was held in para 39 that there is no mechanism under the Code granting an unsuccessful resolution applicant the right to challenge the score awarded as per the evaluation matrix framed by the CoC and the RP in terms of the CIRP Regulations. Likewise, in *Yashdeep Sharma v. Tara Chand Meenia*, Company Appeal (AT) (Insolvency) No. 1906 of 2024, decided on 11.12.2024, it was reiterated that the commercial wisdom of the CoC is to be accorded paramount importance.
105. Accordingly, the decision of the CoC not to adopt a challenge mechanism is non-justiciable and the Resolution Professional—who is only a facilitator and the mouthpiece of the CoC—has no adjudicatory role in the approval or rejection of any Resolution Plan.
106. While the CoC's commercial wisdom is paramount, the question remains whether, in the facts of the present case, the reasons for dispensing with the challenge mechanism were justified. The reasons for not adopting the challenge mechanism have been explained in the minutes of the 10th meeting of the CoC, wherein it was stated that the Resolution Plans offered a satisfactory recovery for creditors (with

<sup>33</sup> Company Appeal (AT) (Insolvency) No. 272 of 2020

<sup>34</sup> Company Appeal (AT) (Insolvency) No. 143 of 2020



100% recovery in most cases), making further bidding unnecessary. It was also noted that prolonging the process could incur unnecessary financial and administrative costs. Another reason cited was the advanced stage of the CIRP and prevailing time constraints.

107. However, commercial wisdom must be exercised in a manner that advances the interests of all stakeholders. Most Plans offered full payment to creditors and additionally provided amounts to other stakeholders such as shareholders. In contrast, the Plan submitted by the SRA neither offered full payment to creditors nor included any allocation for shareholders, instead proposing collateral security—an aspect rendered redundant in the face of competing Plans offering 100% recovery. Despite receiving multiple comparable Plans, no challenge mechanism was conducted by the RP or the CoC, even though it was envisaged in the RFRP.
108. Coming to the plea of time constraint, it is noted that the RP's contention that there was insufficient time for a challenge mechanism or negotiations because the CIRP deadline was to end on 04.02.2025 is factually incorrect. The RP allowed the CIRP to remain pending for 97 days after 15.10.2024 (when sealed Plans were opened) until 20.01.2025 (10th CoC meeting). Further, even after excluding another 12 days, the CIRP period was set to end on 15.02.2025. Even then the RP could have approached this Authority for extension of time. Therefore, the plea of time constraint cannot be taken for not making any effort to explore the possibility of maximising value for stakeholders.



109. When considered cumulatively with other lapses—such as the failure to issue notice to Operational Creditors under Section 24(3), irregularities in the 10th and 11th CoC meetings, deficiencies in the merger proposal, failure to evaluate all Plans on an equal footing, and convening meetings without formal approval of the RP's appointment—it prima facie appears that the challenge mechanism was deliberately avoided.

## E. FINAL ORDER

110. Upon careful consideration of the material on record, the sequence of events, and the conduct of the Resolution Professional and the Committee of Creditors, we are of the considered view that the Resolution Plan placed before this Adjudicating Authority suffers from multiple, substantive, and incurable defects. These deficiencies are not mere procedural irregularities but strike at the foundation of the statutory framework, being contrary to the principles of transparency, fairness, and value maximisation embedded in the Insolvency and Bankruptcy Code, 2016. Consequently, the Resolution Plan submitted by Shri Vivek Kumar Ratakonda cannot be approved.
111. In view of the above findings, **IA (IBC) (Plan) 4 of 2025**, seeking approval of the Resolution Plan, stands dismissed. The Intervention Petitions (IBC) 03 of 2025 and 05 of 2025 in IA (IBC) (Plan) 04 of 2025, IA (IBC) 279 of 2025, IA (IBC) 377 of 2025, IA (IBC) 610 of 2025, and IA (IBC) 1285 of 2025 stand disposed of in terms of the observations recorded herein.





112. The Committee of Creditors, acting through the Resolution Professional, is directed to issue a fresh Request for Resolution Plan (RFRP) strictly in compliance with the provisions of the Code and the CIRP Regulations. The process shall be conducted in a fair, transparent, and non-discriminatory manner, ensuring equal opportunity to all eligible Resolution Applicants.
113. In the interest of preserving the sanctity of the Corporate Insolvency Resolution Process and to ensure an impartial and transparent continuation of proceedings, we deem it appropriate to replace the present Resolution Professional with Dr. V. Ahalada Rao, having IBBI Regn. No.IBBI/IPA-002/IP-N00074/2017-2018/10172, email: [rp.ahaladarao@gmail.com](mailto:rp.ahaladarao@gmail.com), Mobile: 9849027041, who is hereby appointed as the new Resolution Professional.
114. The outgoing Resolution Professional shall, within three (03) days from the appointment of the new Resolution Professional, hand over the entire CIRP record to the newly appointed RP. Any deviation or non-compliance shall be viewed seriously by this Authority.

Sd/-

**(SANJAY PURI)**  
**MEMBER (TECHNICAL)**

Syamala

Sd/-

**(RAJEEV BHARDWAJ)**  
**MEMBER (JUDICIAL)**