



Date: 08/08/2025

To,

Listing Department
National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (East),
Mumbai-400051 (Maharashtra)

Company Symbol: JALAN

Subject: NCLT order in the matter of Jalan Transolutions (India) Limited to Corporate Insolvency Resolution Process (CIRP) pursuant to withdrawn application filed under Section 12A of the IB Code

Ref: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

Dear Sir/ Madam,

In continuation to our letters, please find enclosed herewith the copy of order as passed by NCLT, New Delhi on 6th August, 2025 in the matter of withdrawal application filed under Section 12A of the IB Code.

You are requested to take the above information on record.

**Thanking You
Yours Faithfully
For Jalan Transolutions (India) Limited**

**SHRUTI
GOEL** Digitally signed by
SHRUTI GOEL
Date: 2025.08.08
10:13:01 +05'30'

**Shruti Goel
Company Secretary cum Compliance
Officer**

JALAN TRANSOLUTIONS (INDIA) LIMITED

Registered Office
206, Ajanara Bhawan, D-Block Market,
Vivek Vihar, Delhi-110095 {INDIA}

CIN : L63090DL2003PLC119773
email : info@jalantransolutions.com
website : www.jalantransolutions.com



NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH, COURT II

(SPECIAL BENCH)

I.A. NO. 1717 OF 2025

In

COMPANY PETITION NO. (IB)-480/(ND)/2024

(Under Section 12A of IBC, 2016 r/w Reg. 30A of CIRP Regulations, 2016)

IN THE MATTER OF CP(IB)-480/(ND)/2024:

(Under Section 7 of IBC, 2016)

M/s Capital Trade Links Limited

Through its Authorized Signatory Mr. Shivam Mittal, B-4, LGF
Ashoka Niketan, Delhi - 110092, India ...

Petitioner/Financial Creditor

Versus

M/s Jalan Transolutions (India) Limited

206, Ajnara Bhawan, D- Block Market, Vivek Vihar, Delhi -
110095 ...

Respondent/Corporate Debtor

AND IN THE MATTER OF I.A. NO. 1717 OF 2025:

Mr. Sudhanshu Gupta

(Interim Resolution Professional for Jalan Transolutions (India)
Limited)

311, Agarwal Chamber – II, Plot No. 30-31, Veer Savarkar Block,
Opp. Metro Pillar No. 58, Shakarpur, Delhi- 110092 ...

Applicant/ RP



Order Delivered on: 06.08.2025

CORAM: MAHENDRA KHANDELWAL, THIRD MEMBER (J)

Appearance :

For the Applicant	: Mr. Himanshu Kapoor, Adv., Mr. Sudhanshu Gupta, IRP
For the FC	: Mr. Pankaj Agarwal, Adv.
For the Suspended Management	: Mr. Rachit Mitall, Adv.

ORDER

PER: MAHENDRA KHANDELWAL, MEMBER (JUDICIAL)

1. The I.A. No. 1717/2025 is an application referred to me as a Third Member under Section 419(5) of the Companies Act, 2013, read with Rule 60(2) & (3), of the NCLT Rules, 2016, by the Hon'ble President NCLT -New Delhi, vide Order dated 07.07.2025 to hear and dispose of the matter on the difference of opinion between Member (J) and Member (T) recorded in their Order dated 12.06.2025.
2. The IA No. 1717/2025 in C.P. (IB) No. 480/2024 was initially heard by the Bench comprises of Shri Ashok Bhardwaj, Hon'ble Member (Judicial) and Ms. Reena Sinha Puri, Hon'ble Member (T). Both the Ld. Hon'ble Members have authored separate and independent Orders. However, a difference of opinion has cropped up between both of them on the following issue:



“Whether at the stage of consideration of application preferred under Regulation 30A(1)(a) of IBBI (CIRP) Regulations 2016 i.e. before constitution of CoC, only those parties/ stakeholders who prefer application before the Adjudicating Authority opposing the I.A. preferred under Regulation 30A(1)(a) or otherwise need to be heard or notice qua the application preferred under Regulation 30A(1)(a) need to be issued either by this Tribunal or IRP to all those, who could submit their claim before IRP to give them an opportunity of hearing even before constitution of CoC, irrespective of the fact that they have not preferred any I.A. or objection before this Tribunal on their own?”

3. Arguments on the above issue were heard by me on 18.07.2025.

Arguments were advanced by Adv. Shri Pankaj Agarwal, Ld. Counsel on behalf of the Financial Creditor, Adv. Shri Rachit Mitall, Ld. Counsel on behalf of Suspended Management of the CD, and Ld. Counsel on behalf of Applicant Resolution Professional. Ld. RP in person was also present and his submissions were also heard.

4. All the Ld. Counsels and Ld. RP in person advanced their arguments and cited case laws while agreeing with the views recorded by Hon’ble Judicial Member.

5. I have considered the submissions made by all the Ld. Counsels, and case laws cited by them. I have perused the Order of Hon’ble Judicial and Hon’ble Technical Member. Also perused the pleadings and other relevant material placed on record.



6. Facts of the matter are enumerated in detail in the order dated 12.06.2025 of Hon'ble Judicial and Hon'ble Technical Member.

However, in brief, following are the important facts and circumstances which are necessary to consider the issue involved:

6.1 The CP(IB) No. 480/(ND)/2024 has been filed by the Financial Creditor under Section 7 of the Code, for initiating CIRP qua the Corporate Debtor.

6.2 During the course of hearing on 24.02.2025, the Ld. Counsel for the Corporate Debtor had submitted that the Corporate Debtor is prepared to repay the principal amount of debt within 24 months. However, the Ld. Counsel for the Financial Creditor had refuted the submission and stated that the present proceeding is not debt recovery proceedings and he is pressing the petition in terms of the spirit of the Code. The Adjudicating Authority then directed as under:

*“Let the affidavit in terms of the submission made by the Ld. Counsel for the Corporate Debtor be filed within 7 days. It is made clear that it is not for this Tribunal to encourage or promote settlement. It would be for the Financial Creditor to consider the stand taken by the Corporate Debtor or not, and if the offer given by the Corporate Debtor is not acceptable to the Financial Creditor we would be hearing the petition on the next date on merits. **List on 04.03.2025.**”*

6.3 In terms of the aforesaid Order, the Corporate Debtor filed their affidavit on 03.03.2025, wherein it undertook to settle the



outstanding dues payable to the Petitioner within a period of 24 months. However, the Financial Creditor did not responded to the said offer and in fact nobody appeared on behalf of the Financial Creditor before the Adjudicating Authority during the course of hearing on the date fixed i.e. 04.03.2025. The Company Petition under Section 7 of the IBC was admitted in terms of order dated 04.03.2025, and Mr. Sudhanshu Gupta was appointed as the Interim Resolution Professional.

6.4 On the same day i.e. on 04.03.2025, Suspended Director of the Corporate Debtor send an email to the IRP stating that they are in the process of entering into a settlement with the Financial Creditor/Original Petitioner and they shall finalise the terms of settlement within a day in lights of same, the IRP was requested not to proceed ahead with the publication of FORM A in newspaper for inviting claims from various creditors of Corporate Debtor. In the said email, it was also intimated to the IRP that suspended management is also in process of filing an appeal before the Hon'ble National Company Law Appellate Tribunal to record terms of settlement and accordingly will seek termination and quashing of the Corporate Insolvency Resolution Process due to settlement.



6.5 As mentioned in para 4 of the IA, the Resolution Professional on 22.03.2025 published the public announcement in FORM A in 2 daily newspapers namely Financial Express in English and Jansatta in Hindi inviting claims from various creditors of Corporate Debtor. As per the FORM A published, the last date of submission of claims by claimants is 03.04.2025. Pursuant to the same, RP has received one claim from Union Bank. However, Applicant till filing of the IA, could not verify the claims. IRP is yet to constitute the Committee of Creditors. However, as recorded in Order dated 18.07.2025, the claim of one of the Financial Creditor i.e. Union Bank of India of amounting Rs. 47.87 Crore was received by the IRP and the same has been provisionally admitted for amount of Rs. 37.66 Crore and the IRP has also intimated to the Union Bank of India by e-mail dated 11.04.2025 regarding pendency of the present application under Section 12A.

6.6 Company Appeal (AT) (Insolvency) No. 573 of 2025 titled Manish Jalan Suspended Director Jalan Transolution (India) Ltd. Vs Jalan Transolution (India) Ltd. & Anr. was filed before the Hon'ble NCLAT challenging the order dated 04.03.2025 passed by the Adjudicating Authority Admitting Section 7 Petition. In view of the settlement dated 05.03.2025 arrived between the parties, a



Three Member Bench of the Hon'ble NCLAT has disposed of the said Appeal vide Order dated 08.04.2025. Hon'ble NCLAT has recorded in their Order as under:

"2. Learned counsel for the Appellant submits that subsequent to the order dated 04.03.2025, the Appellant entered into settlement on 05.03.2025, which settlement has been brought on the record along with the appeal at page 141 of the paper book. Para 2 of the settlement provides as follows:

"2. It is agreed that the First Party shall file an application for withdrawal of Case No. C.P. (IB) - 480/2024, in which the Hon'ble Adjudicating Authority passed an order admitting the Corporate Insolvency Resolution Process (CIRP) against the Second Party, only after the execution of this Settlement Deed and on receipt of the initial payment of Rs. 30,00,000/- (Rupees Thirty Lakh Only) from the Second Party. In the event that the Second Party fails to pay the amount within due time decided in this Deed, the First Party reserves the right to take appropriate legal action (including filing of petition under section 7 of IBC, 2016) against the Second Party."

3. In view of the fact that settlement has been entered with the Financial Creditor, it is open for the Financial Creditor to file Section 12A application as has been contemplated in Para 2 of the settlement.

*4. In facts of the present case, no purpose shall be served by entertaining the appeal or keeping it pending. **As agreed by the parties, the Financial Creditor may proceed to file application under Section 12A r/w Regulation 30A of the CIRP Regulations, 2016 within a week from today.** Subsequent steps shall be taken as per the order of the Adjudicating Authority. Appeal is disposed of accordingly."*

6.7 In terms of the aforesaid Order of the Hon'ble NCLAT, the present application under section 12A of the Insolvency and Bankruptcy Code 2016 read with Regulation 30A of the IBBI (IRP



for CP) Regulations, 2016 has been filed for withdrawal of CP(IB) No. 480 (ND)/2024.

Issue for consideration

7. The issue refers to me primarily relates to procedure to be followed by the Adjudicating Authority while considering Application seeking withdrawal of Petition admitted under Section 7, 9 or 10 of the IBC, in cases where the Committee of Creditors has not been constituted. The question is whether, only those parties/ stakeholders who prefer application before the Adjudicating Authority opposing the application for withdrawal need to be heard or notice qua such an application need to be issued either by the Adjudicating Authority or IRP to all those, who could submit their claim before IRP, to give them an opportunity of hearing even before constitution of CoC, irrespective of the fact that they have not preferred any I.A. or objection before this Tribunal on their own?

Relevant legal provisions-

8. Section 12A of the IBC and Regulation 30A of the IBBI (IRP for CP) Regulations are the relevant provisions which read as under:



“12A. Withdrawal of application admitted under section 7, 9 or 10. –

*The Adjudicating Authority may allow the withdrawal of application admitted under section 7 or section 9 or section 10, on an application made by the applicant with **the approval of ninety per cent. voting share of the committee of creditors**, in such manner as may be specified.”*

“30A. Withdrawal of application.

(1) An application for withdrawal under section 12A may be made to the Adjudicating Authority –

(a) before the constitution of the committee, by the applicant through the interim resolution professional;

(b) after the constitution of the committee, by the applicant through the interim resolution professional or the resolution professional, as the case may be:

Provided that where the application is made under clause (b) after the issue of invitation for expression of interest under regulation 36A, the applicant shall state the reasons justifying withdrawal after issue of such invitation.

(2) The application under sub-regulation (1) shall be made in Form FA of the Schedule-I accompanied by a bank guarantee- (a) towards estimated expenses incurred on or by the interim resolution professional for purposes of regulation 33, till the date of filing of the application under clause (a) of sub- regulation (1); or (b) towards estimated expenses incurred for purposes of clauses (aa), (ab), (c) and (d) of regulation 31, till the date of filing of the application under clause (b) of sub-regulation (1).

(3) Where an application for withdrawal is under clause (a) of sub-regulation (1), the interim resolution professional shall submit the



application to the Adjudicating Authority on behalf of the applicant, within three days of its receipt

(4).....

(5).....

(6) The Adjudicating Authority may, by order, approve the application submitted under sub-regulation (3) or (5).

(7).....

9. A Three Judge Bench of the Hon'ble Supreme Court in **GLAS Trust Company LLC vs. Byju Raveendran & Ors. [Civil Appeal No. 9986 of 2024] 2024 INSC 811**, (*herein after refereed as Glass Trust case*)has analysed the relevant provisions of IBC and CIRP Regulations regarding withdrawal of Petitions, in detail. Hon'ble Supreme Court has also discussed in detail about the development of law in respect of withdrawal of cases under the IBC. Both the Hon'ble Members have extensively quoted the relevant paragraphs of the said judgment. I would like to quote few observations made by the Hon'ble Supreme Court in the said judgment. Supreme court has observed:

46.*Under Rule 8 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016³⁴, the NCLT may permit the withdrawal of applications made by a creditor (under Sections 7, 9 or 10) on a request by the applicant before the admission of the application. When the IBC was originally enacted in 2016, it did not contain any provisions, in the text of the Act or its allied rules and regulations, for the withdrawal of CIRP after the application had been admitted. **Although***



there was no express provision in this regard, in several instances, this Court invoked its powers under Article 142 of the Constitution and permitted withdrawal of the CIRP on account of a settlement between the creditor and the corporate debtor after the application had been admitted by the NCLT.

55. Notably, akin to Section 12A, Regulation 30A in its original form, was silent about withdrawal in cases where the application had been admitted, but the CoC had not been formed. Similarly, Regulation 30A(1) only spoke of withdrawal before the invitation of expression of interest had been issued and there was no provision which provided for withdrawal after it had been issued. Both these gaps were identified in subsequent judgements of this Court.

57. The constitutional validity of various provisions of the IBC, including Section 12A was challenged before this Court. In **Swiss Ribbons** (supra), a two-judge bench of this Court, speaking through Justice Rohinton Fali Nariman, inter alia upheld the constitutionality of Section 12A. One of the questions that arose before this Court, in this context, was what happens if withdrawal is sought after admission of the application, but before the CoC is constituted. This Court observed:

“82. It is clear that once the Code gets triggered by admission of a creditor's petition under Sections 7 to 9, the proceeding that is before the adjudicating authority, being a collective proceeding, is a proceeding in rem. Being a proceeding in rem, it is necessary that the body which is to oversee the resolution process must be consulted before any individual corporate debtor is allowed to settle its claim. A question arises as to what is to happen before a Committee of Creditors is constituted (as per the timelines that are specified, a Committee of Creditors can be appointed at any time within 30 days from the date of appointment of the interim resolution professional). **We make it clear that at any stage where the Committee of Creditors is not yet constituted, a**



party can approach NCLT directly, which Tribunal may, in exercise of its inherent powers under Rule 11 of NCLT Rules, 2016, allow or disallow an application for withdrawal or settlement. This will be decided after hearing all the parties concerned and considering all relevant factors on the facts of each case.

63. In essence, after a series of deliberations by the legislature, the executive and nudges by this Court, the framework created by Rule 8 of the NCLT Rules and Section 12A of the IBC read with Rule 30A of the CIRP Regulations lays down an exhaustive procedure for the withdrawal of an application filed by creditors under Sections 7, 9, or 10 of the IBC. Withdrawal may be sought at four stages, all of which have a procedure prescribed under the existing framework. These may be summarized as follows:

i. Before the application under Sections 7, 9 or 10 is admitted by the NCLT: Such cases are squarely covered by Rule 8 of the NCLT Rules, which requires that the applicant approach the NCLT directly. The NCLT may then pass an order permitting the withdrawal of the application. At this stage, as the CIRP process has not been initiated, the proceedings are still in personam, as between the applicant creditor and the corporate debtor. Therefore, while approving the withdrawal at this stage, the NCLT may restrict its enquiry to only hear the applicant creditor and corporate debtor, and other potential creditors are not stakeholders at this stage.

ii. After an application under Sections 7, 9, or 10 is admitted, but before the CoC has been constituted: Although Section 12A continues to be silent on this aspect, after the decision in *Swiss Ribbons* (supra), Regulation 30A was amended to provide for this eventuality. An application for withdrawal in such cases may be made by the applicant through the IRP. The IRP will then place the application before the NCLT, which may pass an order either approving or rejecting the application. As noted above, once the application has been admitted, the proceedings are



*no longer the sole preserve of the applicant creditor and the corporate debtor. **They are now in rem and at this stage, the NCLT must hear the concerned parties and consider all relevant factors before approving or rejecting the application for withdrawal.** The NCLT being a quasi-judicial body, must not act as a mere post office, which stamps and approves every settlement agreement, without application of judicial mind.*

10. Thus, Supreme Court in the above judgment in para 63 (ii) has laid down a procedure which is to be followed by the Adjudicating Authority while considering application for withdrawal after admission of CIRP but before constitution of the CoC. The crucial words are, “**They are now in rem and at this stage, the NCLT must hear the concerned parties and consider all relevant factors before approving or rejecting the application for withdrawal**”. As mentioned above, the Hon’ble Supreme Court, in this judgment (Glass Trust) has referred to their earlier judgment in **Swiss Ribbons (P) Ltd. v. Union of India (2019) 4 SCC 17**, wherein the Apex Court has made following similar observations: -

*. ‘We make it clear that at any stage where the Committee of Creditors is not yet constituted, a party can approach NCLT directly, which Tribunal may, in exercise of its inherent powers under Rule 11 of NCLT Rules, 2016, allow or disallow an application for withdrawal or settlement. **This***



will be decided after hearing all the parties concerned and considering all relevant factors on the facts of each case.”

The aforementioned judgment of the Supreme Court in the Glass Trust (supra) has been extensively considered by 3 Member Bench of the Hon'ble NCLAT in their judgment dated 05.03.2025 in Himanshu Singh, vs HDFC Bank Limited, (Company Appeal (AT) (Insolvency) No. 336 of 2025). The case before the Hon'ble NCLAT was also a case where issue of withdrawal under Section 12A r/w Regulation 30(1)(a) i.e. before constitution of the CoC) was involved. Hon'ble NCLAT after referring judgment in Glass Trust has observed as under:

22. “When we look into what has been held in Paragraph 66(b), it is clear that before the CoC is constituted, NCLT must decide on the application after hearing all the parties concerned and considering all relevant factors on the facts of each case. It was held that NCLT does conduct an adjudicatory exercise when the application for withdrawal is placed before it, and the procedure is not a mere technicality. It was further held that NCLT cannot be considered a post office that merely puts a stamp on the withdrawal application submitted by the parties through the IRP. Ratio of the judgment categorically laid down that the Adjudicating Authority while considering the application under 12A filed before the constitution of the CoC has also to hear all the parties concerned and considering all relevant factors on the fact of each case. Ratio of the judgment clearly empowers the Adjudicating Authority to look into all relevant factors by taking a decision under 12A application filed by the IRP before the constitution of the CoC.



23. It is further relevant to notice that in the judgment of GLAS Trust Company LLP it was held that creditors who were not an original applicant being necessary stakeholders when proceedings admitted and it being in rem proceedings. Said was laid down in Paragraph 42 as extracted above. The above judgment thus clearly makes other stakeholders in the present case, the HDFC Bank has filed its claim within the time as stipulated in the publication made by the in the publication made by the IRP thus in the CIRP process of the corporate debtor the claim was filed by the HDFC Bank which claim as pleaded by the IRP was for an amount of Rs.4,30,74,985/- and that claim admitted was Rs.4,58,82,649/- i.e., the claim which was settled with by the SIDBI was Rs.1,58,70,199/-. Adjudicating Authority by deciding the I.A. 200/2022 has rightly held that HDFC has locus standi to file the application and post the settlement and the application under Section 12A filed by the IRP had direct bearing on the interest of the HDFC Bank in relation to corporate debtor. Adjudicating Authority has rightly relied on the judgment of the Hon'ble Supreme Court in '**Swiss Ribbons Ltd. & Anr.**' (Supra) while deciding the settlement and withdrawal all parties have to be heard and relevant factors to be taken into consideration."

11. Therefore, in my view, while considering an application for withdrawal of Petition admitted under Section 7, 9 or 10 of the IBC before constitution of the CoC, the Adjudicating Authority need to hear the all 'concerned parties' and to consider all relevant factors before approving or rejecting the said application.

12. Meaning of the phrase, '*to hear the all concerned parties*' used by the 3 Judge Bench of the Hon'ble Supreme Court in 'Glass Trust



(supra)” and 2 Judge Bench in Swiss Ribbons (Supra) need to be considered.

13. During the course of hearing on 18.07.2025, all the Ld. Advocates submitted that at this stage, only the IRP, Financial Creditor and the Corporate are the ‘concerned parties’, which are to be heard in terms of Supreme Court judgment in **Glass Trust**. To substantiate their argument, they relied upon following observations of Hon’ble Supreme Court in **Abhishek Singh vs Huhtamaki PPL Limited [2023 SCC Online SC 349]**:

*“42. Both the parties have relied upon para 82 of the judgment in Swiss Ribbons [Swiss Ribbons (P) Ltd. v. Union of India, (2019) 4 SCC 17 : (2019) 213 Comp Cas 198] . According to the appellant, NCLT ought to have exercised its inherent powers under Rule 11 of the NCLT Rules whereas for the interveners it is submitted that this Court had observed that power under Rule 11 would be exercised after hearing all parties concerned. **It may be noted that at the time when the application for withdrawal of the proceedings was filed the CoC was not constituted as such there could not have been any other parties concerned except the OC, CD and IRP.** It was only because of the delay caused by NCLT in disposing of the applications under Section 12-A IBC and Regulation 30-A of the IBBI Regulations that large number of creditors filed their claims. The inherent powers are to be invoked in order to meet the ends of justice which, in our opinion, NCLT failed to invoke.”*

14. It may be stated that aforesaid judgment was delivered by a Two Judge Bench on March, 28, 2023. The Judgment in **Glass Trust** is of dated 23.10.2024 by Three Judge Bench.



Supreme Court in their judgment in Glass Trust has also referred to judgment in Abhishek Singh (supra). I have already quoted certain observations of the Supreme Court in Glass Trust in para 9 above. In para 63 of the judgment, three Judge Bench has detailed the procedure which is to be followed while considering an application for withdrawal. Supreme Court has indicated a separate procedure depending upon the stage at which the withdrawal is sought. I may once again reproduce the relevant part of para 63 of the judgment:

“63..... Withdrawal may be sought at four stages, all of which have a procedure prescribed under the existing framework. These may be summarized as follows:

i. Before the application under Sections 7, 9 or 10 is admitted by the NCLT:At this stage, as the CIRP process has not been initiated, the proceedings are still in personam, as between the applicant creditor and the corporate debtor. Therefore, while approving the withdrawal at this stage, the NCLT may restrict its enquiry to only hear the applicant creditor and corporate debtor, and other potential creditors are not stakeholders at this stage.

ii. After an application under Sections 7, 9, or 10 is admitted, but before the CoC has been constituted: Although Section 12A continues to be silent on this aspect, after the decision in Swiss Ribbons (supra), Regulation 30A was amended to provide for this eventuality.As noted above, once the application has been admitted, the proceedings are no longer the sole preserve of the applicant creditor and the corporate debtor. They are now in rem and at this stage, the NCLT must hear



the concerned parties and consider all relevant factors before approving or rejecting the application for withdrawal...”

15. The above observations of the Supreme Court indicate that when withdrawal is sought before admission, only creditor who had filed Petition and the Corporate debtor are to be heard and not other potential creditor. However, when withdrawal is sought after admission but before constitution of CoC, then all ‘concerned parties’ are to be heard, which means parties other than Applicant Creditor and Corporate debtor are also required to be heard. Further, at this stage, Adjudicating Authority is also required to consider all relevant factors also. Detailing separate procedure for withdrawal before admission (para 63(i) and after admission where CoC has not been constituted (para 63(ii) by the Supreme Court indicate that the scope of hearing after admission (before constitution of CoC) is wider than scope of hearing on withdrawal before admission.

16. Now question arises, when an application for withdrawal is filed by the IRP before constitution of the CoC, who may be considered as ***‘concerned party’?***

17. As provided in Section 12A of the IBC 2016 an application for withdrawal may be filed after approval of 90 % voting share of CoC.



Section 21 of the IBC provides for constitution of CoC, who can be included and also who shall have voting right in the CoC. Regulation 17(1) of the IBBI (IRP for CP) Regulations provides that IRP shall file a report certifying constitution of CoC within 2 days of the verification of claims received within the period provided in Regulation 12(1) i.e. claims submitted on or before the last date mentioned in the public announcement. As per Regulation 6(2)(c), the last date for submission of claim along with proof is 14 days from the date of appointment of IRP. The Public Announcement is to be made within 3 days from the date of appointment of IRP. Thus, a timeline is provided for constitution of the CoC. Thus, at the time of filing application by the IRP in terms of Regulation 30A(1(a), all those creditors whose claim have been admitted by the IRP and also have voting right in the CoC, (if CoC had been constituted), they are to be considered as 'concerned parties' in cases where application for withdrawal has been filed. In other words, in cases where CoC have not been constituted, persons/creditors whose claims have been collated and admitted by the IRP; and if they are eligible to be member of CoC with voting right in terms of Section 21, may be considered as 'concerned parties' as they shall have right to approve or disapprove proposal



for withdrawal in terms of Section 12A, if the CoC had been constituted.

18. Court V of the NCLT New Delhi Bench in CP (IB) No. 225/2022 in the matter of Mr. Dharampal Singh Rawat & Ors. Vs. M/s. Realanchors Developers Pvt. Ltd., considered an IA No./5703/2024, filed by the RP under Section 12A read with Regulation 30A (1)(a) seeking withdrawal before constitution of the CoC. Adjudicating Authority while referring to the judgment of the Supreme Court in Glass Trust, directed issuance of notice to all such creditors whose claims have been admitted by the RP. Relevant part of the Order dated 02.12.2024 is as under:

Admittedly, the Hon'ble NCLAT has allowed the IRP to receive and collate the claim filed by any creditor although CoC has not been constituted. In our view, it would be appropriate that at this stage, hearing be accorded to all the creditors who have filed their claims before the IRP and those claims have been admitted by the IRP. It is contention of the Ld. Counsel on behalf of the IRP that although 38 allottees have already submitted their consent with the IRP for withdrawal, there is no need to issue any notice to them. In our view, at this stage it would be necessary to issue notice to remaining allottees/creditors (who have not given consent for withdrawal) who have filed their claim before the IRP and their claim has been admitted, notice be issued to them for filing their response and appearance. Notice be issued by all means and proof of service be filed.

19. Supreme Court in **Ashok G. Rajani v. Beacon Trusteeship Ltd., (2022) 19 SCC** has stated that upon withdrawal of CIRP,



rights of other creditors would not be affected as they can also take recourse to IBC proceedings. The Supreme Court stated as under:

“28. The settlement cannot be stifled before the constitution of the Committee of Creditors in anticipation of claims against the corporate debtor from third persons. The withdrawal of an application for CIRP by the applicant would not prevent any other financial creditor from taking recourse to a proceeding under IBC.”

20. Therefore, hearing is to be afforded to aforementioned ‘concerned parties’ while considering an application for withdrawal after admission of CIRP but before constitution of CoC. Here purpose of the hearing is only to afford an opportunity to submit their views either in favour or against withdrawal. It is not mandatory for each of such party to submit/present their submission. However, they should have information about filing of such an application for withdrawal, so that they can present their views either in favour or against withdrawal, if they so desire. How and in what manner, they need to be informed would depend upon facts and circumstances of the particular case, including the number of such creditors in that case, amount of their admitted claim etc. For example, depending upon the facts and circumstances, individual notice to each of such creditor may directed to be served; or in appropriate case, public announcement



through newspaper publication or through electronic means including uploading in appropriate website may be done. Such notice/announcement should indicate the timeline within which they may submit their views, if so desired. If no submission is made by any of such creditor within stipulated period, it may be deemed that they have no objection in withdrawal. However, as stated above, course of action for considering Application for withdrawal in terms of Regulation 30A (a) have to be considered based upon the facts and circumstances of the each case.

21. We may now apply the abovementioned principle in the present case and find out who is/are the concerned parties and what are the special facts and circumstances of this case.

22. As stated in para 6 above, during the course of hearing before the Adjudicating Authority on 24.02.2025, Ld. Counsel for CD had made an offer for payment to the FC. This Adjudicating Authority directed the CD to file an affidavit, which was filed. Order on admission of Section 7 Petition was passed on 04.3.2025 and on the same day CD intimated the IRP regarding their proposal for settlement. The IRP on 22.03.2025 published the public announcement in FORM A inviting claims from various creditors of Corporate Debtor. The last date of submission of claims by



claimants was 03.04.2025. Pursuant to the same, IRP has received claim from one Financial Creditor, namely Union Bank of India of amounting Rs. 47.87 Crore and the IRP has admitted claim for amount of Rs. 37.66 Crore. Claim filed by another Financial Creditor has not been admitted by the IRP. Thus, the Union bank of India is the only creditor who could be the Member of CoC, if the same had been constituted. Therefore, Union Bank of India is the only concerned party whose views/submissions are required to be heard and considered.

23. During the course of hearing before me on 18.07.2025, the IRP in person and their Ld. Counsel made a statement at Bar that the claim of one of the Financial Creditor i.e. Union Bank of India of amounting Rs. 47.87 Crore was received and the same has been provisionally admitted for amount of Rs. 37.66 Crore. Further, the Interim Resolution Professional has also intimated to the Union Bank of India by e-mail dated 11.04.2025 regarding pendency of the present application for withdrawal. The Order sheet dated 18.07.2025 clearly reflect the said submission of Ld. IRP and their Ld. Counsel. When an IRP in person along with Counsel has made a statement at Bar, there is no reason to disbelieve the same.



24. As stated in para 20 above, purpose of the hearing to ‘concerned parties’ is only to afford an opportunity to submit their views either in favour or against withdrawal. It is not mandatory for each of such party to submit/present their submission. However, they should have information about filing of such an application for withdrawal, so that they can present their views either in favour or against withdrawal, if they so desired. As stated by the IRP, vide email dated 11.04.2025 has already intimated to the Financial Creditor Union Bank of India (who can be Member of CoC with voting right) about pendency of the present IA for withdrawal and the Union Bank has not filed any objection till now. More than 80 days have passed since then. IBC being a time bound proceedings can not be kept in hold for long. Union Bank being a Public Sector Bank has not filed any objection. Moreover, as per Supreme Court judgment in **Ashok G. Rajani v. Beacon Trusteeship Ltd., (2022) 19 SCC**, the Union Bank shall continue to have their rights despite withdrawal of the present Petition. The Adjudicating Authority vide Order dated 17.04.2025 has already stayed the constitution of the CoC. Claim of no other creditor has been admitted by the IRP so far.



25. In view of the facts and circumstances of the case, as discussed above, I am of the view that the Union Bank of India is the only Creditor (whose claim has been admitted by the IRP) and who would have voting right (if CoC had been constituted), can be considered a 'concerned party' in the application filed under Regulation 30A(1)(a) of IBBI (CIRP) Regulations 2016 i.e. before constitution of CoC, whose submissions, if made, are required to be heard and considered. Since, the Union Bank has already been intimated by the IRP regarding filing of the present application by email dated 11.04.2025, and the Union Bank has not filed any objection till now and more than 80 days have passed since then, in my considered view, there is no need to direct the IRP to serve notice to them once again. Other than Union Bank, there is no other person who is to be treated as 'concerned party'.

26. In above terms, I answer the reference accordingly. Let the matter be placed before the Division Bench for appropriate orders in terms of the majority view. The reference stands disposed of.

MAHENDRA KHANDELWAL
THIRD MEMBER (JUDICIAL)