



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IBC Case Law Capsule

Number 229

(June 23, 2025)

Taguda Pte Ltd. Versus State Bank of India & Anr.
Company Appeal (AT) (Insolvency) No. 351 of 2024
Date of NCLAT Judgement: May 30, 2025

Facts of the Case: -

The present appeal, was filed by Taguda Pte Ltd., a Successful Resolution Applicant/SRA (hereinafter referred as Appellant, against the order dated 08.12.2023 passed by the Adjudicating Authority. The AA, by partially allowing I.A. No. 1857/2023 filed by State Bank of India (hereinafter referred as Respondent No. 1), directed the appellant to implement the approved revised resolution plan within two months.

Ushdev International Ltd., the Corporate Debtor (CD), was admitted into CIRP via order dated 17.05.2018 following an application by Respondent no.1 u/s 7 of the IBC. The appellant's revised resolution plan, submitted and approved by the CoC with 91.06% voting share on 22.06.2021, proposed a committed payment of ₹227 crore, of which ₹225.14 crore was earmarked for settlement of financial creditors. The resolution plan was subsequently approved by the AA on 03.02.2022. An Implementation and Monitoring Agency (IMA) was constituted to oversee the plan's execution.

Despite several IMA meetings between March 2022 and April 2023, the resolution plan remained unimplemented due to the Appellant's claimed inability to receive statutory approval from the Reserve Bank of India (RBI) a prerequisite stipulated in Clause 14 of Schedule I of the resolution plan. The Respondent no. 1 then filed I.A. No. 1857/2023, praying for implementation directions. The Appellant contested the maintainability, citing delay in regulatory approval.

Following the AA's direction on 08.12.2023 to implement the plan within two months, the IMA convened again. On 06.02.2024, the Appellant sought a one-week extension to execute the plan but later sought a one-month extension via email. Subsequently, a Joint Lenders Meeting (JLM) held on 08.02.2024 resolved to invoke the Performance Bank Guarantee and file for the liquidation of the CD, which was carried out.

The appellant filed the present appeal on 16.02.2024. The Punjab National Bank (PNB), as the authorised dealer bank, was impleaded and submitted that RBI approval was pending due to FEMA contraventions related to issuance of corporate guarantees and proposed capital account transactions requiring compounding.



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NCLAT's Observations:

The Appellate Tribunal, examined the obligations under Clause 3.1 of the Request for Resolution Plan (RFRP) and Section 31(4) of the IBC, which mandates the resolution applicant to obtain all necessary approvals within one year from plan approval. The Appellate Tribunal noted that the appellant had failed to secure RBI approval even beyond this statutory period.

The Appellant's claim that it could not proceed due to RBI delay was rejected, as the obligation to secure regulatory approvals lies squarely on the SRA. The Appellate Tribunal also highlighted that only ₹2.4 crore of the ₹225.14 crore payment involved foreign creditors requiring RBI approval, hence the bulk of the resolution amount could have been paid without awaiting said approval.

Relying on precedents like *Ebix Singapore Pvt. Ltd. v. CoC of Educomp Solutions Ltd.* and *Independent Sugar Corporation Ltd. v. Girish Sriram Juneja*, the Appellate Tribunal emphasized the binding nature of resolution plan obligations and statutory compliance timelines.

The Appellate Tribunal found no merit in the appellant's claim that the AA's two-month direction amounted to plan modification. Instead, it was deemed a grace period to fulfill overdue obligations. The IMA's minutes, PNB's affidavits, and lenders' unanimous JLM decision to proceed with liquidation were all taken into account.

Order/Judgement: The Appellate Tribunal dismissed the appeal, upholding the AA's direction to implement the resolution plan within the stipulated timeframe. It also directed the AA to proceed with the pending liquidation application expeditiously, preferably within three months from the date the order is brought to its attention.

Case Review: The appeal stands dismissed. The AA is requested to decide the liquidation application at the earliest.