



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IBC Case Law Capsule

Number 247

(October 27, 2025)

State Bank Of India. Vs. Ushdev International Ltd. & Anr.
IA No.33/MB/2024 in CP (IB) No.1790/MB/2017
Date of NCLT Judgement: 16 October 2025

Facts of the Case:-

The State Bank of India (hereinafter referred to as “the Applicant”) filed an Interlocutory Application (“IA”) under Section 33(3) read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (“IBC/the Code”) against Taguda PTE Ltd., the Successful Resolution Applicant (“Respondent No.1/SRA”) and Resolution Professional of Ushdev International Ltd. & Anr. (“Respondent No.2/RP”) seeking order directing initiation of liquidation of Ushdev International Limited (“Corporate Debtor/CD”) in accordance with Chapter III of Part II of the Code.

Pursuant to the admission of the CD into CIRP and the subsequent constitution of the CoC, the SRA submitted its resolution plan. However, the first resolution plan was not approved by the CoC due to the majority stakeholders voting against it. Thereafter, a liquidation application was filed before the NCLT, which was dismissed. Simultaneously, the Adjudicating Authority (AA) approved the first resolution plan. Aggrieved by this, the present Applicant filed an appeal before the NCLAT challenging the AA’s order approving the first resolution plan. The Appellate Tribunal ordered stay on implementation of the first resolution plan. During the pendency of the said appeal, the SRA filed an application expressing its willingness to revise and improve the first resolution plan. The NCLAT granted six weeks’ time to submit the revised/improved resolution plan. Pursuant to the said order, the updated resolution plan was placed before the CoC, deliberated upon, and approved by an overwhelming majority. Following this, the SRA furnished a performance bank guarantee of ₹11.50 crores and a bid bond guarantee of ₹5 crores, and an Interim Monitoring Agency (“IMA”) was constituted to oversee the smooth implementation of the Resolution Plan. However, even after two years of approval and despite multiple extensions, the SRA failed to obtain the requisite statutory and regulatory approvals necessary for the implementation of the Plan.

The Applicant alleged that the prolonged delay in implementation under the revised resolution plan resulted in significant opportunity loss to the stakeholders of the CD and caused substantial opportunity loss to the financial creditors, thereby making liquidation inevitable. Conversely, while the SRA did not file a formal reply, it submitted a fresh proposal indicating willingness to infuse additional funds. However, when the Tribunal inquired whether the timeline could be expedited, no satisfactory or affirmative response was provided.



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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



NCLT's Observations:

After duly hearing both the parties, the point of consideration before the Tribunal was whether it is a fit case for initiation of Liquidation process of the CD. At the outset, the NCLT took note of the significant legal propositions and guiding principles laid down by the Supreme Court in *State Bank of India and ors. Vs. The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch & Anr.* The Tribunal observed that “time and speed are the essence for the working of the Code”, and to allow CIRP proceedings to lapse into an indefinite delay will plainly defeat the object of the statute also leading to the assets of the CD diminishing in value. Further, in scenarios such as the present, “timely liquidation” is indeed to be preferred over an “endless resolution process”. Such a view will prevent the likelihood of adversely affecting the interests of all the creditors who have been suffering due to no fault of their own and also securing the maximum value of the remaining assets. Regarding the role of the SRA, the Tribunal noted that regardless of the challenges that may arise, the SRA cannot treat its obligations as optional or conditional, nor can it abdicate its responsibility in the face of unforeseen obstacles.

In light of the above-mentioned legal position, the Tribunal noted that despite multiple extensions and directions of this Tribunal, the SRA has been seeking repeated adjournments citing pending RBI approvals and financing arrangements, leading to breach of obligations under the Resolution Plan. As a result of the delay, the initiation of liquidation of the CD has become inevitable.

Order/Judgement:

Accordingly, in light of the above facts and circumstances, the CD is ordered to be liquidated in terms of the provisions of Section 33(3) of the Code read with the relevant Regulations made thereunder which shall be effective from the date of the order.

Case Review: *Liquidation Application admitted.*