



# INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

## IBC Case Law Capsule

Number 257

(January 05, 2025)



**Silveroak Home Appliances Private Limited vs Indian Refrigerator Company Limited**

**I.A.(PLAN)/ 37/2025 in C.P. (IB)/252(MB)2024**

**Date of NCLT Judgment: 19<sup>th</sup> December 2025**

### Facts of the Case: -

This I.A. is filed by Neha Agarwal, Resolution Professional of M/s Indian Refrigerator Company Limited ('the Applicant') under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 ('the Code') praying to allow the present application and approve the Resolution Plan of Klassic Wheels Ltd. (Successful Resolution Applicant/SRA'), as approved by the Committee of Creditors ('CoC') in the matter of the Corporate Insolvency Resolution Process ("CIRP") of Indian Refrigerator Company Ltd ('CD').

The relevant facts of the matter in hand are that the CIRP of the CD was initiated under Section 9 of the Code by order dated 14.08.2024 by the National Company Law Tribunal, Court V, Mumbai Bench ('NCLT/AA'). The CD is in the business of manufacturing electronic consumer goods such as color television, washing machines, refrigerators, mixer grinders, compressors and parts thereof. Pursuant to the said order, the Applicant was appointed as the IRP of the CD. Subsequent to the admission of the petition for CIRP, a Public Announcement inviting claims from creditors was made by the IRP in accordance with Regulation 6 of the IBBI (CIRP) Regulations, 2016. Thereafter, after verification of claims, the CoC was constituted in accordance with section 21 of the Code, comprising of one unsecured financial creditor viz. M/s. KBS Realtors Private Limited. After the constitution of CoC, in their 1st CoC meeting, the IRP was appointed as the Resolution Professional ('RP').

Subsequently, through the 2nd CoC meeting, in compliance to Regulation 36A of IBBI, Form G was published inviting Expression of Interest ('EOI') wherein two parties showed interest and took the details. After preparation of the final list of Prospective Resolution Applicants ('PRA'), issuance of the Information Memorandum ('IM') and Request for Resolution Plan ('RFRP'), the PRAs were asked to submit their resolution plans. The resolution plan from M/s. Klassic Wheels Ltd. – a company acclaimed as among India's largest wheel manufacturers, producing high-quality steel and alloy wheels, sheet-metal parts, and related components for two-, three-, and four-wheelers across both ICE and EV segment - was the only one received, and after a few discussions between the sole PRA and CoC members, the PRA was asked to revise the amount offered on the higher side. The revised resolution plan was submitted by the PRA, and after discussion and deliberation, the said Resolution Plan was approved by 100% voting share under Section 30(4) of the Code. Herein, the SRA furnished a Performance Bank Guarantee of ₹1.61 crore, being 10% of the Resolution Plan amount.



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## NCLT's Observations:

The AA examined the Resolution Plan submitted by the SRA in light of the requirements under Sections 30(2) and 31 of the Code and the applicable CIRP Regulations. At the outset, the Tribunal noted that the Resolution Plan made adequate provision for payment of CIRP costs in compliance with Section 30(2)(a), including an undertaking by the SRA to bear any shortfall beyond the initially estimated amount. The Tribunal took on record the performance security furnished by the SRA and the constitution of a Monitoring Committee to supervise implementation of the Plan.

The Tribunal expressed specific concern regarding disclosure and treatment of accumulated losses and carry-forward tax benefits reflected in the revised Form-H. It observed that the CD had substantial accumulated business losses, long-term capital losses, and unabsorbed depreciation, which could have a significant impact on future profitability and tax outgo of the CD, thereby conferring potential benefits upon the SRA. In this context, the Tribunal referred to the IBBI Circular dated 17.03.2025 mandating disclosure of carry-forward losses in the Information Memorandum and Form-H, and opined that such losses ought to be taken into consideration.

In response to the Additional Affidavit filed by the Resolution Professional, the Tribunal noted the submission that accumulated losses are not “real assets” but deferred tax assets, that their book value had already been disclosed, and that valuation reports were obtained prior to issuance of the aforementioned Circular. The Tribunal also took note of judicial precedents emphasizing that valuation and future tax benefits fall within the commercial domain of the CoC. Placing reliance on *K. Sashidhar v. Indian Overseas Bank*, the Tribunal reiterated that its jurisdiction is limited to examining compliance with Section 30(2) and that the commercial wisdom of the CoC, which approved the Resolution Plan with 100% voting share, cannot be interfered with. Finding the Resolution Plan compliant with the Code and Regulations, the Tribunal approved the Plan and issued consequential directions for its implementation.

**Order/Judgement:** In light of the facts and circumstances of the case as highlighted above, the Tribunal approved the Resolution Plan in accordance with Section 31 of the Code.

**Case Review:** *Resolution Plan approved.*