



Beyond NCLT Approval:

Tracking the appellate trajectory and post-approval liquidations of resolution plans approved in 2022

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Abstract

An approved resolution plan usually signals the successful completion of a corporate insolvency resolution process. However, the outcomes and disposal timelines of appeals challenging such approved plans and the post-approval liquidations are rarely evaluated. These aspects have a direct bearing on the Insolvency and Bankruptcy Code's (IBC) core principles of time-bound resolution and finality, and are critical to ensuring certainty for both investors and creditors. This paper evaluates the appellate trajectory of 170 resolution plans approved by the National Company Law Tribunal (NCLT) in 2022. The study finds that 49 plans (28.8%) were challenged in appeal before National Company Law Appellate Tribunal (NCLAT) and 18 (43.9%) of the 41 disposed appeals were further challenged before the Supreme Court. Appellate fora rarely interfered with approved plans, with only 1 appeal resulting in a rejection of plan. The median disposal time was 267 days for the NCLAT and 84 days for the Supreme Court. However, the median pendency exceeds 3 years for the 8 appeals pending before the NCLAT and the 6 appeals pending before the Supreme Court, although implementation of plans has not been stayed in these pending appeals. Separately, liquidation orders were passed in respect of 10 entities, all attributable to the successful resolution applicants' failure to implement plans. Through case-specific observations, the paper examines the factors contributing to prolonged appellate proceedings, the relation between type of disposal (merits v. maintainability) and timelines for disposal, the appellant profiles and the consequences for implementation failures. Finally, the paper makes a few recommendations to safeguard the time-bound resolution and value maximization objectives of the IBC.

Introduction and Research Objectives

When a resolution plan is approved by the National Company Law Tribunal (NCLT), it is usually treated as a ‘successful’ completion of the corporate insolvency resolution process (CIRP), indicating the immediate revival of the corporate entity. However, the status and outcome of appeals challenging approved resolution plans and the time taken for the plan to attain finality are rarely tracked. Similarly, the number of instances where the corporate debtor is sent into liquidation despite an approved resolution plan goes unnoticed.

The recent turn of events in *Bhushan Power and Steel’s* case brought these issues of lengthy appellate proceedings and the consequential impact on resolution finality into sharp focus. The Supreme Court’s May 2025 judgment in this case led to an implemented resolution plan being reversed nearly 6 years after the NCLT’s approval in 2021, resulting in liquidation proceedings being ordered against the company.¹ The judgment was subsequently recalled and the resolution plan was eventually upheld by a three-judge bench of the Supreme Court in September 2025. In doing so, the Court noted that vast amounts of money had already been invested by the successful resolution applicant resulting in the corporate debtor being transformed into a profit-making entity and providing employment to thousands of employees.² Nevertheless, the series of events highlighted the significant risks posed by lengthy appellate proceedings in challenges to approved resolution plans.

Similarly, the *Jet Airways* case brought to light the real risks posed by successful resolution applicants who fail to implement approved resolution plans in a timely manner. The successful bidder’s defaults in this case, despite repeated extensions granted by the NCLT and the National Company Law Appellate Tribunal (NCLAT), resulted in the Supreme Court exercising its extraordinary powers under Article 142 of the Constitution of India and directing the company to be taken into liquidation.³ This order was passed by the apex court in November 2024, more than 3 years after the NCLT’s approval of the plan in June 2021.

A few questions naturally arise from these high-profile cases: were the turn of events in these cases an anomaly or the norm? How do appellate courts usually treat resolution plans approved by the NCLT? Is it common for successful resolution applicants to default on implementing their own plans?

Against this background, this study focuses on all resolution plans approved by the NCLT in a single year (2022), to identify:

- a. the appellate trajectory of approved resolution plans - whether the approval is upheld, set aside or modified in appeal and how long it takes to receive a final decision from the appellate fora; and

¹ Kalyani Transco v. M/s Bhushan Power and Steel Ltd. & Ors., 2025 INSC 621 (judgment dated 02.05.2025).

² Kalyani Transco v. M/s Bhushan Power and Steel Ltd. & Ors., 2025 INSC 1165 (judgment dated 26.09.2025).

³ State Bank of India v. The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch & Anr., 2024 INSC 852 (judgment dated 07.11.2024).

b. the instances where a company ends up in liquidation even after the approval of a resolution plan by the NCLT and the causes for such an outcome.

The results of this study in relation to appellate outcomes and timelines can also provide useful insights for litigants, particularly prospective resolution applicants. Similarly, the information on post-approval liquidations and the reasons for such liquidations are relevant for the many creditors looking to assess the likelihood of revival of a corporate debtor post the approval of resolution plans.

Research Methodology

This study specifically examines the post-approval status of the resolution plans under the Insolvency and Bankruptcy Code, 2016 (**IBC / Code**) approved by all NCLT Benches in the year 2022. This comprises a dataset of 170 corporate entities, as reported by the Insolvency and Bankruptcy Board of India (**IBBI**).⁴

The year 2022 was selected for analysis as it marked 7 years since the enactment of the IBC and establishment of the NCLT, ensuring a higher degree of institutional familiarity with the IBC than in the preceding years. It also marked the resumption of regular functioning by the NCLT following intermittent disruptions in 2020 and 2021 on account of the COVID-19 pandemic, thereby providing an adequately sized dataset of approved resolution plans. Finally, analysing the appeal trajectory of plans approved in 2022 ensured a sufficiently lengthy observation period of 3+ years to examine the final outcome in these appeals.

The study covers an analysis of first level appeals filed before the National Company Law Appellate Tribunal (**NCLAT**) as well as second level appeals filed before the Supreme Court of India (**SC**). Details of appeals before the NCLAT in respect of the 170 corporate entities were identified through multiple modes: company-specific information available on the IBBI website, independent manual searches (by party-name) on the NCLAT website⁵ and a search of the NCLAT orders available on eCourtsIndia.com's database. Corresponding appeals before the Supreme Court were identified through searches (by impugned-order) on the SC website. The final orders in all appeals were then individually analysed to identify the grounds for disposal. While every effort has been made to identify appeals, the possibility of omissions cannot be entirely ruled out.

For the purpose of this study, appeals have been counted at the level of the corporate debtor / single resolution plan and not per filing. Thus, in the few instances where multiple appeals were filed before the NCLAT / SC challenging the same resolution plan, these have been counted as a single appeal since they pertain to a single corporate debtor / resolution plan.

⁴ The 170 corporate entities are as per the list of 'CIRPs yielding resolution plans' for the year 2022, as published by the IBBI in its quarterly newsletters. Quarterly newsletters for the period January 2022 to December 2025 were examined to compile the list of the 170 entities.

⁵ The NCLAT website does not provide an impugned-order search option and hence searches could only be made on a party-name basis.

Since the study focuses on appeals arising from 170 resolution plans approved in a single year, the insights and conclusions drawn from the study are necessarily limited to this dataset. That being said, the findings are still a useful indicator of the fate of approved resolution plans, both in appellate proceedings and during their implementation.

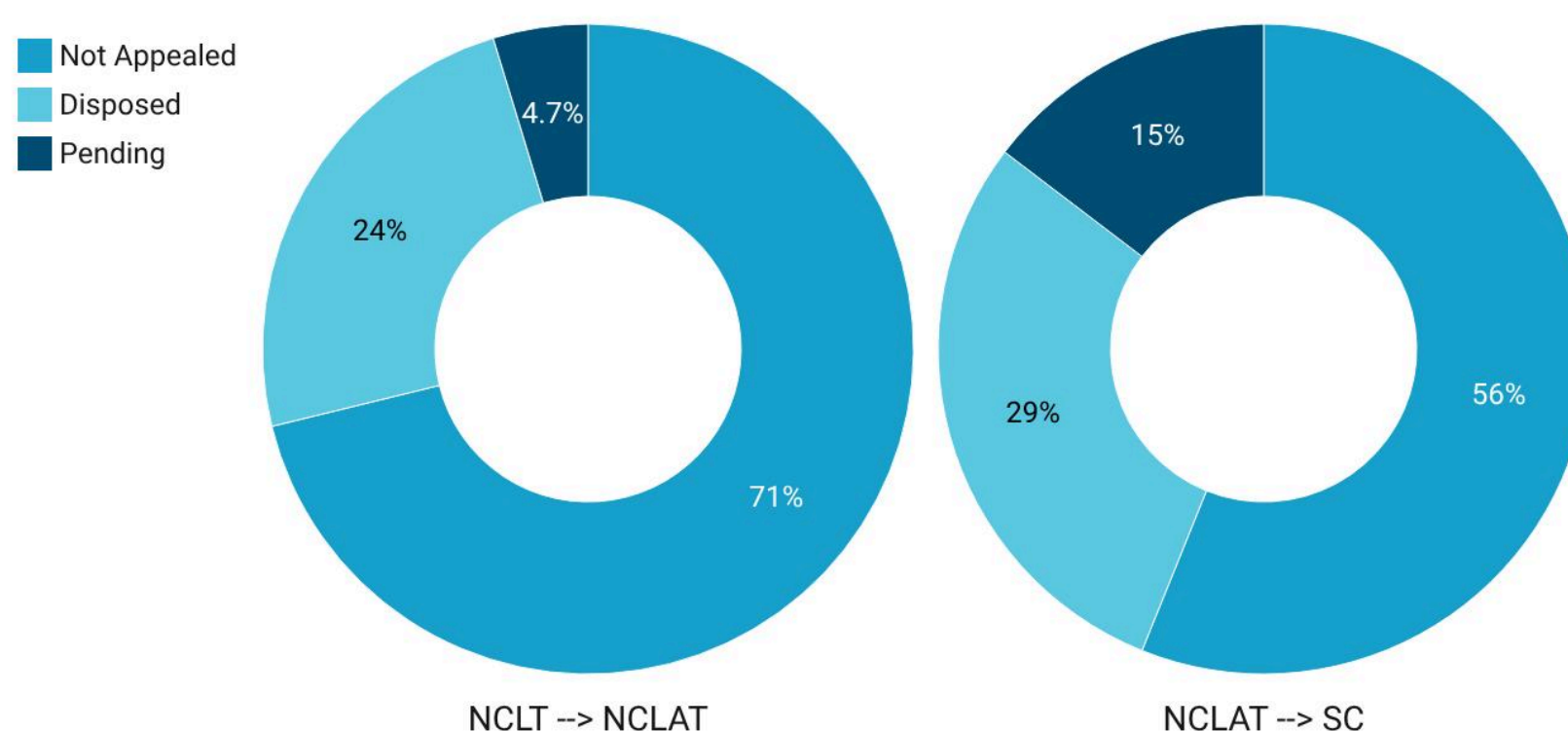
Findings and Analysis

a . Post-approval Appeals: Challenges to resolution finality

Number and status of appeals and disposal/pendency timelines

Nearly 3 out of 10 approved resolution plans being challenged in appeal is not an insignificant number. The more crucial aspect, however, is the time taken for disposal of appeals. Lengthy appellate proceedings not only involve increased litigation costs and uncertainty for the successful bidders and other stakeholders, but also have a significant impact on resolution finality. While the IBC prescribes a timeline of 330 days for the completion of the CIRP process, no such timelines were prescribed for disposal of appeals until the recent Insolvency Amendment Act, 2026 which has brought in a timeline of 3 months for disposal of appeals by the NCLAT.⁶

Findings:



First level appeal (NCLAT): Out of 170 approved resolution plans, 49 plans (28.8%) were challenged in appeals before the NCLAT. 41 of the 49 appeals have been disposed of by the NCLAT and 8 are currently pending.⁷

Second level appeal (Supreme Court): Out of the 41 cases disposed of by the NCLAT, 18 were taken up in further appeal before the SC (43.9%).⁸ 12 of the 18 appeals have been disposed of by the SC and 6 are currently pending.

⁶ Introduction of Section 61(6): “The National Company Law Appellate Tribunal shall dispose of the appeal within three months from the date of its receipt.”

⁷ With respect to 2 corporate debtors where multiple appeals were filed challenging the resolution plan, some of the appeals are pending before NCLAT while some have been disposed of. For the purpose of this analysis, where a single appeal in respect of the same resolution plan was found to be pending, the multiple appeals have been grouped under the “appeal pending” category.

⁸ With respect to Uttam Galva Steels Limited, 2 out of 3 appeals were disposed of by NCLAT and further appeals against these judgments were dismissed by the SC on ground of delay. However, since 1 appeal remains pending before the NCLAT (as on 01.06.2026) and the entity is therefore listed as “pending” before NCLAT, for the purpose of this analysis, this entity has been excluded from the list of entities with appeals filed before the SC.

Disposal and Pendency Timelines Across Appellate Fora

NCLAT: 41 disposed cases and 8 pending cases

Supreme Court: 12 disposed cases and 6 pending cases

■ Mean (Days) ■ Median (Days)



Disposal duration has been calculated from date of filing to date of judgment

The **median disposal time** (computed from date of filing of appeal till date of judgment) before the Supreme Court (84 days) is significantly lesser than the median disposal time before NCLAT (267 days).

With respect to the **8 appeals currently pending before the NCLAT**, the median duration of pendency (computed from date of filing till 1 June 2026) is **1358 days i.e., 3.7 years**. 6 of these appeals are pending before the NCLAT Chennai Bench. The implementation of resolution plans in these pending appeals has not been stayed by the NCLAT.

With respect to **6 pending appeals before the SC**, the median duration of pendency (computed from the date of filing of appeal till 1 June 2026) is **1077 days i.e., nearly 3 years**. Among these 6 appeals, 1 appeal (filed in 2025) is yet to be registered and listed for hearing and 1 appeal filed by the resolution professional appears to only challenge the imposition of costs on the resolution professional and not the approval of the resolution plan itself. No order of stay on implementation of the resolution plan has been passed by the SC in the pending appeals.

Analysis:

Nearly 3 out of 10 approved resolution plans (**28.8% of 170 plans**) were challenged in appeal before the NCLAT, and **43.9% of the disposed NCLAT appeals** were further challenged before the Supreme Court. These figures reveal that notwithstanding the Code's emphasis on the primacy of commercial wisdom exercised by the committee of creditors, the possibility of aggrieved parties challenging the decisions of the committee of creditors (**CoC**) at appellate stages cannot be ruled out.

With respect to the **disposed appeals**, a median disposal timeline of less than 9 months for appeals before the NCLAT (41 cases) and less than 3 months for appeals before the Supreme Court (12 cases) are positive findings.

For the 12 cases that were disposed of by the Supreme Court, the median time taken cumulatively from NCLT's approval of the resolution plan to the final Supreme Court judgment was **730 days (2 years)**. This timeline for two rounds of appeal may not be viewed as a lengthy disposal timeline when viewed in isolation. However, this timeline needs to be assessed in the context of the strict time-bound resolution that is the bedrock of the IBC.⁹ A statutory mandate of 330 days for completion of the CIRP process¹⁰ is of limited relevance when appeals against approved plans take double the time for final disposal.

The findings in relation to the **pending appeals** are significantly more problematic and it is these findings that raise the question of whether the newly introduced timeline of 3 months for disposal of appeals by NCLAT is at all workable. For the **4 appeals** that are pending before the Supreme Court which have a bearing on the resolution plan,¹¹ the median time calculated from NCLT's approval of the resolution plan till date (1 June 2026) is **1430 days or nearly 4 years**. These pendency timelines are a serious impediment to resolution finality and certainty for prospective resolution applicants and they highlight a litigation and pendency reality that goes against the very objective of time-bound resolution under the IBC. At the same time, the fact that no stay on implementation of the resolution plan has been ordered either by the NCLAT or the SC in these pending cases is reassuring, evidencing that the courts are alert to the dangers posed by pending appeals to implemented plans.

A closer look at the subject matter in the pending appeals and the reasons for pendency provides some relevant insights. Most instances of **pendency before the NCLAT** appear to be due to the case load of the NCLAT and matters listed for hearing not being taken up due to paucity of time. However, the pendency in the case of *Soni Realtors Pvt. Ltd.* arises in a slightly different context. In this case, the NCLAT had initially passed its order in March 2024 dismissing the appeals on various technical grounds (including delay in filing certified copy of the impugned order) which was then challenged before the SC. The SC in October 2024 remanded the matter to NCLAT after recording the Respondent's submission that the appeals ought not to have been dismissed by NCLAT when it was filed within statutory limitation period.¹² This is a unique scenario of a remand to NCLAT resulting in further pendency – a situation that could have possibly been avoided if the apex court had proceeded to decide the case on merits and brought the matter to a close.

When it comes to **pendency before the Supreme Court**, most relate to civil appeals that have been admitted by the court and are pending for hearing. However, in 1 instance (in the case of *Diamond Power Infrastructure Limited*), the appeal is yet to be registered and listed for hearing despite being filed in May 2025.¹³ It is unclear why the appeal has not been registered for over a year. In another case (*Rajpal Abhikaran Pvt. Ltd.*), the appeal filed by the Commercial Taxes Department involves key legal issues of whether the dues payable under the Value Added Tax enactments of the States would constitute 'government dues' or 'secured operational debt' and whether government dues would be covered under

⁹ See Report of the Bankruptcy Law Reforms Committee (November 2015).

¹⁰ Section 12, IBC.

¹¹ 2 appeals have been excluded from the count of 6 pending appeals before the Supreme Court: 1 appeal in *Diamond Power Infrastructure Ltd.*'s case that has not been registered or listed for hearing for over a year and 1 appeal in *Lakeland Chemicals (India) Ltd.*'s case filed by the resolution professional challenging only the imposition of costs on the resolution professional (and not the resolution plan).

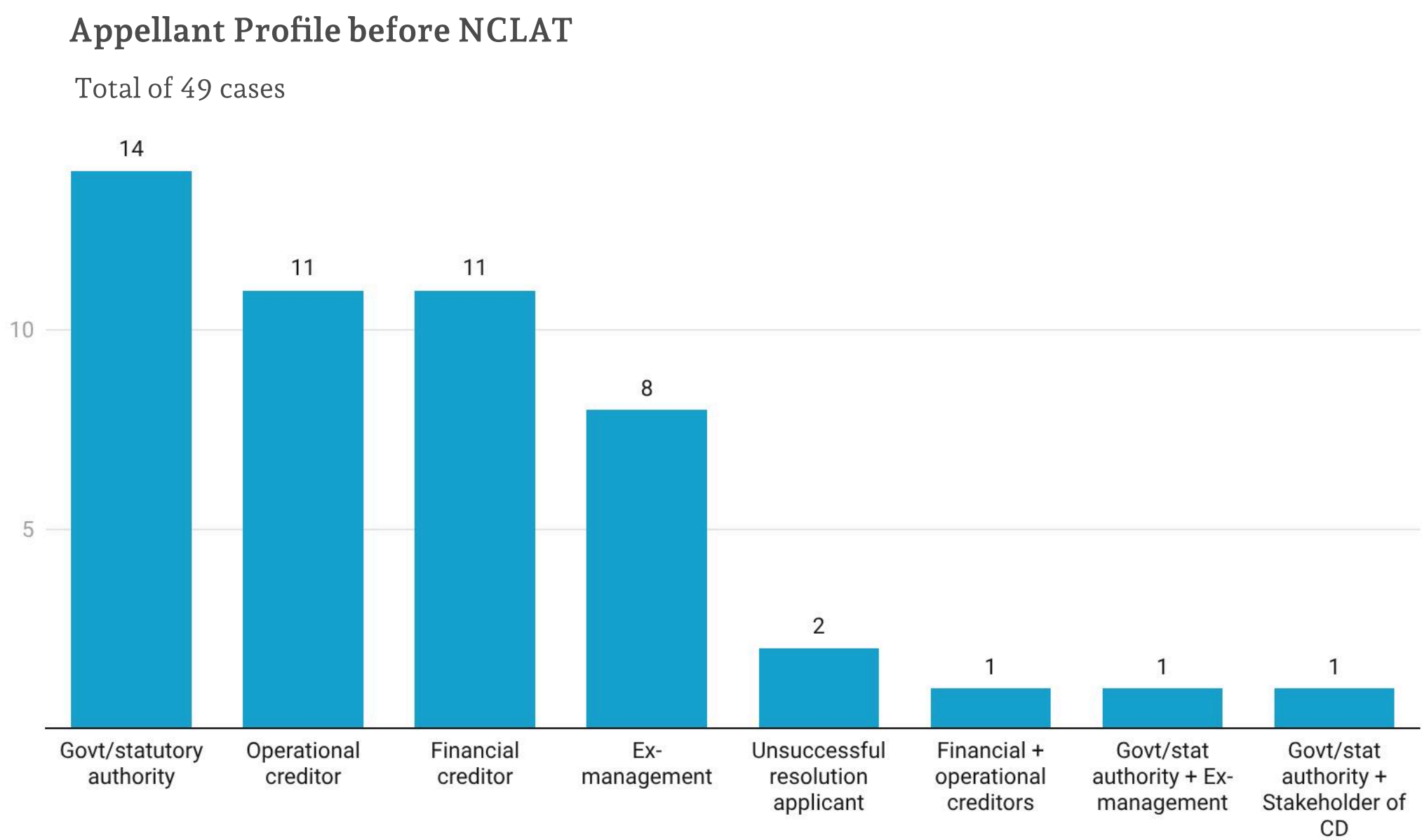
¹² Supreme Court's order dated 21.10.2024 in Civil Appeal Nos. 4404 of 2024.

¹³ Diary No. 24390/2025.

‘security interest’ as defined in Section 3(31) of the IBC.¹⁴ Several subsequent appeals in other cases have also been tagged with this matter and the batch of appeals has been directed to be listed before a 3 judge bench of the Supreme Court, in view of the importance of the legal issues involved. This specific example highlights the fact that the appellate litigation process, while lengthy in some cases, is also crucial to the development of legal jurisprudence around provisions of the IBC.

Appellant Profiles

Findings:



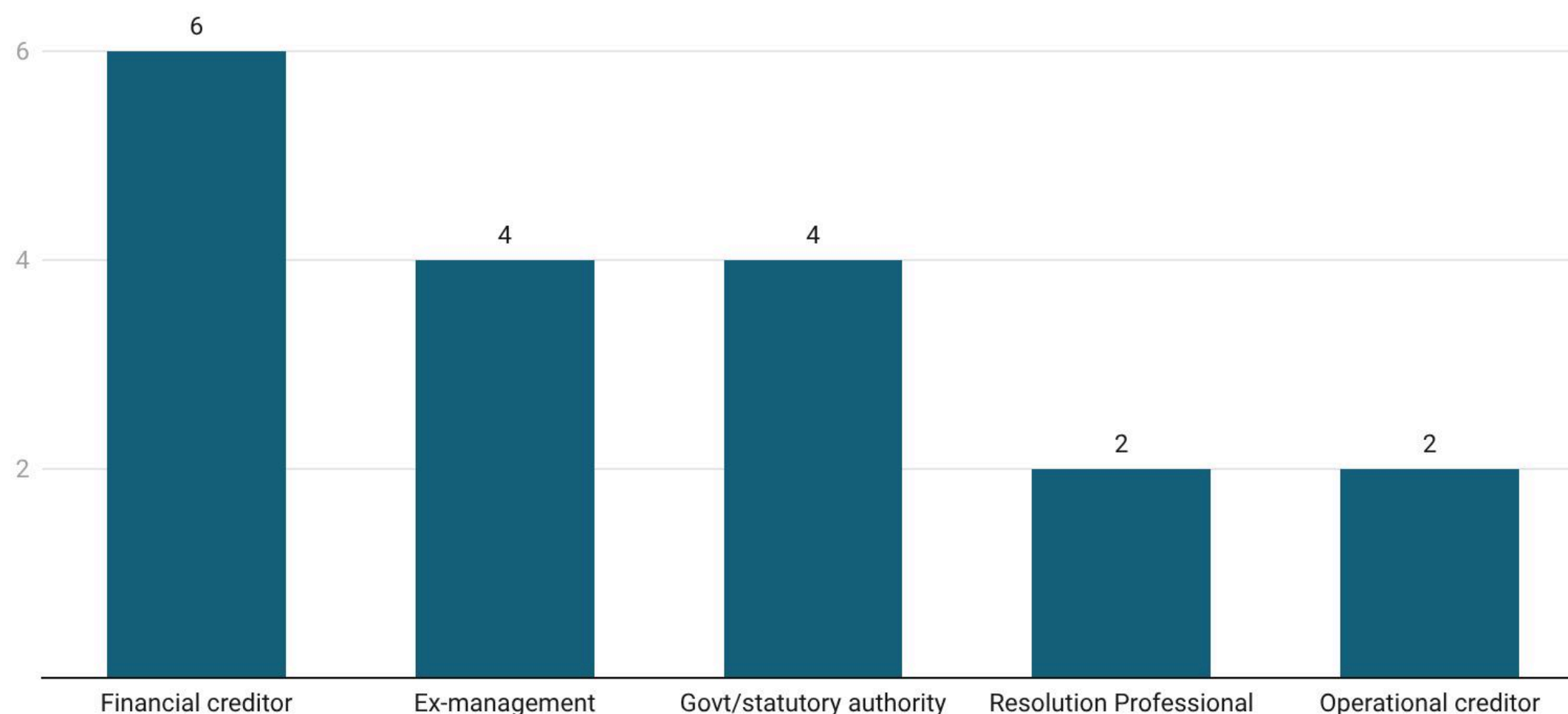
The **profile of appellants before the NCLAT** in the 49 cases was varied, with the highest number appeals (**28.6%**) filed by various government / statutory authorities such as the Department of State Tax, Employees Provident Fund Organization, Deputy Commissioner of Income Tax, Deputy Commissioner of Customs and Employees State Insurance Corporation. Some cases also involved multiple appeals filed by various categories of appellants.

The appeals filed by the tax authorities usually involved belated filing of claims by the authorities or a failure to challenge the treatment of their claims at an earlier stage - as seen in the appeals filed in respect of *Diamond Power Infrastructure Limited*, *Radha Madhav Corporation Limited* and *Orma Marble Palace Private Limited*. The NCLAT dismissed these appeals, ruling that where the authorities had failed to file their claim on time or had failed to challenge the rejection of their claim at an earlier stage, they could not be allowed to raise such a belated challenge and re-open plans that had already been approved.¹⁵

¹⁴ Supreme Court’s order dated 27.01.2025 in Commercial Taxes Department v. Mrs. Teena Saraswat Pandey & Anr., CA 1236/2025.
¹⁵ NCLAT’s order dated 21.05.2024 in Assistant Commissioner of Income Tax v. RP of Diamond Power Infrastructure Ltd., CA(AT)(Ins) No.977/2022; NCLAT’s order dated 14.09.2023 in Deputy Commissioner, UTGST, Daman v. Rajeev Dhingra, CA(AT)(Ins) No.1340 of 2022 (and connected appeals); NCLAT’s order dated 08.11.2024 in Malay Bhadra Deputy Commissioner of Income-tax v. Mr. CA Jasin Jose, CA(AT)(CH)(Ins) No.135/2023.

Appellant Profile before Supreme Court

Total of 18 cases



Similarly, the **profile of appellants before the SC** in the 18 cases was also varied, with one-third of the appeals filed by financial creditors.

A further look at the appeals filed before Supreme Court revealed the following:

- Out of 5 dismissals on merits before the NCLAT in appeals filed by financial creditors, all 5 (100%) were further challenged by financial creditors before the Supreme Court
- Out of 7 dismissals on merits before the NCLAT in appeals filed by govt/statutory authorities, 3 (42.9%) were further challenged by govt/statutory authorities before the Supreme Court.
- Out of 7 dismissals on merits before the NCLAT in appeals filed by operational creditors, 3 (42.9%) were further challenged by operational creditors before the Supreme Court.

Analysis:

The dominance of appeals filed by government/ statutory authorities before the NCLAT (with 1/3rd of these appeals being dismissed on grounds of delay) raises a question as to whether such appeals are being filed as a matter of institutional habit and routine, rather than a duly considered assessment of their merits. The high number of appeals filed by financial creditors at the second-appeal stage before the Supreme Court is not surprising, since they usually have the largest financial exposure and stake in resolution plans and the value of their expected payments may justify the cost of pursuing a second-level appeal. On the other hand, the fact that operational creditors and government authorities usually stand to receive minimal or no amounts in the waterfall mechanism of payments under an approved resolution plan under the statutory scheme,¹⁶ may be a reason why operational creditors and government/statutory authorities are less likely to pursue a second round of appeal before the Supreme Court.

¹⁶ See Section 30(4) read with Section 53 of the IBC.

Interestingly, the number of appeals filed by unsuccessful resolution applicants is low – with only 2 out of the 49 appeals (4.1%) being filed by unsuccessful resolution applicants. The Supreme Court in its recent judgment in *Torrent Power Limited v. Ashish Arjunker Rathi & Ors.*¹⁷ (involving an appeal filed by an unsuccessful resolution applicant) had noted that past instances indicated that “*unsuccessful bidders will always try to spin commercial decisions of the CoC as procedurally faulty in order to secure a second shot through litigation by filing applications or making representations*”. The findings in the present data set, however, indicate that the greatest risk posed to approved resolution plans comes from creditors who are unsatisfied with various components of the resolution plans (and the amounts set apart for them) and not from dissatisfied bidders whose plans were not chosen by the CoC.

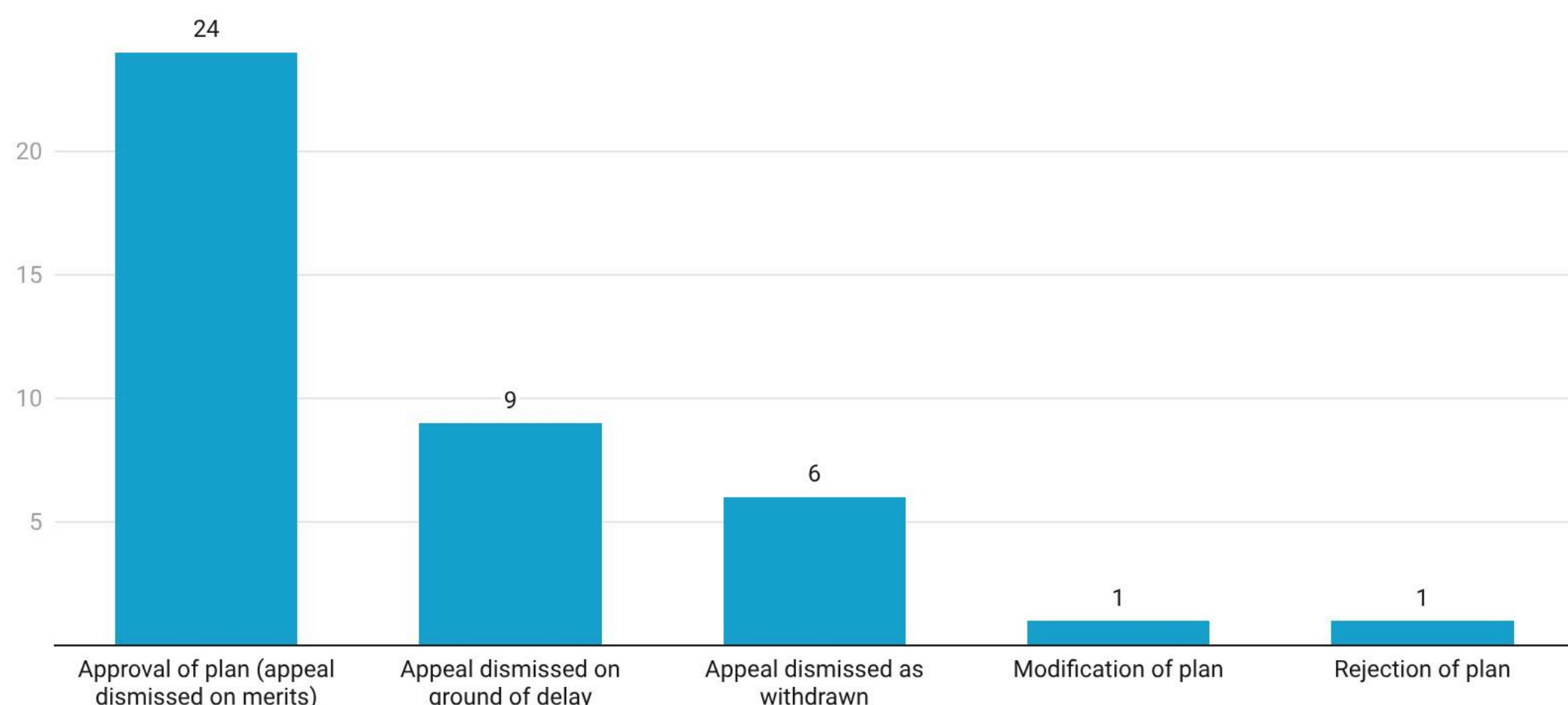
Outcomes and timelines for disposal of appeals before NCLAT and Supreme Court

The assessment of outcomes in decided appeals reveals minimal appellate interference by both NCLAT and SC with approved resolution plans (with only 1 rejection of plan and 1 modification of plan). This is a positive finding and reflects a consistent adherence by the appellate fora to the IBC’s core principle of minimal judicial intervention in matters of commercial wisdom of the creditors, as reiterated in several key judgments.¹⁸ With respect to timelines, the median disposal timelines of around 2 years for appeals that reached the Supreme Court may not be problematic in isolation, but it must be viewed in context of the 330-day timeline prescribed by the IBC for completion of the entire resolution process. More importantly, the pendency timeline for pending appeals before both NCLAT (3.7 years) and SC (~3 years) is where the real problem lies.

Findings:

Outcome of appeals before NCLAT

Total of 41 disposed cases



¹⁷ 2026 INSC 206 (judgment dated 27.02.2026).

¹⁸ See *K. Sashidhar v. Indian Overseas Bank*, Civil Appeal No. 10673/2018 (judgment dated 05.02.2019); *Pratap Technocrats Pvt. Ltd. v. Monitoring Committee of Reliance Infratel Limited*, Civil Appeal No. 676/2021 (judgment dated 10.08.2021).

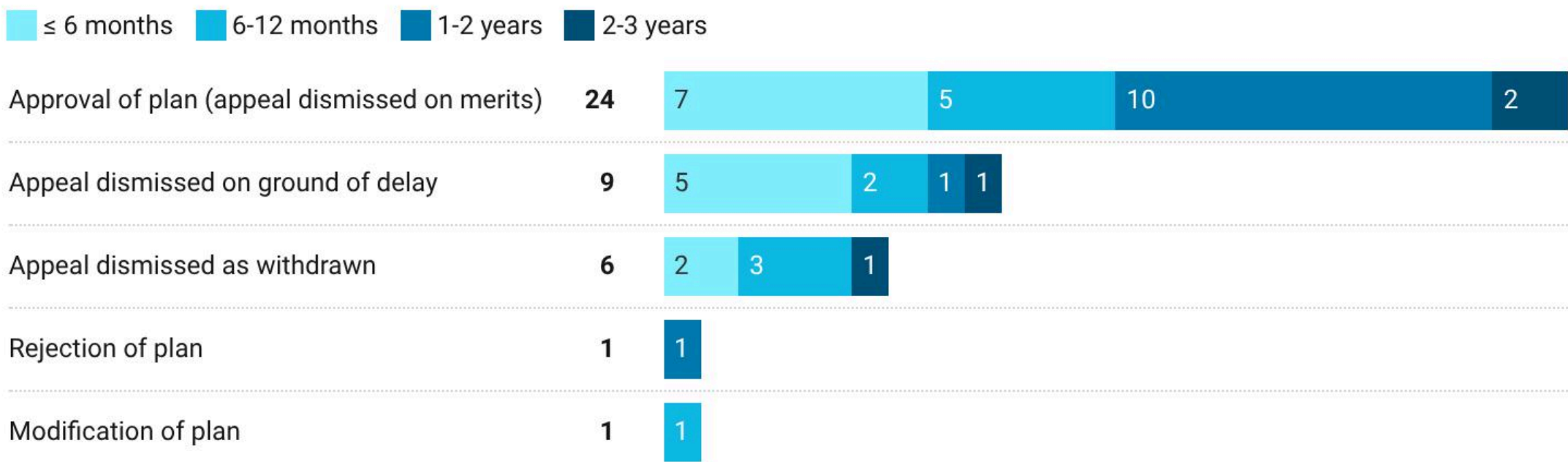
Only 1 appeal was allowed by the NCLAT, resulting in a rejection of the approved resolution plan. This was in the case of *Regen Powertech Pvt. Ltd.* where the plan failed to account for a consolidation of entities that had been previously allowed by the NCLAT. In its judgment, the NCLAT permitted the resolution applicant to submit a revised consolidated resolution plan if it so wished for consideration by the CoC and NCLT. Further, 1 appeal resulted in a minor modification of the approved resolution plan pertaining to *Hail Tea Limited*, with a direction to the successful resolution applicant to pay outstanding Provident Fund dues in full to save the plan from invalidity.

In all other disposed cases, the appeals were dismissed on various grounds. In 24 cases, the NCLAT dismissed the appeals on merits and upheld the NCLT’s approval of the resolution plans.¹⁹ In doing so, the NCLAT upheld the commercial wisdom of the CoC and found that there was no statutory non-compliance to justify interfering with the approved plans. 15 cases were disposed of on grounds of delay/withdrawal by the appellants, and the merits of these cases were therefore not considered by the NCLAT in its final orders.

It is worth noting that among the few instances where multiple appeals were filed challenging a single resolution plan, *Shree Siddhi-Vinayak Ispat Pvt. Ltd.* had the maximum number of identified appeals. 4 appeals were filed challenging the single approved resolution plan for this corporate debtor – 3 appeals were filed by various government/statutory authorities and 1 appeal was filed by the ex-management of the corporate debtor. All 4 appeals were disposed of by the NCLAT on various dates between January to November 2023.

Timelines for disposal of appeals by NCLAT, across outcome categories

Total of 41 disposed cases



The median disposal time for the 41 decided appeals before the NCLAT (computed from date of approval of resolution plan) was **267 days** (i.e., falling in the 6-12 months category).

- **14 cases (34.1%)** were decided within 6 months and 6 of these cases were decided within 2 months with the shortest disposal duration being 12 days,

¹⁹ In 2 cases, more than 1 appeal was filed against the same resolution plan and these appeals were disposed of by NCLAT in separate judgments on various grounds - delay/withdrawal and on merits. For the purpose of this analysis, these appeals have been classified as “appeal dismissed on merits” for that particular entity.

- 11 cases (26.8%) were decided within 6-12 months,
- 12 cases (29.3%) were decided within 1-2 years,
- **4 cases (9.8%)** were decided within 2-3 years.

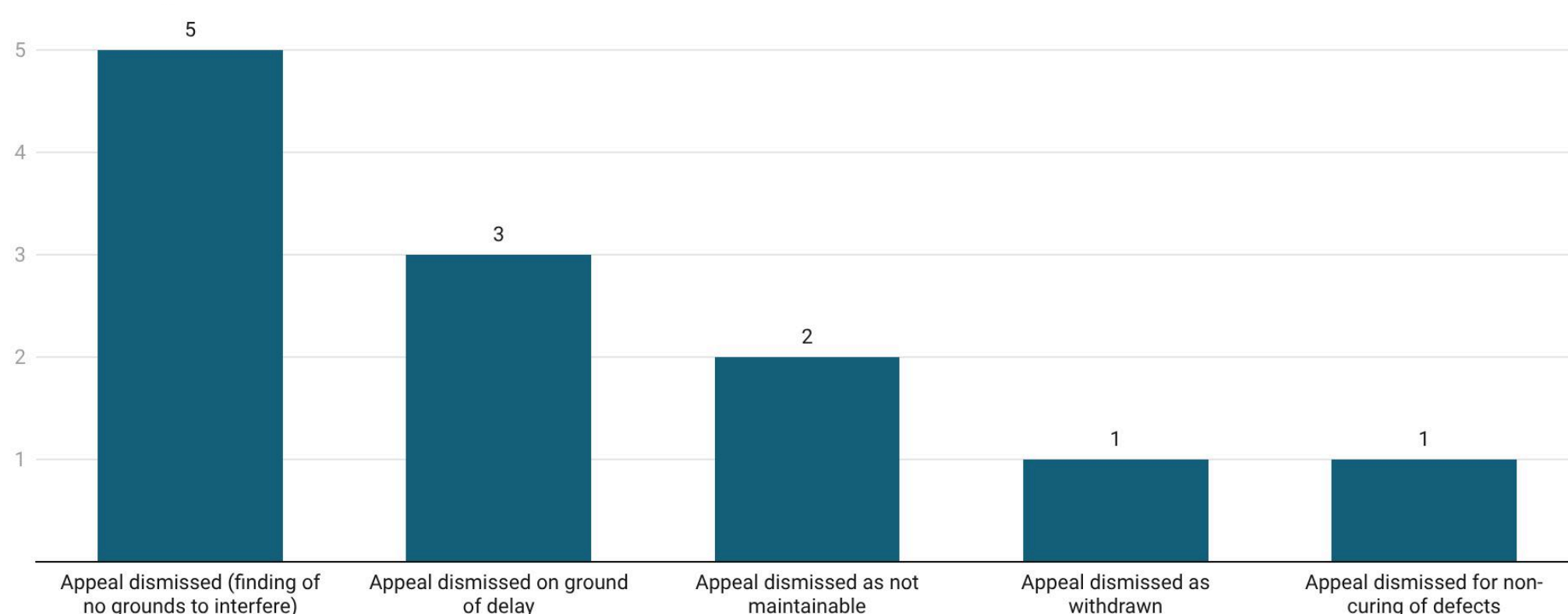
A majority (7) out of the 9 appeal dismissals on ground of delay were disposed of within 1 year and only 2 appeals took more than 1 year for disposal. Similarly, among the 6 withdrawals, 5 were disposed of within 1 year. The one appeal that took a little over 2 years for disposal was a case where the appellant had sought a modification of the approved resolution plan, and the appeal was withdrawn by the appellant after arriving at a settlement with the ex-director of the corporate debtor (and co-borrower on the loan disbursed by the appellant) for payment of dues owed to the appellant.

The **appeal that took the longest time for disposal before NCLAT (915 days /2.5 years)** was in the case of *Jhabua Power Limited*. Despite being filed in August 2022, the appeal was only listed for the first hearing in February 2025 due to a delay of 875 days in refiling of the appeal. The appeal came to be dismissed at the second hearing in March 2025, in view of the excessive delay.²⁰ This case is a stark illustration of how appeal pendency may be simply due to procedural lapses at the stage of filing and therefore completely unrelated to the complexity of the dispute / adjudicatory burden on the appellate courts.

On the other hand, **the appeal that took the shortest time for disposal before NCLAT (a mere 12 days)** was in the case of *Divya Jyoti Industries Limited*. The appellant (unsuccessful resolution applicant) who had been unable to fulfill the condition of providing the performance guarantee at the time of consideration of resolution plans before the CoC stated that he was now able to provide the guarantee and that his plan provided a higher value than the approved resolution plan.²¹ These submissions were rejected by the NCLAT as invalid grounds to set aside an approved plan. Notably, the expeditious disposal of this appeal was on account of the appeal being dismissed at the stage of notice itself.

Outcome of appeals before Supreme Court

Total of 12 disposed cases



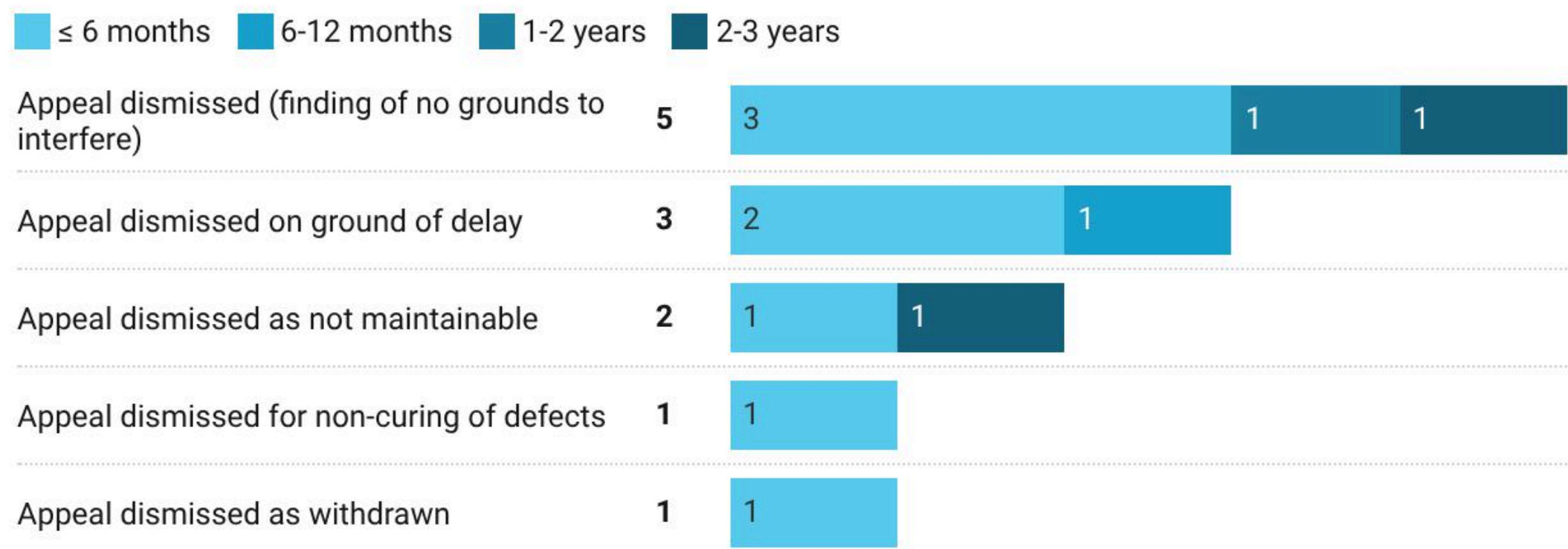
²⁰ NCLAT's order dated 04.03.2025 in *Rajesh Gupta v. Abhilash Lal & Anr.*, CA(AT)(Ins) No. 237/2025.

²¹ NCLAT's order dated 19.10.2022 in *Gopal Das Nyati v. Divya Jyoti Industries Ltd. & Ors.*, CA(AT)(Ins.) No. 1274/2022.

All of the **12 appeals disposed of by the SC** resulted in **dismissals**, on various grounds. 5 appeals were dismissed with a finding of no grounds to interfere with the impugned orders passed by the NCLAT. The remaining 7 appeals were disposed of on grounds of delay / maintainability / non-curing of defects / withdrawal by the appellants, and the merits of these cases were therefore not considered by the SC in its final orders. With respect to the 2 appeals that were found to be not maintainable, one was dismissed for being filed by the resolution professional and the other was found to have been filed by a party on the basis of an affidavit that was subsequently found to be false.

Timelines for disposal of appeals by SC, across outcome categories

Total of 12 disposed cases



The median disposal time for the 12 decided appeals before the SC (computed from date of NCLAT judgment) was **84 days**.

- **8 cases (66.7%)** were decided within 6 months and 5 of these cases were decided in less than 2 months,
- 1 case (8.3%) was decided within 6-12 months,
- 1 case (8.3%) were decided within 1-2 years,
- **2 cases (16.7%)** were decided within 2-3 years.

Among the 7 appeals that were dismissed on grounds of maintainability / delay / non-curing of defects / on account of withdrawal and therefore not considered on merits, 5 appeals were disposed of within 6 months.

The **appeals that took the least time for disposal before the Supreme Court** were in the case of *Regen Powertech Pvt. Ltd. and Castal Extrusion Pvt. Ltd.* - **10 days** and **25 days**, respectively. These appeals were dismissed on grounds of maintainability (for being filed by a Resolution Professional who did not qualify as an aggrieved party)²² and on grounds of delay of 181 days in filing,²³ respectively, and were therefore disposed of on the first hearing date.

²² Supreme Court’s order dated 25.09.2023 in *Regen Powertech Pvt. Ltd. v. Giriraj Enterprises & Anr.*, CA 5985-6001/2023.
²³ Supreme Court’s order dated 15.04.2024 in *Jaydip Ghosh v. Niraj Agarwal and Others*, CA Diary No. 13499/2024.

In contrast, the appeal filed by the tax authorities in the case of *Radha Madhav Corporation Ltd.* took the **longest time for disposal before the Supreme Court - 939 days / 2.6 years**. The delay appears to have arisen on account of listing delays and the parties' conduct. The appeal was first listed in November 2023 when notice was issued and thereafter the appeal was listed more than a year later, in January 2025. On this date, the court re-notified the appeal (without recorded reasons) after 3 weeks. The appeal was then listed 3 months later in April 2025. On this date, the order records an adjournment requested by the parties. The appeal was finally heard and dismissed on the fourth hearing date on 12 May 2026 vide a short order recording that there were no grounds to interfere with the impugned judgment but the question of law was kept open.²⁴

Analysis:

The overwhelming majority of appeal dismissals by NCLAT and SC resulting in non-interference with approved resolution plans is a positive finding and strongly indicates appellate fora's deference to resolution plans that have been approved by the CoC and NCLT. This is in line with the IBC's emphasis on minimal judicial review of decisions taken by the creditors in their commercial wisdom.

The relation between disposal timelines and type of outcomes was not always linear. Across both NCLAT and SC, 4 disposals on grounds of maintainability/delay/withdrawal took longer than a year while 15 disposals on merits (i.e., involving an examination of the terms of the resolution plan) took less than a year. These findings prove contrary to the intuitive assumption that appeals decided on merits necessarily take more time than appeals disposed on procedural/maintainability grounds. The case-specific observations in the study demonstrate that it is not merely the complexity of the case that determines the disposal timeline and, in fact, various other procedural aspects such as delays in curing of defects, delays in listing as well as conduct of parties can also substantially impact disposal timelines.

Overall, the findings on timelines for disposal before both NCLAT and SC are encouraging: around **42% of all 53 disposed appeals were decided within 6 months while 11% took between 2-3 years for disposal**. However, these disposal timelines do not provide the complete picture as they necessarily exclude the 14 pending appeals before the NCLAT and SC which have been pending for over 3 years as on date. As stated earlier, it is these pending appeals which pose the biggest challenge to resolution finality.

Along with the problem of pendency over 3 years is the issue of appeals filed by creditors challenging the rejection of their claims. Notwithstanding the clear statutory mandate that pending claims stand extinguished upon approval of the resolution plan,²⁵ claim rejection appeals continue to remain pending after the NCLT's approval. For instance, in the case of *Ahinsa Buildtech Private Limited*, an appeal was filed by a home-buyer who could not file their claim on time and had therefore challenged the non-allocation of amounts in the resolution plan.²⁶

²⁴ Supreme Court's order dated 12.05.2026 in Deputy Commissioner UGST Daman v. Rajeev Dhingra & Ors., CA Nos. 7470-7471/2023.

²⁵ Section 31(1), IBC; Electrosteel Steel Ltd. v. Ispat Carrier Pvt. Ltd., 2025 INSC 525; Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd., judgment dated 13.04.2021 in CA 8129/2019.

²⁶ CA (AT) (Ins) No. 608/2022 and 610/2022 before NCLAT, Principal Bench, New Delhi.

Notably, the appeal did not seek the setting aside of the resolution plan itself; however, the NCLAT recorded, in its order dated 3 June 2022, that the implementation of the approved resolution plan was to abide by the outcome of the appeal. This appeal against the rejection of claims is still pending (as on 1 June 2026). This case highlights the danger posed by appeals challenging rejection of claim amounts / seeking belated inclusion of claim amounts – while such appeals may not challenge the terms of the approved plan directly, any decision allowing such claims would impact the pay-outs under an already implemented resolution plan. This is likely to be a higher risk for real-estate companies given the high number of home-buyers in such cases.

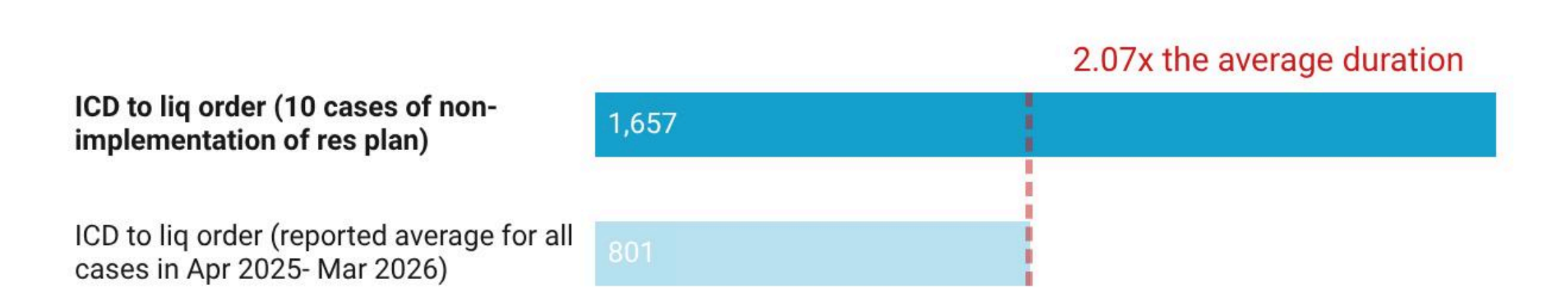
b. Post-approval Liquidations: False Positives in the resolution process

Findings:

10 entities²⁷ (out of the total of 170) were found to have subsequently gone into liquidation after the NCLT’s order approving the resolution plans.²⁸ The reason for initiation of liquidation proceedings in all 10 cases was the failure of the successful resolution applicant to implement the resolution plan and infuse funds in terms of the resolution plans. Notably, none of these resolution plans were challenged in appeal.

While this is not a very large number within a dataset of 170 entities, it still clearly highlights that a resolution plan being approved by the NCLT does not guarantee a ‘successful’ completion of the resolution process and there is about a 6% chance of the successful resolution applicant failing to implement the approved resolution plan and the company being sent into liquidation as a consequence.

From insolvency commencement date to liquidation order



For the 10 entities, the median duration between date of approval of resolution plan and the final liquidation order was **736 days (~2 years)** and the median duration between insolvency commencement date and the final liquidation order was **1657 days (~4.5 years)**. This is extremely significant, given that the average time taken between insolvency commencement date and passing of final liquidation order (for the period April 2025 to March 2026) was reported to be 801 days.²⁹ This clearly indicates that companies that go into liquidation due to non-implementation of resolution plans are likely to take much

²⁷ The 10 entities are: Jharkhand Mega Food Park Private Limited, Utech Engineering Work (India) Private Limited, Tayal Foods Limited, Anand Teknow Aids Engineering India Limited, Southern Batteries Private Limited, Landmark Housing Projects Chennai Private Limited, Bluefern Ventures Private Limited, Makro Cast Private Limited, AMW Motors Limited and Ushdev International Ltd. In the case of Utech Engineering Work (India) Private Limited, an appeal has been filed before the NCLAT challenging the liquidation order and the appeal is currently pending (as on 1 June 2026).

²⁸ This is as per the information made available on the corporate-debtor specific information available on the IBBI website. As a result, it does not include cases where liquidation proceedings may have been initiated by NCLT but is not updated/reflected on the IBBI website.

²⁹ Table 6, pg.16, IBBI Quarterly Newsletter for the period January - March 2026.

longer for a final closure of the insolvency process as compared to the usual scenarios for initiation of liquidation proceedings: non-receipt of any resolution plans/satisfactory plans and NCLT's rejection of plans approved by CoC.³⁰

Appeals by the successful resolution applicants (**SRA**) against liquidation orders passed on account of non-implementation have seen mixed outcomes over the years. In the case of *Topknit Processing Mill Pvt. Ltd.*, the NCLT initiated liquidation proceedings in May 2024 on account of the SRA's failure to implement the resolution plan that was approved in June 2022. This was challenged by the SRA before NCLAT which, in July 2024, provided a further opportunity to the SRA to implement the resolution plan and pay the necessary amounts.³¹ On the other hand, in the case of *Ushdev International Ltd.*, the NCLAT, vide its recent decision in July 2026, upheld the NCLT's liquidation order, pointing out that since the SRA had failed to implement the plan for over 3 years and had instead employed repeated dilatory tactics, it was necessary to prioritize value preservation over an endless and illusory resolution.³²

Analysis:

Resolution plans once approved by the NCLT are binding on all parties.³³ An outcome of liquidation *after* the approval of a resolution plan undermines the very objective of the insolvency resolution process in ensuring the corporate debtor's revival as a going concern. The obligation cast on successful resolution applicants to implement plans in a timely manner is not an empty formality or a mere transactional duty owed to creditors and stakeholders; instead, it is a pivotal responsibility to restore the distressed corporate debtor to viability and ensure a meaningful turnaround.³⁴ Such a responsibility ought not to be taken lightly by SRAs. Post-approval liquidations also render futile the entire time and effort invested by both the CoC and the NCLT in examining and approving the plan – valuable resources that could either have been spent examining and approving another plan or, in the NCLT's case, spent on other pending cases. It must be noted that Section 74(3) of the IBC expressly provides for penalties (imprisonment of not less than 1 year and extendable to 5 years, or fine of an amount not less than 1 lakh rupees and extendable to one crore rupees) to be imposed on “any person” who knowingly and wilfully contravenes the resolution plan. The imposition of penalties under this provision extends to the defaulting SRA.³⁵ Despite this clear statutory mandate, only 2 out of the 10 liquidation orders passed by the NCLT referred to this provision and directed steps to be initiated by the appropriate authorities against the defaulting SRA in terms of Section 74(3). These findings emphasize the need for specific reforms that can safeguard against the SRA's failure to implement resolution plans.

The different appellate outcomes in the cases of *Topknit Processing Mill Pvt. Ltd.* and *Ushdev International Ltd.* indicate that further opportunities for implementation of a resolution plan are not granted by the NCLAT as a matter of default and may be decided on a case-to-case basis, taking into account the SRA's

³⁰ Section 33(1), IBC.

³¹ Order dated 24.07.2024 in CA(AT)(CH) (Ins) No. 246/2024 before NCLAT, Chennai Bench.

³² Order dated 06.07.2026 in CA(AT)(Ins) No. 1710/2025 before NCLAT, Principal Bench.

³³ Section 31(1), IBC.

³⁴ *State Bank of India v. The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch & Anr.*, 2024 INSC 852 (para 173).

³⁵ *Ibid*, paras 178-179.

conduct and the number of opportunities already granted to the SRA for implementation. This is in line with the Supreme Court's ruling in the Jet Airways case where it held that any extension of timelines for implementation of plans must be granted cautiously, and after adequately weighing the period of extension sought with the consequences of such extension on the continued implementation of the plan.³⁶ Appellate intervention in cases of delayed implementation should certainly not become the norm, since it further elongates the resolution process and risks setting a precedent for condoning willful defaults by SRAs.

Summary of Key Findings

The key findings from the study are summarized below:

- 1. Appellate fora rarely overturn approved resolution plans:** Resolution plans approved by the NCLT are rarely overturned or modified before the appellate fora, with only 1 of the 41 disposed appeals before NCLAT resulting in a rejection of plan and 1 resulting in a modification of plan. All 12 disposals by the Supreme Court were dismissals of appeals.
- 2. Appellate disposal timelines not lengthy when viewed in isolation, but they must be assessed in context of IBC's mandate of time-bound resolution:** For the 12 cases that were disposed of by the Supreme Court (second level appeal), the median time taken cumulatively from NCLT's approval of the resolution plan to the final Supreme Court judgment was 730 days (2 years). This timeline is double the period of 330 days stipulated by the IBC for completion of the CIRP process itself.
- 3. Pendency of appeals beyond 3 years before both NCLAT and SC is the real threat to finality:** The median duration of pendency (as on 1 June 2026) is 1358 days i.e., 3.7 years for the 8 appeals currently pending before NCLAT and 1077 days i.e., ~3 years for the 6 appeals currently pending before SC. Although no stay order has been passed in these pending appeals to hinder the implementation of the resolution plans in question, the protracted pendency of these appeals undermines the fundamental principle of resolution finality and leads to uncertainty and decrease in investor confidence in the IBC framework.
- 4. Belated impact of appeals against claim rejections on implementation of resolution plans:** Appellate fora (NCLAT and SC) have overwhelmingly upheld approved plans and thereby given due weightage to the commercial wisdom exercised by the CoC and the NCLT's orders. However, the few case-specific observations (such as in the case of *Ahinsa Buildtech*) suggest that pending appeals filed by creditors against claim rejections could have a belated impact on implementation of approved plans that have attained finality.

³⁶ Ibid, paras 157-158.

5. Post-approval liquidations in a minority of cases solely due to successful resolution applicant's failure to implement plans: Liquidation orders were identified in respect of 10 entities out of 170 (~6%) after the NCLT's order of approval, solely due to failure of the successful resolution applicants to implement the plans. This highlights the fact that willful defaults by SRAs are a serious impediment to the objective of the insolvency resolution process in ensuring revival of the corporate debtor.

Conclusion and Recommendations for Reforms

The findings on the appellate timelines demonstrate that appellate proceedings significantly extend the lifecycle of the insolvency resolution process. A statutory mandate of 330 days for completion of the insolvency resolution process is of limited relevance when appeals that travel to the Supreme Court take more than double this time and when some appeals remain pending for more than 3 years. These figures become all the more significant when viewed alongside the average time taken for the CIRP process (from insolvency commencement to NCLT's approval of resolution plans): around 597 days (as on March 2025). The implications of lengthy appellate proceedings go far beyond delays in individual cases. There are significant economic costs of these delays: further erosion in the going-concern value of the corporate debtor (following an already prolonged resolution process) and decrease in investor confidence and incentives for future bidders.³⁷

Similarly, the findings on post-approval liquidations bring attention to the unique and serious threat posed by successful bidders to concluded resolution processes. An overburdened insolvency framework cannot afford for precious time and effort invested by the committee of creditors and NCLT to be rendered futile by willful defaults by resolution applicants in implementing their plans.

In view of the above, it is imperative that reforms address the dual problems of lengthy appellate proceedings and post-approval implementation failure in order to safeguard the time-bound resolution and value maximization objectives of the IBC. A few proposed reforms that build on the specific findings from the study are set out below. While this is not intended to be an exhaustive list, the proposed reforms represent targeted interventions aimed at strengthening the insolvency framework and ensuring resolution finality and certainty for both bidders/investors and creditors.

1. *Notice on appeals challenging approved resolution plans to be issued only after recording a clear prima facie finding that the appeal has merit and falls within the scope of Sec.61(3), IBC:* Appeals against resolution plans should not be treated as regular appeals on other matters arising under the IBC. The Code mandates deference to the commercial wisdom of the committee of creditors especially when it comes to resolution plans – a principle that has been reiterated time and again in various judgments. Given that the approved resolution plan has already been examined in detail by the CoC and approved by the NCLT, appellate courts must exercise restraint when it comes to entertaining appeals challenging the approval of plans. They should refrain from issuing notice on the appeals as a matter of routine practice and should instead only issue notice after carrying out a prima facie examination of whether the appeal has merit and falls within the grounds for appeal as set out in Section 61(3) of the IBC.³⁸ Such a *prima facie* finding of merit should clearly be recorded in the order issuing notice.

³⁷ The apex court in its recent judgment dated 27.02.2026 in *Torrent Power Limited v. Ashish Arjunkumar Rathi & Ors.*, 2026 INSC 206 (para 14) has emphasized these economic costs that arise from expansive judicial review and underscored the importance of predictability and finality to maintaining a robust insolvency regime.

³⁸ The grounds set out in Section 61(3), IBC are as follows:

“(i) the approved resolution plan is in contravention of the provisions of any law for the time being in force;
(ii) there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period;
(iii) the debts owed to operational creditors of the corporate debtor have not been provided for in the resolution plan in the manner specified by the Board;
(iv) the insolvency resolution process costs have not been provided for repayment in priority to all other debts; or
(v) the resolution plan does not comply with any other criteria specified by the Board.”

2. *Specific categorization of appeals against resolution plans in causelists to ensure priority and speedy disposal:* Given that the IBC itself mandates an outer limit of 330 days for completion of the entire CIRP process, it is imperative that appeals against approved resolution plans be disposed of in a timely manner. The recently introduced Section 61(6) of the IBC prescribes a 3 month timeframe for disposal of appeals by NCLAT. In order to ensure implementation of this provision, appeals against resolution plans should be specifically highlighted/ categorized in the Bench's daily cause-lists and, they should be periodically reviewed (on a fortnightly or monthly basis) by the Registry of NCLAT and Supreme Court to ensure they do not remain pending for more than 3 months.
3. *Appeals filed with delay / with objections as to maintainability / defective filings to be disposed of within 2 hearings:* 4 out of the 9 appeals that were dismissed by NCLAT on grounds of delay took more than 6 months with 1 appeal taking more than 2 years for disposal. Given that these appeals are liable to be dismissed at the threshold and do not require any consideration on merits, appellate fora should prioritize disposal within 2 hearings.
4. *Increasing the value of the performance security provided by the successful resolution applicant and barring SRAs who fail to implement plans from future CIRP bids:* The CIRP Regulations provide the CoC with discretion in fixing the value of the performance security, having regard to the nature of the resolution plan and business of the corporate debtor.³⁹ In order to effectively deter successful resolution applicants from defaulting on payment and plan implementation obligations, the performance security should be valued at atleast 25% of the plan value. In addition to forfeiture of performance security provided by the SRA, penalties for wilful contraventions of plans by SRAs as prescribed under Section 74(3) of the Code should be strictly enforced. Other graded penalties such as debarment of defaulting SRAs from submitting resolution plans for other companies under insolvency should also be considered. However, prospective resolution applicants will not be inclined to submit bids with higher performance security if there is no certainty of resolution plan finality due to prolonged appellate timelines. Therefore, reforms aimed at imposing stricter penalties for non-implementation of plans by SRAs must go hand-in-hand with enforcing shorter appellate timelines.
5. *Bar on entertaining of claim rejection appeals post approval of resolution plans:* The IBC and CIRP Regulations provide ample opportunity to creditors to submit their claims and challenge the rejection of their claims during the initial stages of the CIRP process. A creditor who has not filed a claim on time (such as in the case of *Ahinsa Buildtech Pvt. Ltd.*) or not exercised his/her right to challenge the rejection of claims at that stage ought not to be permitted to raise a belated appeal after the approval of the resolution plan. This is in accordance with the Supreme Court's ruling in *Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta*⁴⁰ where the Court held that a successful resolution applicant cannot be confronted with unasserted or undecided claims after a plan is accepted as such re-opening of a plan would defeat the IBC's objective of finality of resolution plans. The clean slate principle and approval of the plan resulting in extinguishment of all claims not provided for in the resolution plan is

³⁹ Regulation 36B(4A), IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

⁴⁰ (2020) 8 SCC 534.

now well settled and must be strictly enforced.

6. *Publicly accessible dashboard to track status of appeals filed against approved resolution plans along with status of plan implementation and instances of liquidation post plan approval:* Creation and regular updation of such a database is crucial to ensure that critical data related to plan implementation and appellate timelines is easily visible to creditors and resolution applicants alike. This will provide much-needed transparency which is critical for creditors and also ensure that prospective resolution applicants are well informed as to the risks before submitting their bids, which will likely reduce the instances of failure of implementation of plans. This dashboard can be hosted on the IBBI website which already provides corporate debtor-specific information as well as other data and metrics related to insolvency and liquidation processes. The IBBI quarterly newsletters which provide details of the approved resolution plans should also include details as to the final judgments in appeals against approved resolution plans, along the lines of the findings highlighted in the present study. In addition, in order to increase transparency and improve visibility on the status of appeals in insolvency matters (not restricted to appeals against approved resolution plans alone), the NCLAT website should provide an option for search by way of impugned judgment, similar to the search function available on the Supreme Court's website.