

While approval and implementation of a resolution plan under Section 31 of the IBC extinguish past claims and entitle the successful resolution applicant to a “clean slate”, such approval does not automatically authorize the Adjudicating Authority to direct deletion or removal of statutory charge entries maintained by the Registrar of Companies under the Companies Act, 2013

The **Jaipur Bench of the National Company Law Tribunal (NCLT)** in the case of **Administrator of Specified Undertaking of Unit Trust of India vs Modern Syntex [IA No. 29/JPR/2026]** dated June 22, 2026, has held that while approval and implementation of a resolution plan under Section 31 of the IBC extinguish past claims and entitle the successful resolution applicant to a “clean slate”, such approval does not automatically authorize the Adjudicating Authority to direct deletion or removal of statutory charge entries maintained by the Registrar of Companies under the Companies Act, 2013 without compliance with the statutory mechanism for satisfaction or modification of charges.

The correct legal position is that the IBC’s binding effect must be given full play, but implementation of the approved resolution plan must still proceed through the statutory process contemplated under Section 82 of the Companies Act and the applicable rules. Therefore, the Tribunal can require secured creditors and stakeholders to cooperate in effecting the plan, but cannot supplant the statutory framework by directly ordering deletion of MCA charge records.

Accordingly, the NCLT directed the concerned secured creditors to issue appropriate discharge, no-dues and satisfaction documents in terms of the approved resolution plan. The Tribunal expressly clarified that its order should not be read as directing the Registrar of Companies to act contrary to the Companies Act, 2013 or as dispensing with statutory compliances under that law.

The Tribunal recorded that there was no dispute on three core aspects: the resolution plan had been approved on March 12, 2024, payments under the approved plan had substantially been made, and pre-CIRP charge entries still continued in the MCA records. It accepted that the “clean slate” principle under Section 31 of the IBC means that claims not forming part of the approved resolution plan stand extinguished and the successful resolution applicant should take over the corporate debtor free from past liabilities.

At the same time, the Tribunal emphasized that statutory authorities operating under independent statutory frameworks continue to be governed by those enactments, and that the register of charges maintained under Sections 77 to 87 of the Companies Act, 2013 is a statutory register, with satisfaction or modification of charges governed by Section 82 and the applicable rules. For that reason, the Tribunal held that approval of a resolution plan does not by itself justify direct judicial deletion of charge entries without following the statutory process under the Companies Act.

The Tribunal, however, also made it clear that the matter could not be viewed only from the standpoint of Companies Act procedure while ignoring the binding effect of the approved

resolution plan and the earlier approval order. It noted that paragraph 29.10 of the approval order specifically required secured financial creditors, upon receipt of payment under the resolution plan, to issue discharge or no-claim certificates and release charges and securities.

The Tribunal further observed that once the resolution plan had been approved and implemented, secured creditors could not indefinitely withhold consequential cooperation necessary to give effect to the approved plan, especially when no material had been placed before it to show any subsisting unpaid dues under the plan. The objections raised by the contesting respondent were therefore seen as substantially jurisdictional and procedural in nature.