



IN THE NATIONAL COMPANY LAW TRIBUNAL  
NEW DELHI, COURT-IV

Company Petition No.: IB 307(ND)/2019

IA - 6560/ND/2023

IN THE MATTER OF:

M/s MERCKENS KARTON-UND PAPPEN FABRIC GMBH  
...Operational Creditors

VERSUS

M/s FRANCO LEONE LIMITED  
... Corporate Debtor

AND

**IN THE MATTER OF IA 6560/ND/2023:**

*Under Section 30(6) of IBC, 2016 r/w Reg. 37 to 39 of IBBI (CIRP Regulations), 2016*

**Mr. ANIL KOHLI**

Resolution Professional of M/s Franco Leone Limited

**...Applicant**

**Pronounced on: 12.02.2025**

**CORAM:**

**SHRI MANNI SANKARIAH SHANMUGA SUNDARAM, HON'BLE  
MEMBER (JUDICIAL)**

**DR. SANJEEV RANJAN, HON'BLE MEMBER (TECHNICAL)**

**Present:**

For the Resolution : Mr. Abhishek Anand, Mr. Karan Kohli,  
Professional Mr. Ishaan Dhingra, Mr. Mithilesh Kumar, Advs.

**ORDER**



**PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)**

**1. Preliminary**

1.1. The present interlocutory application bearing IA No.6560 (ND) 2023 is moved on behalf of Mr. Anil Kohli, Resolution Professional ("**RP**" / "**Applicant**") of M/s Franco Leone Limited (CIN: U74899DL1995PLC074764), under the provisions of Sections 30(6) and 31(1) of the Insolvency & Bankruptcy Code, 2016 [hereinafter referred to as "**the Code**" or "**IBC**"] read with regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("**CIRP Regulations**") for approval of the Resolution Plan in respect of M/s Franco Leone Limited ("**Corporate Debtor**") and seeking following reliefs:

- a. *Allow the present application;*
- b. *Allow the present application and approve the Resolution Plan submitted by Mr. Harish Manocha which has been unanimously approved by the members of the Committee of Creditors in the 11<sup>th</sup> CoC meeting convened on 03.11.2023;*
- c. *Declare that upon approval of the Resolution Plan by this Hon'ble Adjudicating Authority, the provisions of the Resolution Plan shall be binding on the Company, its Creditors, Guarantors, members, employees, Statutory Authorities and other stakeholders in accordance with Section 31 of the Code, and shall be given effect to and implemented pursuant to the order of this Hon'ble Adjudicating Authority;*
- d. *Approve and grant reliefs and directions sought under the Resolution Plan by the Resolution Applicant;*
- e. *Any other relief as this Hon'ble Adjudicating Authority may deem fit and proper in the facts and circumstances of the case."*

1.2. The underlying Company Petition CP (IB) No.307(ND)2019 filed by M/s Merckens Karton-UND Pappen GMBH under Section 9 of the Code for



initiation of Corporate Insolvency Resolution Process (“CIRP”) of the Corporate Debtor was admitted by this Adjudicating Authority *vide* its order dated 09.05.2022 (“Admission Order”). On that date, *i.e.*, 09.05.2022 (“Insolvency Commencement Date”) Mr. Vijender Sharma was appointed as IRP. Further the CoC in its 1<sup>st</sup> meeting held on 01.06.2022, replaced the IRP and unanimously appointed Mr. Anil Kohli as the Resolution Professional. An application bearing IA 3056/ND/2022 was filed by the CoC seeking approval of this Adjudicating Authority for replacement of the IRP and this Adjudicating Authority *vide* its order dated 27.07.2022 appointed Mr. Anil Kohli as the Resolution Professional (“Resolution Professional”) of the Corporate Debtor.

## 2. *Collation of claims by RP*

2.1. The Applicant submits that the public announcement was published in Form A on 10.05.2022 and called for proof of claims from the creditors of the Corporate Debtor and informed lenders to submit their claims as envisaged under the Code the last date for submission of claims being 23.05.2022. The applicant collated the claims and formed the CoC.

2.2. It is submitted that after determination of the financial position of the Corporate Debtor, the IRP constituted a CoC of only one Financial Creditor. The details of which is as follows:

### a. List of claim received from Financial Creditor:

Sr. No.	Name of Sole Financial Creditor	Amount claimed by the Creditor in INR	Amount admitted by the Resolution Professional in INR
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1.	Punjab & Sind Bank	78,48,59,660	78,48,59,660
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**b. Other amount due and payable by the Corporate Debtor as per the Information Memorandum is as tabulated below:**

Sr. No.	Category of the Creditor	Amount (in Rs.)
1.	Unsecured Financial Creditors (Related Party)	73,14,500/-
2.	Workmen	4,14,718/-
3.	Employee	8,33,769/-
4.	Operational Creditor - HSIIDC	88,84,017/-
5.	Operational Creditor- EPFO	18,20,118/-
6.	Operational Creditors - Others	8,97,32,436/-

2.3. The RP submits that a total of eleven CoC meetings have been held during CIRP period as follows:

Particulars	Date of CoC Meeting
1 <sup>st</sup> CoC Meeting	01.06.2022
2 <sup>nd</sup> CoC Meeting	14.06.2023
3 <sup>rd</sup> CoC Meeting	10.08.2022
4 <sup>th</sup> CoC Meeting	07.09.2022
5 <sup>th</sup> CoC Meeting	14.10.2022
6 <sup>th</sup> CoC Meeting	04.11.2022
7 <sup>th</sup> CoC Meeting	02.12.2022
8 <sup>th</sup> CoC Meeting	13.12.2022



Particulars	Date of CoC Meeting
9 <sup>th</sup> CoC Meeting	20.02.2023
10 <sup>th</sup> CoC Meeting	07.10.2023
11 <sup>th</sup> CoC Meeting	03.11.2023

### 3. Valuation of Corporate Debtor

3.1. The appointed registered valuers have submitted their reports providing the average fair value and average liquidation value of the Corporate Debtor as per the valuation report, whereby the Fair Value of the Corporate Debtor was Rs. 31,07,27,083/- and the Liquidation Value was Rs. 22,02,61,792/-.

### 4. Evaluation and voting

4.1 Further, invitation for Expression of Interest (**EoI**) in Form-G was issued on 13.08.2022 by way of a public notice in Business Standard (*English - NCR & Chandigarh Edition*) & Dainik Jagran (*Hindi-NCR, Haryana & Himachal Pradesh Edition*) whereby prospective resolution applicants (**PRAs**) were invited to submit the EoI on or before 29.08.2022 and the last date for submitting the resolution plan was 11.10.2022. As per the minutes of the 4<sup>th</sup> CoC Meeting, the members of CoC unanimously resolved that the RFRP and the Evaluation Matrix be circulated with the PRA's. The minutes of the 4<sup>th</sup> CoC Meeting dated 07.09.2022 is annexed to this application and marked as 'Annexure-A8'.

4.2 Thereafter, in the 5<sup>th</sup> CoC Meeting held on 14.10.2022, it was apprised by RP to the member of COC that two resolution plans were received from two PRAs, viz. *i) Mr. Harish Manocha* and *ii) Gayatri Polyrub Private Limited*. Further, the sealed envelope containing the Resolution Plans were opened



and the specification of plan was discussed. During the course of time, CoC meetings were held and the CoC sought for certain clarification and revision of the resolution plan submitted by the PRA's.

- 4.3 Thereafter in the 8<sup>th</sup> CoC Meeting held on 23.12.2022, the CoC considered both the Resolution Plans and negotiated with both the PRAs and the Applicant informed the CoC that both the Resolution Plans are compliant as per the Code and the underlying regulations. However, the CoC voted against both the Resolution Plans, thereby rejecting both the Resolution Plans. The Minutes of the 8<sup>th</sup> CoC Meeting along with the voting sheet is annexed to the Application and marked as '*Annexure A-13 (colly)*'.
- 4.4 Pursuant thereto the Applicant filed IA 1169 of 2023 under section 33(2) of the Code seeking liquidation of the Corporate Debtor on 29.01.2023. The Application was heard by this Adjudicating Authority and vide its order dated 15.03.2023, the application for Liquidation was allowed.
- 4.5 However, both the PRA's, being aggrieved with the order of this Adjudicating Authority in IA 1169 of 2023 dated 15.03.2023 filed an appeal '*Appeal (AT) (Insolvency) 650 of 2023 and 657 of 2023*' before the Hon'ble Appellate Tribunal.
- 4.6 While adjudicating the appeal, the Hon'ble NCLAT directed the CoC to reconsider the revised Resolution Plans submitted by both the PRA's. Subsequently on 20.09.2023, it was submitted by the CoC that Mr. Harish Manocha submitted a revised Resolution Plan, however, no revised



Resolution Plan was received from Gayatri Polyrub Pvt. Ltd. Accordingly the Hon'ble NCLAT directed the CoC to submit an Affidavit stating whether they are inclined to approve the Resolution Plan. Complying with the directions of Hon'ble NCLAT, the CoC filed an affidavit before it stating that it is inclined towards considering the revised Resolution Plan submitted by Mr. Harish Manocha since the offer given by Mr. Harish Manocha is more than the Liquidation Value.

- 4.7 Hon'ble NCLAT, vide its order dated 03.10.2023, set aside the order of this Adjudicating Authority dated 15.03.2023, whereby this Adjudicating Authority allowed the Liquidation of the Corporate Debtor and remanded the matter back with a direction that the CoC shall consider the revised Resolution Plan of Mr. Harish Manocha only and also extended the CIRP period by 60 days from the date of its order *viz.* 03.10.2023.
- 4.8 The Applicant conducted the 11<sup>th</sup> CoC meeting on 03.11.2023, wherein the Applicant apprised the CoC that the Applicant had duly analysed the Resolution Plan vis a vis legal compliances and found that the Resolution Plan submitted by Mr. Harish Manocha is compliant with the provisions of Code. Accordingly, the Resolution Plan was put to vote and the sole CoC member casted its vote in favour of the Resolution and the Resolution Plan was approved by 100% voting share.
- 4.9 This Bench vide order dated 18.10.2024, sought for clarification from the Resolution Professional primarily on these grounds:

*1) Provide the Request for Resolution Plan issued by the Applicant so as to*



*invite the Resolution Plan from the Prospective Resolution Applicants.*

*2) The amount paid by the Successful Resolution Applicant towards Earnest Money Deposit and the date of such payment.*

*3) Provide details pertaining to the Performance Security as stipulated in Regulation 36B (4A) of IBBI (CIRP) Regulations, 2016. Also, provide a Proof of a valid / duly renewed Performance security that has been tendered by the SRA in compliance with the said regulation.*

In compliance with the order dated 18.10.2024, the Resolution Professional filed an additional affidavit dated 05.11.2024, which is on record. The contents of this affidavit has been recorded in the later part of this order.

4.10 Pursuant to Regulation 36B sub-regulation 4A of IBBI (CIRP) Regulations, 2016, it is mentioned in clause 15(i) of the Request for Resolution Plan (RFRP) that the Successful Resolution Applicant (SRA) shall provide a Performance Security in the the form of deposit equivalent to 10% of payment proposed to be made to financial creditors. Vide the additional affidavit dated 05.11.2024, the Resolution Professional has submitted that the Successful Resolution Applicant has deposited an amount of Rs. 2,46,00,000/- (Rupees Two Crores Forty-Six Lacs Only) into the bank account of the Corporate Debtor maintained with the Secured Financial Creditor (Punjab & Sind Bank) which is equivalent to 10 percent of the Resolution Plan Value.

4.11 Pursuant to Regulation 39(4) of IBBI (CIRP) Regulations, 2016, a Compliance Certificate in Form-H of the Schedule B is annexed as 'Annexure -A 25'.





4.12 That pursuant to section 30(6) of Insolvency and Bankruptcy Code, 2016 read with Regulations 37 to 39 of IBBI (CIRP) Regulations, 2016, Resolution Professional by filing the present application is praying for approval of the Resolution Plan submitted by Resolution Applicant - Mr. Harish Manocha as approved by the Committee of Creditors of the Corporate Debtor with 100% voting under section 30(4) of 1 & B Code, 2016 in the 11<sup>th</sup> Meeting of CoC held on 03.11.2023.

**5. *Details of Resolution Applicant, Project Details and Payment Schedule***

5.1 As per the Resolution Plan, the Successful Resolution Applicants (“SRA”), Shri Harish Manocha, is having more than 45 years of managerial experience in footwear industry. He is graduate by educational qualification and has been promoter of Columbus Group. The Columbus Group has been able to attain 275 distribution networks across the world and possesses ISO 9001: 2000 certification. It is manufacturer, supplier and exporter of following footwear categories: Sports shoes, School shoes, Hawaii slippers, Gents sandals, Men's slippers, ladies' slippers.

5.2 The SRA along with group has conceived its expansion strategy and acquisition of "Franco Leone Limited" shall help Resolution Applicant and group to achieve its major expansion strategy to enhance its production capacity near Delhi and Bahadurgarh.

5.3 Summary of the consolidated payments to be made by the SRA:

*(amount in crores)*



<b>Particulars</b>	<b>Amount (in Rs.)</b>
Secured Financial Creditors	23.29
Unsecured Financial Creditors (Related Party)	NIL
Workmen Dues	0.04
Employees	0.06
Operational Creditors - HSIIDC	0.89
Operational Creditor - EPFO	0.18
Operational Creditors (Other Government Dues)	0.05
Operational Creditors - Others	0.01
<b>Total</b>	<b>24.60</b>

5.4 Sources of Fund as stated in the Resolution Plan by the SRA is extracted below for reference:

<b>Particulars</b>	<b>Amount in Crore Rs.</b>
Fresh Equity Capital*	2.5
Unsecured Loans from Resolution Applicant**	22.10
Unsecured Loans - Working Capital in first three months	1.00
Unsecured Loans - Working Capital in subsequent 12 months	2.00
<b>Total</b>	<b>27.60</b>

\* Fresh Equity Capital shall be infused over two months initially the funds may be infused as bridge unsecured loans.

\*\* The SRA post approval from the CoC intends to bring funds towards making payment towards making payment to stakeholders within stipulated terms.



**6. Compliance of the successful Resolution Plan with various provisions:**

- 6.1. The Applicant has submitted the details of various compliances as envisaged by Sections 30(2) of the Code and Regulations 37 & 38 of CIRP Regulations which a Resolution Plan is required to adhere to. The same is also a part of Form-H Annexed to the Application as Annexure-25.
- 6.2. It is further submitted that the initial period of 180 days for completion of the Corporate Insolvency Resolution Process (CIRP) expired on **05.11.2022**, as prescribed under Section 12 of the Insolvency and Bankruptcy Code, 2016.
- a. **Extension 1:** The Applicant filed an application before this Adjudicating Authority bearing IA No. 5444/2022 for seeking an extension of 90 days. This Adjudicating Authority, after hearing the said matter passed an order dated 10.11.2022 allowing extension of 90 days.
- b. **Extension 2:** On an application by the Applicant, this Adjudicating Authority vide order dated **28.09.2021** extended the CIRP by 150 days **expiring on 15.11.2021**.
- c. **Extension 3:** Thereafter an IA 1169/2023 was filed by the Resolution Professional for initiating Liquidation of the Corporate Debtor which was allowed by this Adjudicating Authority whereby this Bench vide order dated 15.03.2023 ordered Liquidation of the Corporate Debtor. This order was appealed before the Hon'ble NCLAT and the Hon'ble NCLAT set aside the Liquidation order of this Bench and directed the RP to consider the Resolution Plans afresh. The **Hon'ble Appellate Tribunal also extended the**



**CIRP period by 60 days, expiring on 02.12.2023.**

6.3. The Applicant submits that the SRA has submitted an affidavit in regard to the eligibility under section 29A of the Code, as required by Regulation 39(1)(a) of the CIRP Regulations. The same has been annexed to the Application as 'Annexure 26'.

6.4. The Applicant has filed a Compliance Certificate in prescribed Form, i.e Form 'H' in compliance with Regulation 39(4) of the CIRP Regulations and the same is annexed with the application at page nos. 324 - 332.

**7. *Details on Term, Management, Implementation and Supervision of the Resolution Plan***

7.1 The term and implementation schedule of the Resolution Plan is as follows:

<b>EMD &amp; Performance Security</b>	<b>Timelines</b>
EMD	Paid
A performance security (after adjusting EMD, @ 10% of the Payment of Financial Creditors)	Within 3 working days from the date of Receiving Letter of Intent.
<b>Tranche of Payment</b>	<b>Date of Payment</b>
Payment towards CIRP Cost & Operational Creditors	Within 60 days from the approval of NCLT Order
Payment to Secured Financial Creditor	Within 60 days from the approval of NCLT Order
Payment towards assignment of Residual debt (If agreeable to COC)	Within 120 days from the approval of NCLT

7.2 It is submitted that post approval of the Resolution Plan by this Bench, an Implementation and Monitoring Committee shall be formed to supervise the implementation of the Resolution Plan by the SRA. The Committee shall include a nominee representing the Financial Creditor to safeguard the



interest of the Lenders, a nominee of the SRA and Resolution Professional. The Resolution Professional shall be the Chairman of the Implementation and Monitoring Committee.

7.3 The SRA proposes to have a new Board that shall takeover the management of the Corporate Debtor and function under the supervision of the Implementation and Monitoring Committee until the complete payment of consideration proposed under the plan is made and the Resolution Plan is implemented.

7.4 It is further submitted that the SRA, on and from the effective date of the Resolution Plan, intends to retain all the employees and labour of the Corporate Debtor.

**8. *Details on fraudulent and avoidance transaction***

It is submitted that any recovery / realization of receivables / payments in future on account of avoidance transaction shall be to the credit of the Financial Creditors subject to netting off or reimbursement of costs incurred by the SRA post approval of the Resolution Plan by this Bench.

**9. *Waivers, Reliefs and Exemptions***

9.1 The SRA has prayed for the reliefs, waivers and concessions as enumerated under the Resolution Plan approved by the CoC, namely, that from the plan approval date all inquiries, investigations and proceedings, whether civil or criminal, suits, claims, disputes, interests and damages in connection with the Corporate Debtor or the affairs of the Corporate Debtor, pending or



threatened, present or future in relation to any period prior to the plan approval date, or arising on account of implementation of this Resolution Plan, shall stand withdrawn, satisfied and discharged, from the date of approval of the 'Resolution Plan'. In this regard, the SRA shall be legally authorized to seek appropriate orders from respective authorities/ courts/ tribunals for renewal of licenses/ withdrawal/ dismissal or abatement of the proceedings as the case may be.

- 9.2 We further reiterate that the Approved Resolution Plan shall not construe any waiver to any statutory obligations/liabilities arising out of the approved resolution plan and the same shall be dealt in accordance with the appropriate authorities concerned as per relevant laws. We are of the considered view that if any waiver is sought in the Approved Resolution Plan, the same shall be subject to approval by the concerned authorities. The same view has been held by the Hon'ble Supreme Court in **Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited and Embassy Property Development.**

## **10. Findings**

- 10.1. On hearing the submissions made by the Ld. Counsel for the Resolution Professional and after perusing the record, we find that the Resolution Plan has been approved by the CoC with **100%** of the member voting in favour of the Resolution Plan. As per the resolution of the CoC, the Plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. By and large, there are provisions for making the Plan effective after approval by this Adjudicating Authority.



10.2. On perusal of the documents on record, we are satisfied that the Resolution Plan is in accordance with Sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

10.3. The reliefs, concessions and waivers sought by the SRA will be dealt with strictly as per law taking into consideration the decision of the Hon'ble Supreme Court in the matter of **Embassy Property Development Private Limited v. State of Karnataka & Ors. in Civil Appeal No. 9170 of 2019**, this Adjudicating Authority is not inclined to granting any relief prayed for except that is provided in the case itself and direct the Successful Resolution Applicant to file necessary application before the necessary forum/ authority in order to avail the necessary relief and concessions, in accordance with respective laws. The relevant part of the judgement is reproduced herein below:-

*"39. Another important aspect is that under Section 25 (2) (b) of IBC, 2016, the resolution professional is obliged to represent and act on behalf of the corporate debtor with third parties and exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial and arbitration proceedings. Section 25(1) and 25(2)(b) reads as follows:*

*"25. Duties of resolution professional – (1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.*

*(2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions:-*

*(a).....*

*(b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi judicial and arbitration proceedings."*



*This shows that wherever the corporate debtor has to exercise rights in judicial, quasi-judicial proceedings, the resolution professional cannot short-circuit the same and bring a claim before NCLT taking advantage of Section 60(5).*

*40. Therefore in the light of the statutory scheme as culled out from various provisions of the IBC, 2016 it is clear that wherever the corporate debtor has to exercise a right that falls outside the purview of the IBC, 2016 especially in the realm of the public law, they cannot, through the resolution professional, take a bypass and go before NCLT for the enforcement of such a right."*

10.4. As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the SRA is permitted to do the same within one year as prescribed under section 31(4) of the Code or within such period as provided for in such law, whichever is later.

10.5. In case of non-compliance with this order or withdrawal of the Resolution Plan within the stipulated time, in addition to other consequences which follow under law, the CoC shall forfeit the Performance security, already paid by the SRA.

10.6. In so far as the approval of the resolution plan is concerned, this authority is not sitting on an appeal against the decision of the Committee of Creditors and this Adjudicating Authority is duty bound to follow the judgement of the **Hon'ble Supreme Court in the matter of K. Sashidhar v. Indian Overseas Bank (2019) 12 CC 150**, wherein the scope and interference of the Adjudicating Authority in the process of the approval of the Resolution Plan is elaborated as follow:-





*“35. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan “as approved” by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides : (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.”*

10.7. Also, the Hon’ble Supreme Court of India in the matter of Committee of Creditors of **Essar Steel India Limited vs. Satish Kumar Gupta & Ors., Civil Appeal No. 8766-67 of 2019**, vide its judgement dated 15.11.2019 has observed as follows:



*“38. This Regulation fleshes out Section 30(4) of the Code, making it clear that ultimately it is the commercial wisdom of the Committee of Creditors which operates to approve what is deemed by a majority of such creditors to be the best resolution plan, which is finally accepted after negotiation of its terms by such Committee with prospective resolution applicants.”*

10.8. Thus, from the judgments cited and the statutory framework of the Insolvency and Bankruptcy Code, 2016, it is evident that the scope of judicial review available to this Adjudicating Authority under **Section 30(2)** read with **Section 31** is limited to assessing the compliance of the Resolution Plan with the prescribed legal requirements. This Authority is neither empowered nor obligated to delve into or evaluate the commercial wisdom of the Committee of Creditors (CoC), which is paramount and binding, provided it aligns with the provisions of the Code. Upon satisfaction that the proposed Resolution Plan adheres to the statutory mandates, including equitable treatment of stakeholders and compliance with applicable laws, this Bench finds no impediment to granting its approval.

## **11. Orders**

11.1. Subject to the observations made in this Order, the Resolution Plan (*alongwith the affidavit dated 05.11.2024 and other documents connected to the Resolution Plan that have been filed by the SRA from time to time*) is hereby **approved. The Resolution Plan shall form part of this Order.**

11.2. The approved Resolution Plan as annexed alongwith COC approved addendums shall be binding on all the stakeholders of the Corporate Debtor and become effective from the date of passing of this Order, and shall be implemented strictly as per the term of the plan and implementation schedule given therein. The Resolution Plan will form part of the order.



- 11.3. The Monitoring Agency, as provided in the Resolution Plan shall be set up by the Applicant within 07 days of passing of this Order, which shall take all necessary steps for expeditious implementation of the Resolution Plan as per approval;
- 11.4. The Moratorium imposed under section 14 of the Code shall cease to have effect from the date of this order.
- 11.5. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- 11.6. MoA and AoA of the Corporate Debtor shall be amended and filed with the RoC for information and record as prescribed. While approving the Approved Resolution Plan as mentioned above, it is clarified that the Successful Resolution Applicant shall pursuant to the Resolution Plan approved under section 31(1) of the Code, 2016, obtain all the necessary approvals as may be required under any law for the time being in force within the period as provided for such in law.
- 11.7. Accordingly, **IA (IB) No.6560/(ND) 2023** is allowed.
- 11.8. Liberty is hereby granted for moving appropriate application if required in connection with the implementation of this Resolution Plan.
- 11.9. A copy of this Order shall be filed by the Resolution Professional with the Registrar of Companies, NCT of Delhi & Haryana.
- 11.10. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are



enjoined upon him for implementation of the approved Resolution Plan.

11.11. The Resolution Professional is further directed to hand over all records, licences, plans, approvals of premises/ factories/ documents and all other relevant records relating to the Corporate Debtor, available with it to the SRA to finalize and co-operate on the further line of action required for starting the operation and implementation of this Plan. The Resolution Applicant shall have access to all the records, documents and the premises through the Resolution Professional to finalize the further course of action required for starting and running the operations of the Corporate Debtor on a clean slate basis.

11.12. The Registry is directed to send copies of the order forthwith to IBBI, all the parties and their Ld. Counsels for information and for taking necessary steps.

11.13. Certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

**-sd-**

**(DR. SANJEEV RANJAN)**

MEMBER (TECHNICAL)

**-sd-**

**(MANNI SANKARIAH SHANMUGA SUNDARAM)**

MEMBER (JUDICIAL)