NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
COURT NO.1

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH, BENGALURU, HELD ON 17.10.2018

PRESENT: 1. Hon'ble Member (J) **Shri Rajeswara Rao Vittanala,**
2. Hon'ble Member (T) **Dr. Ashok Kumar Mishra**

CP/CA No	Purpose	Section	Name of Petitioner	Petitioner Advocate	Name of Respondent	Respondent Advocate
CP(IB)No. 139/BB/17	For pronouncement of order	Sec 9 of I&B Code	Centum Electronics Ltd.	AZB Partners	Connect M Technology Solution Pvt. Ltd.	Shri Hari Babu Thotta (RP)

SL. NO.	NAME (IN CAPITAL) & PHONE NUMBER	REPRESENTATION TO WHOM	SIGNATURE
	PETITIONER/s : HARI BABU THOTA 9740237291	Corporate Debtor Resolution Professional	
	RESPONDENT/s :		

ORDER

Heard Shri Hari Babu Thota, Resolution Professional for the Corporate Debtor. CP(IB)No.139/BB/17 is disposed of by separate order.

Member (T)   Member (J)

Krishna

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

C.P.(IB) No. 139/BB/2017
U/s 9 of the IBC, 2016
R/w Rule 6 of the I & B (AAA) Rules, 2016

In the matter of:

M/s. Centum Electronics Limited
No.44, KHB Industrial Area,
Yelahanka New Town,
Bengaluru-560 106. - Petitioner/Operational Creditor

Versus

M/s. ConnectM Technology Solutions Private Limited
Janardhana Towers,
Bilekahalli,
Bannerghatta Road,
Bengaluru-560 076. - Respondent/Corporate Debtor

Date of Order: 17th October, 2018

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Dr. Ashok Kumar Mishra, Member (Technical)

Parties/Counsels Present:

For the R.P. : Shri Hari Babu Thota, R.P.

ORDER

Per: **Rajeswara Rao Vittanala, Member (J)**

1. The Company Petition bearing C.P.(IB)No.139/BB/2017 is filed by **Centum Electronics Limited,** Petitioner/Operational Creditor, u/s 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of I & B (Application to Adjudicating Authority) Rules, 2016, by inter alia, seeking to initiate Corporate Insolvency Resolution Process (CIRP) in respect of **ConnectM Technology Solutions Private Limited** (Corporate Debtor).

2. Brief facts of the case, which are relevant to the issue in question, are as follows:

a. The case was admitted by the Adjudicating Authority, by an order dated 29th January 2018 by initiating Corporate Insolvency Resolution Process (CIRP) in respect of **ConnectM Technology Solutions Private Limited** (Corporate Debtor) by appointing Shri Hari Babu Thota as Interim Resolution Professional. Subsequently, at the 1st meeting of the Committee of Creditors comprising of Avanti Computing Private Limited, a sole financial creditor in the Committee of Creditors was held on 26th February 2018, wherein he was confirmed as Resolution Professional by the Committee of Creditors of the Corporate Debtor, and the same was also confirmed by the Tribunal vide its order dated 8th March 2018.

b. The Resolution Professional has appointed the following two Registered Valuers to determine the liquidation value of the Corporate Debtor in accordance with the provisions of the Code:

   i. M/s. Vhavle & Company, # 9, 2nd Floor, 9th Main, Jayanagar, 2nd Block, Bangalore-560011.

   ii. M/s. Bellala & Raghavendra, 90/1, 3rd Floor, Pasha South Square, Ratha Vilas Road, Basavanagudi, Bangalore-560004.

c. Subsequently, the Resolution Professional has filed an I.A.No.128/2018 on 15th May 2018, by inter alia, stating that:

   i. Necessary actions as required under the IBC, 2016, were taken from time to time.

   ii. Issued Invitation for Resolution Plan on 15.03.2018, publishing at the website of IBBI, calling for Expression of Interest from prospective Resolution Applicants.

   iii. The parameters of Evaluation Matrix for Resolution Applicants approved by the CoC were as follows:

I. Quantitative Parameters		*II. Qualitative Parameters*	
(70 Marks)		(30 Marks)	
1) Upfront cash Recovery	30	1) Viability of the Business Plan and feasibility of the Resolution Plan	10
2) NPV of Continuing Debt (inclusive of cash payment)	30	2) Track record/Experience of the Resolution Applicant	10
3) Equity/Quasi-equity infusion for improving business operations	10	3) Reputation and financial strength of Resolution applicant	10

iv. Follow up action with the promoters and creditors of the Company to submit Resolution Plans. However, an interest was received from the Promoter of the Corporate Debtor, M/s ConnectM Technology Solutions Inc, No.241, Boston Post Rd W, Marlborough, MA 01752, USA.

v. The Resolution Plan, received from M/s ConnectM Technology Solutions Inc, was placed before the 3rd Meeting of CoC held on 18th April 2018, and also Co-ordinating with the Resolution Applicant. The Resolution Applicant, who was also the Promoter of the Corporate Debtor, had evinced interest for submission of Resolution Plan and revival of the Corporate Debtor, the CoC considered the request of the Resolution Applicant, and extended time upto 3rd May 2018.

vi. The revised and detailed Resolution Plan was received from M/s.ConnectM Technology Solutions Inc, and the same was placed before the 3rd Meeting of CoC held on 2nd May 2018, for consideration of the CoC. The Resolution Plan proposed the following terms and conditions:

a) **Cost of Resolution Plan**: (in INR)

1.	Insolvency Resolution Process Cost	8,00,000
2.	Capital Expenditure	1,00,000
3.	Working Capital	1,00,000
4.	Part takeover of Liabilities of Financial Creditor by the Resolution Applicant	0.00
5.	Dues of Operational Creditors	38,00,000
	Total	**48,00,000**

b) The affairs of the Corporate Debtor shall be vested with the Board of Directors of the Corporate Debtor, after approval of the Resolution Plan.

c) The Resolution Applicant will appoint a third party, on the Board of the Corporate Debtor to oversee, supervise and monitor the implementation of Resolution Plan.

d) The Resolution Applicant proposes to have full rights to all IPs and assets (both movable and immovable) of the Corporate Debtor.

e) The financial creditor opted to continue as a secured financial creditor and gave their consent for repayment of loan as per the existing terms of the loan agreement, hence Resolution Applicant proposed that the financial creditor's liability shall be paid as per existing terms of the loan agreement between the financial creditor and the Corporate Debtor.

f) 20% of the total claim amount as submitted by the Operational Creditors or 100% of settlement amount as agreed by operational creditors, who have submitted valid claim form, whichever is lower;

g) The Operational Creditors, who have not submitted their claim form will be given 6 month's time from the date of approval of the Resolution Plan by the Tribunal, if any of the Operational Creditors approach the Corporate Debtor during this time, 20% of their claims shall be settled from the internally generated money. After completion of the period, the debts existing on commencement of CIRP, i.e., 29th January 2018 shall be written off, if not approached;

h) The liability towards Employee dues & Gratuity and Director's remuneration shall be met out of internal accruals of the Corporate Debtor;

i) The liabilities towards statutory dues shall be met out of internal accruals of the Corporate Debtor.

j) The Committee of Creditors discussed the Resolution Plan in detail and as it was the only plan received for revival of the Corporate Debtor, fair value being Rs.19,77,18,394/- and highest liquidation value being Rs.1,15,911/-, and as the plan considered all stakeholders of the Corporate Debtor, approved the Resolution Plan and permit the Resolution Professional to submit to the Adjudicating Authority for its approval.

k) The Resolution Applicant shall not be liable for any statutory liabilities before the commencement of the Corporate Insolvency Resolution Process relating to the Corporate Debtor.

l) The Resolution Applicant's liability towards financial and operational creditors shall be restricted only to the extent specified in this resolution plan.

m) The equity shares of the Corporate Debtor shall be bought for a consideration of Re.1 (Rupee One Only) from each of the existing shareholders and the paid-up capital of Rs.32,21,69,560/- be reduced to the extent of investment made by the Resolution Applicant. The shares shall be issued to the Resolution applicant or its nominees as per the written communication.

3. Heard Shri Hari Babu Thota, Resolution Professional, and have carefully perused all the pleadings, and also extant provisions of IBC, 2016, and Rules made there under by the IBBI.

4. The Resolution Professional, while reiterating various contentions raised in his pleadings from the date of application till date, has prayed to accept the Resolution Plan submitted for the Corporate Debtor, ConnectM Technology Solutions Private Limited by the Resolution Applicant, which was approved by the Committee of Creditors at their meeting held on 2nd May 2018; to approve all the proposals stated in the Resolution Plan for revival of the Corporate Debtor and to give the order in accordance with the approved Resolution Plan, which shall come into force with immediate effect and to direct the statutory authorities for implementation of the Resolution Plan for revival of the Corporate Debtor without any additional /further liability.

5. It is seen from the report that, 4 (four) meetings of Committee of Creditors were held. Section 30 of Insolvency & Bankruptcy Code (hereinafter referred to as Code) provides for submission of Resolution Plan. The Resolution Plan submitted by the Resolution Applicant, ConnectM Technology Solutions Inc, was approved by the Committee of Creditors at the meeting held on 2nd May 2018.

6. The above facts and circumstances of the case, have clearly established that the instant Resolution Plan approved by the Committee of Creditors, meets all the requirements, as prescribed under the extant provisions including Section 30 of IBC so as to approve the same. The Resolution Professional, has filed I.A No.128/2018, as mentioned supra, stated that he has examined the instant Resolution Plan and confirmed that the Resolution Plan submitted by ConnectM Technology Solutions Inc., dated 10.05.2018 meets all requirements of Code and regulations there under, it was accepted and approved by 100% Financial Creditors of Corporate Debtor at their meeting held on 2nd May, 2018. The Resolution plan has also provided mechanism for supervision,

monitoring of its implementation under clause 10 wherein it is stated that Resolution applicant will appoint third party on the Board of Corporate Debtor to oversee, supervise, and monitor the implementation of resolution plan.

7. Therefore, we are satisfied that the instant Resolution Plan is eligible to be approved, so as to be binding the Resolution Plan, on the Corporate Debtor, its employees, members, creditors, guarantors and other stake holders involved in the Resolution Plan and also statutory authorities.

8. In view of the above facts and circumstances of case, and by exercising powers conferred on the Adjudicating Authority, under Section 31 of Insolvency and Bankruptcy Code, 2016, **C.P.(IB) No.139/BB/2017** is disposed of with the following directions:

a. The Resolution Plan submitted by Resolution Applicant namely **ConnectM Technology Solutions Inc**, is hereby approved;
b. It is hereby declared that the Resolution plan is binding on the Corporate Debtor, its employees, members, creditors, guarantors and other stake holders involved in the Resolution Plan and also statutory Authorities involved in the implementation of Resolution plan.
c. The Moratorium order passed under Section 14 of IBC, 2016 in the instant case shall cease to have effect;
d. The Resolution Professional shall forward all records relating to conduct of CIRP and the Resolution plan to the IBBI, so as to record it on its database.

(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL

(RAJESWARA RAO VITTANALA)
MEMBER, JUDICIAL

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