



IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT - 2

ITEM No.305

**IA(Plan)/35(AHM)2024 in
CP(IB)/146(AHM)2021**

Orders under Section 30(6) r.w 31(1) IBC r.w Regulation 39(4) IBBI, 2016

IN THE MATTER OF:

Shri Prashant B Patel RP of Kanel Industries Limited
V/s

.....Applicant

Shri Hiteshbhai Thakkar Suspended Director of Kanel
Industries Limited & Another

.....Respondent

Order delivered on: 23/10/2024

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open Court vide separate sheet.

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**DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)**

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**CHITRA HANKARE
MEMBER (JUDICIAL)**



**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH (COURT-II)**

**IA (Plan) No./35(AHM)/2024
IN
CP (IB) No./146(AHM)/2021**

[Under Section 30(6) read with Sections 31(1) of the Insolvency & Bankruptcy Code, 2016 read with regulation 39(4) of the IBBI 2016]

Shri Prashant B. Patel
RP of Kanel Industries Ltd.

...Applicant

Versus

1. Shri Hiteshbhai Thakkar,
Suspended Director of Kanel Industries Ltd.
2. Ardent Ventures LLP

....Corporate Debtor

IN THE MATTER OF:

Shri Prashant B. Patel

...Applicant

Versus

1. Shri Hiteshbhai Thakkar
2. Ardent Ventures LLP

...Corporate Debtor

Order pronounced on 23.10.2024



Coram:

**MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)**

**MR. VELAMUR G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)**

MEMO OF PARTIES

Shri Prashant B. Patel,
Resolution Professional of
Kanel Industries Ltd
Having office at:
409, West Face,
Nr Bagbhan Party Plot Cross
Road Zydus Hospital Road,
Thaltej, Ahmedabad-380059

...Applicant

Versus

1. Shri Hiteshbhai Thakkar,
Suspended Director of
Kanel Industries Ltd
Having address at:
A-32, Belleview Farms, Daskroi
Opp Dantal Ind Estate, Lapkaman,
Ahmedabad, Gujarat, 380060

2. Ardent Ventures LLP
A Limited Liability Partnership Firm,
Incorporated under the Limited Liability
Partnership Act, 2008
Having address at:
E-704, Maple Tree, Nr. Surdhara Circle,
Ahmedabad, Gujarat-380052


.....Corporate Debtor

**Appearance:**

For the Applicant : Mr. Navin Pahwa, Sr Adv. a.w
Mr. Ravi Pahwa, Adv.

JUDGEMENT

1. The present application has been filed under Section 30(6) of the Insolvency & Bankruptcy Code, 2016 (“IBC, 2016/the Code”) by the Resolution Professional of the corporate debtor inter alia seeking following prayer:
 - a) *That this Hon'ble Tribunal may be pleased to allow the present application, in the interest of justice;*
 - b) *That this Hon'ble Tribunal may be pleased to pass an order approving the Resolution Plan annexed at Annexure-A which has been duly approved by the CoC in its 6th Meeting held on 04.04.2024 in accordance with Section 30(4) of the IB Code, such that pursuant to Section 31(1), the same shall be binding on the corporate debtor and its employees, members, creditors including the central government, any state government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authority to whom statutory dues are*



owed, guarantors and other stakeholders in the Corporate Insolvency Resolution Process of the Corporate Debtor;

- c) *That this Hon'ble Tribunal may be pleased to grant any ancillary or consequential directions or such other and further reliefs as may be deemed fit and proper by this Hon'ble Tribunal, in the interest of justice;*
2. One Ardent Ventures LLP, the sole Financial Creditor, Respondent no.2 had filed an insolvency application under Section 7 of the Code being CP(IB) No.146 of 2021 for initiation of Corporate Insolvency Resolution Process (“CIRP”) against the Corporate Debtor which was admitted vide Order dated 03.12.2021 and whereby applicant Shri Prashant B. Patel was appointed as IRP. The public announcement inviting the claims from creditors of the Corporate Debtor was made in Form-A on 11.12.2021 and after receipt of claims, the applicant constituted the Committee of Creditors (“CoC”) on 31.12.2021.
 3. The CoC comprised of one secured financial creditor i.e., Ardent Ventures LLP and one operational creditor i.e., State Tax Department. The 1st CoC meeting was held on 07.01.2022 wherein the CoC confirmed the applicant as RP.



4. The 2nd CoC meeting was held on 11.02.2022 wherein CoC took note of Information Morandum, appointment of valuers to submit the valuation report for the assets of the Corporate Debtor and approved the evaluation matrix suggested by the applicant. The 3rd CoC Meeting was held on 09.04.2022 wherein resolution plan of one M/s. Kundan Care Products Limited was discussed and rejected by the sole member of the CoC as the value of the plan did not match the liquidation value of the CD.
5. The 4th CoC Meeting was held on 13.04.2022 wherein the CoC authorised the applicant to call for another EoI from prospective Resolution Applicants and to file application before this Tribunal seeking extension of CIRP for a further period of 90 days. Accordingly, the applicant filed IA No. 480 of 2022 seeking extension of CIRP which was allowed by this Tribunal vide order dated 08.06.2022 for a further period of 90 days.
6. The 5th CoC Meeting was held on 27.06.2022 wherein the applicant informed about receipt of three resolution plans from prospective Resolution Applicants viz. (i) United Eduplus Private Limited, (ii) Ardent Ventures LLP (the sole

financial creditor) and (iii) Kundan Care Products Limited.

This meeting was adjourned in order to enable the sole CoC Member to consider the plans of the prospective resolution applicants. The adjourned 5th CoC Meeting was held on 27.06.2022 wherein after deliberation of all the three plans, the CoC approved the Resolution Plan of respondent no.2 Ardent Ventures LLP. The applicant filed IA 655 of 2022 for approval of the resolution plan of respondent no.2 and this Tribunal vide order dated 17.05.2023 directed the applicant to revise the resolution plan in the light of the judgment passed by the Hon'ble Supreme Court in the case of State Tax Officer vs. Rainbow Paper Limited as there were tax dues.

7. Respondent no.2 revised the resolution plan and it was put to vote by the applicant in the 6th CoC meeting held on 04.04.2024 wherein the CoC with 100% voting approved the revised Resolution Plan. The amount provided for stakeholders under the plan is as under:

Sr.No.	Description	Amount (in Lakhs)
1.	CIRP Cost	10
2.	Proposal for Secured Financial	1496



	Creditors	
3.	Proposal for Secured Operational Creditors	32.98
4.	Proposal for Unsecured Operational Creditors	5.78
5.	Proposal for Employees and Workmen	0.15
6.	Payment for Working Capital Requirements	100
	Total discharge	1645.16

8. As per Part M of the Resolution Plan, since the Resolution Applicant is the sole financial creditor of the CD and holding 100% voting rights in the CoC, it is proposed that implementation of Resolution Plan shall be monitored by a Monitoring Committee/Agency consisting of Mr. Keyoor Bakshi (Designated Partner of Resolution Applicant) and Prashant Patel (RP).
9. The applicant stated that the Resolution Plan of Successful Resolution Applicant is in compliance of Section 30(2) of the Code and Regulation 38 (1A) of the CIRP Regulations. The applicant further submitted undertaking qua Section 29A

among others. The applicant has also verified the eligibility of the resolution applicant M/s. Roopyaa Tradebizz Limited in terms of Section 29A.

10. As per Clause 6 in Part K of Chapter V of the Resolution plan, the summary of means of finance for the Resolution plan is as under:

Sr.	Particulars	2022-23 (Rs.Lakh)
1.	Conversion of Debt into Equity	1496.25
2.	Unsecured Loans	149.41
	Total	1645.66

11. The applicant has annexed Form H with the application, according to which the fair value is Rs.16,99,82,500/- and liquidation value is Rs.11,90,80,000/-. The Resolution Plan submitted by R-2 is in compliance of the IB Code and its Regulations. The Resolution Plan does not contravene any of the provisions of the law for the time being in force. The Resolution Plan also provides for performance security as per Regulation 4A of Regulation 36B of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



12. In view of above, we observe that the Resolution Plan is in compliance of the provisions and we are satisfied in respect of the same. We find that the Resolution Plan has been approved with 100% voting share and is above the mandatory requirements. As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. On perusal of the documents on record, we are also 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.


13. Hence, we pass the following order:

ORDER

- I. Application is allowed.
- II. The approved 'Resolution Plan' shall become effective from the date of passing of this order.
- III. The order of moratorium passed by this Adjudicating Authority under Section 14 of IBC, 2016 shall cease to have effect from the date of this order.




- IV. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.
- V. The monitoring committee as proposed in the resolution plan shall be constituted for supervising the effective implementation of the Resolution Plan and continue till the payment plan is fully realised and is distributed.
- VI. The Resolution Professional, Shri Prashant B Patel, shall be released from the duties of the Resolution Professional of the Corporate Debtor as per the provisions of the IBC, 2016 and rules/regulations made thereunder from the date of this order.
- VII. The Resolution Professional shall forward all records relating to the conduct of the corporate insolvency resolution process and approved Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database.
- VIII. As regards various reliefs and concessions which are being sought, we hereby grant the following reliefs and



concessions only as against reliefs and concessions claimed by the resolution applicant.

- IX. After the payment of the dues to the creditors, as per the resolution plan, all the liabilities/claims of the said stakeholders shall stand extinguished and other claims including Government/Statutory Authority, whether lodged during CIRP or not, shall stand extinguished after approval of the resolution plan.
- X. From the date of this order, all claims against the Corporate Debtor, except those provided in the plan of the Corporate Debtor stand extinguished.
- XI. From the date of this order, all encumbrances on the assets of the Corporate Debtor before the Resolution Plan shall stand extinguished. No reliefs and concessions are granted to guarantee if any issued by the suspended management in an individual capacity to any of the creditors.
- XII. For reliefs and concessions sought from the Government / Statutory Authorities, we direct the resolution applicant to approach the concerned Authorities. The concerned Authorities are to consider and decide the matter as per



applicable provisions of law for effective implementation of the Resolution Plan.

- XIII. As regards reliefs prayed under various provisions of the Income Tax Act, 1961, the Corporate Debtor/ Resolution Applicant may approach the Income Tax Authorities who shall take a decision on relief and concessions sought by the resolution applicant in accordance with the provisions of the Income Tax Act, 1961.
- XIV. The Resolution Applicant shall be entitled to review, revise or terminate any appointments / agreements / understanding entered into by or on behalf of the Corporate Debtor in accordance with the terms and conditions of such agreements / MoUs /contracts.
- XV. The management of the Corporate Debtor shall be handed over to the Board of Directors as may be nominated by the SRA for the proper running of the operations /business of the Corporate Debtor.
- XVI. The Board of Directors of the Corporate Debtor shall also be reconstituted and procedural compliances shall be done to give effect to such reconstitution.



- XVII. The SRA shall, pursuant to the Resolution Plan approved under Section 31(1) of the Code, obtain necessary approvals required under any law for the time being in force within a period of one year from the date of approval of the Resolution Plan vide this order or within such period as provided for in such law, as the case may be.
- XVIII. All the approvals of shareholders/members of the Corporate Debtor shall be deemed to have been obtained and the provisions made in the Resolution Plan as regards the restructuring of capital shall be binding on them.
- XIX. With respect to the grant of license/ Government approval, if the license or approval is terminated, suspended or revoked, the resolution applicant may approach the concerned Department/ Authorities for such approval/ renewal and Government Authorities may consider the request of the resolution applicant as per applicable provisions of law for effective implementation of the resolution plan.
- XX. A certified copy of this order be issued to all concerned parties upon compliance of all requisite formalities.



XXI. Accordingly, IA (Plan) No./35(AHM)/2024 in CP (IB) No./146(AHM)/2021 is disposed of.

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DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

CHITRA HANKARE
MEMBER (JUDICIAL)

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