

**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**MUMBAI BENCH COURT III**



**I.A. 2645/2022**

**IN**

**C.P.(IB)/1067 (MB)/C-III/2019.**

*(Under Section 30(6) of the Insolvency  
and Bankruptcy Code, 2016.)*

**Mr. Girish Siriram Juneja**

Interim Resolution Professional of  
Osian's Connoisseurs of Art Pvt Ltd.

Having office at:

B-318,3<sup>rd</sup> Floor, Antop Hill,  
Warehousing Complex, VIT College  
Road, Wadala East, Mumbai-  
400037.

**.... Applicant/ Resolution  
Professional**

**In the matter of**

**IDBI Bank Limited**

**.....Applicant**

**Vs.**

**Osian's Connoisseurs of Art Pvt.Ltd**

**.....Respondents**

**Order pronounced on: 07.04.2025**

**Coram:**

Hon'ble Ms. Lakshmi Gurung, Member (Judicial)

Hon'ble Sh. Hariharan Neelakanta Iyer, Member (Technical)



**Appearances:**

For the Applicant

Adv. Shyam Kapadiya, Adv. Bhanu  
Chopra Adv. Sagar Parab, Adv.  
Darshan Suvarna, Adv. Dipika  
Panchmatia, Adv. C. G Shankar, i/b  
Vigil Juris.

**PER: MS. LAKSHMI GURUNG MEMBER (JUDICIAL)**

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**ORDER**

1. **I.A No.2645 /2022**

The instant Application is filed by, **Interim Resolution Professional (Applicant)** under section 30 and 31 of the Insolvency and Bankruptcy Code, 2016 ("**the Code**"), seeking following reliefs:

- a) *To approve the Resolution Plan of the Resolution Applicant as approved by the CoC member by 100% votes in its favor as per the provisions of the Code;*
- b) *For such other orders as may be necessary in the interest of justice.*

**Brief Facts**

2. M/s. Osian's Connoisseurs of Art Pvt Ltd (**'Corporate Debtor'**) was admitted into Corporate Insolvency Resolution Process (**'CIRP'**) vide order dated 09.12.2021 under Section 7 of the Code and **Mr. Girish Siriram Juneja** i.e. the Applicant was appointed as the Interim Resolution Professional (**'IRP'**).
3. After becoming aware of the appointment of the IRP, the Applicant in compliance with Section 13, 15 and other applicable provisions of the Code read with Regulation 6 of the IBBI (CIRP) Regulations, 2016 made



a public announcement regarding commencement of CIRP of the Corporate Debtor and invited proof of claim from the creditors of the Corporate Debtor in the following newspapers:

- a) The Financial Express - Mumbai Editions, (English Language) dated 18.12.2021.
- b) Navakal, Mumbai Edition (Marathi language) dated 18.12.2021.
- c) A corrigendum regarding the registered office of the Corporate Debtor in the Financial Express, Mumbai Editions, (English Language) dated 23.12.2021.
- d) A corrigendum regarding the registered office of the Corporate Debtor in Navakal, Mumbai Edition (Marathi language) dated 23.12.2021.
- e) The Financial Express, Delhi Edition (English Language) dated 30.12.2021.
- f) Navakal, Delhi Edition (Hindi language) dated 31.12.2021.

**Constitution of CoC and its Meetings**

4. The Applicant received claims for Rs.611,56,27,734/- (Rupees Six Hundred Eleven Crores Fifty-Six Lakhs Twenty-Seven Thousand Seven Hundred and Thirty-Four out of which Rs.557,79,46,861/- (Rupees Five Fifty-Seven Crores Seventy-Nine Lakhs Forty-Six Thousand Eight Hundred and Sixty-One has been admitted as per following details:

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Sr. No	Category of Creditor	Summary of Claims Received (Rs.)	Summary of Claim Admitted (Rs.)	Summary of Claim Rejected (Rs.)
1.	Secured financial creditors (other than financial creditors belonging to any class of creditors)	396,85,11,735	393,18,48,785	3,66,62,950
2.	Operational Creditors (Employees)	2,29,86,320	2,26,12,131	3,74,189
3.	Operational Creditors (Government Dues)	133,12,12,578	133,12,12,528	50
4.	Operational creditors (other than workmen and Employees and Government Dues)	79,29,17,101	29,22,73,417	50,06,43,684
	<b>Total</b>	<b>611,56,27,734</b>	<b>557,79,46,861</b>	<b>53,76,80,873</b>

5. Based on the admitted claims, Committee of Creditors ('CoC') was constituted on 06.01.2022, consisting of the following members with their voting percentage:

Sr. No	Name of the Financial Creditor	Voting Percentage
1.	IDBI Bank Ltd	52.39%
2.	Axis Bank Ltd	47.61%
	<b>Total</b>	<b>100%</b>



6. The Applicant submits that as on the date of filing the Application, 10 (Ten) CoC meetings have been held during CIRP period, as follows:

<b>Particulars</b>	<b>Date of CoC Meeting</b>
1st CoC Meeting held on	14.01.2022
2 <sup>nd</sup> CoC Meeting held on	21.02.2022
3 <sup>rd</sup> CoC Meeting held on	5.04.2022
4 <sup>th</sup> CoC Meeting held on	9.05.2022
5 <sup>th</sup> CoC Meeting held on	30.05.2022
6 <sup>th</sup> CoC Meeting held on	27.06.2022
7 <sup>th</sup> CoC Meeting held on	18.07.2022
8 <sup>th</sup> CoC Meeting held on	01.08.2022
9 <sup>th</sup> CoC Meeting held on	10.08.2022
10 <sup>th</sup> CoC Meeting held on	25.08.2022

7. However, during the course of the hearing of this IA various queries were raised by this Tribunal, in response to which CoC meetings were held as apparent from the additional affidavits discussed in the later part of this order.

### **Appointment of Valuers**

8. The Registered Valuers appointed for conducting valuation are as follows:

<b>Sr. No.</b>	<b>Category</b>	<b>Details of Professional</b>
1.	Registered Valuer (Plant and Machinery)	<b>Mr. Mangesh Shinde</b> (IBBI/RV/07/2019/11026) <b>Mr. Alok Kumar Gupta</b> (IBBI/RV/07/2019/12037)
2.	Registered Valuer	<b>Mr. Kapil Maheshwari</b>



(Securities and Financial Assets)	(IBBI/RV/05/2019/11264) <b>Mr. Jayesh Shah</b> (IBBI/RV/07/2020/13066)
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9. The summary of Valuation along with Valuation Reports provided by the above four valuers are annexed as *Exhibit F* to the Application. According to the valuation summary and Form H the fair market value and Liquidation value are as under:

<b>Sr. No</b>	<b>Particulars</b>	<b>Amount</b>
1.	Fair Value	Rs.21,83,91,870
2.	Liquidation value	Rs.15,82,91,498

### **Issuance of FORM G**

10. The Expressions of Interest (**'EOIs'**) were invited by publication of Form G on 26.02.2022 and revised Form G on 13.03.2022. Further, the Final List of Eligible Prospective Resolution Applicants was published on 22.04.2022.
11. The Information Memorandum and Request to submit Resolution Plan were issued to the Prospective Resolution Applicants on 12.04.2022.
12. As per the Revised Form G on 13.04.2022 the last date of submission of the Resolution Plan was 12.05.2022. However, based on the extension request received from the Prospective Resolution Applicants, with approval of CoC time for submission of the Resolution Plan has been extended time and again and final extension was granted upto 08.08.2022.



**Extension and Exclusion of CIRP Period**

13. The IRP had filed an extension application under Section 12(2) r/w Section 12(3) of the Code, r/w Regulations, 40 of CIRP Regulations, 2016 for seeking extension for a period of 90 days (i. e. IA no. 1520 of 2022) as the 270-day CIRP period was to end on 06.06.2022 so as to extend the said period till 04.09. 2022.The said IA was allowed by this Tribunal vide its order dated 10.06.2022.
14. The IRP again filed an exclusion application under Section 12(2) r/w Section 12(3) of the Code, r/w Regulations, 40 of CIRP Regulations, 2016 for seeking exclusion for a period of 15 days (I.A.2613 of 2022) as CIRP period was to end on 04.09.2022 so as to extend the said period till 19.09.2022. The said I.A. was approved by this Tribunal vide its order dated 11.11.2022.
15. The final PRAs who submitted their Resolution Plans by the last submission dates were:
  - i) Karan Pal Singh
  - ii) Prudent ARC Limited

**Approval of Resolution Plan by the Committee of Creditors**

16. The Resolution Plan submitted by Mr. Karan Pal Singh, i.e. the Successful Resolution Applicant (**'SRA'**) was approved by the CoC in its 10th CoC Meeting held on 25.08.2022 by 100% of the vote in favour of the Plan. Copy of the Minutes of the 10th CoC meeting along with e-voting results is annexed as *Exhibit E* to the Application.
17. The Applicant submits that the Applicant has also issued a Letter of Intent (**'LOI'**) on behalf of CoC to the SRA dated 12.09.2022.
18. We may mention that the unsuccessful Resolution Applicant i.e. Prudent ARC Limited had filed an I.A. bearing No.2629 of 2022 on 08.09.2022 seeking directions to the Applicant to allow the unsuccessful Resolution



Applicant to submit its modified Resolution Plan for consideration of the CoC. This Tribunal after perusing the facts and submissions made by the parties and considering the decision taken by the CoC in its commercial wisdom, vide order dated 10.10.2024 dismissed the said I.A. There is no other objection to the present application.

### **Salient Features of the Resolution Plan**

#### **SRA Background**

19. According to the Resolution Plan submitted by the SRA, Mr. Karanpal Singh, is an entrepreneur and investor who has closed around Rs.500 crores worth investments in India and overseas that deals in varied sectors such as Art work, mining, real-estate, retail, hospitality, media and new age start-ups and technology having experience of around 2 decades. He is a Founder of Hunch Ventures, Hunch Circle, KJS Concrete, Nameh Hotels and Resorts, headquartered in New Delhi.

#### **Performance Guarantee:**

20. The SRA has deposited performance bank guarantee of INR 1,66,50,000/- (Rupees One Crore Sixty-Six Lakhs Fifty Thousand only) dated 16.09.2022 and has undertaken to keep it alive till 100% payment is made to all the stakeholders in accordance with the Resolution Plan.

#### **Affidavit under 29 A of the Code**

21. The SRA has submitted an Affidavit dated 20.06.2022 stating that Resolution Applicant nor any other person who is a connected person (as defined under the IBC are ineligible under Section 29 A of the IBC. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The Affidavit under 29 A of the Code is annexed to the Application as *Exhibit H*.





### **Monitoring Committee**

22. A committee comprising of Mr. Girish Siriram Juneja and one representative of each Secured Creditor from IDBI Bank and Axis Bank, together with proposed CEO & CFO of Corporate Debtor (Resolution Applicant) are proposed to be appointed as monitoring agency as per the provisions of the Code until full consideration is paid as per the Resolution Plan and original documents are handed over to the Resolution Applicant.

### **Appointment of New Board of Directors and Key Managerial Personnel**

23. It is proposed that the Company shall be a Board managed company upon approval of the Proposed Plan. A Board would be formed within 30 days of the date of approval of Resolution Plan by the Adjudicating Authority and other approvals, if any, required.

23.1 The new board shall consist of following members:

- i. Mr Karan Pal Singh- Director
- ii. Mrs. Hemangini Singh- Director
- iii. Mr. Siddhartha Gautam Mohanty- Chief Executive Officer
- iv. Mr. Ankit Gandhi- Chief Financial Officer.

### **Reduction of Share Capital**

24. It is proposed to reduce the share capital and issue fresh share to the SRA and his wife Mrs. Himangini Singh.

24.1 With cancellation of present paid up capital to Rs.0 and additional capital of Rs.6,00,00,000/- through fresh issue of 60,00,000 shares will be made to the resolution Applicant at face value per share of Rs.10 each at par, to make the shareholding of Resolution Applicant



and his wife at 100% shareholders/members of the Corporate Debtor.

24.2 The new proposed shareholding pattern is as follows:

<b>Particulars</b>	<b>No. of Shares held</b>	<b>Face value</b>	<b>Total share Capital (Amt in Rs.)</b>	<b>% Holding</b>
Resolution Applicant Mr. Karanpal Singh	30,00,000	10	300,00,000	50%
Mrs. Himangini Singh	30,00,000	10	300,00,000	50%
<b>Total</b>	<b>60,00,000</b>	<b>10</b>	<b>600,00,000</b>	<b>100%</b>

**Payment offered to Stakeholders**

25. As per the proposed Plan, RA has proposed a total financial outlay of Rs.30.20 crores to be paid to different categories of stakeholders in 5 tranches out of which Rs. 10 crores shall be paid upfront within 30 days.

**(Rs. in Crores)**

<b>Particulars</b>	<b>Upfront Payment in 30 days</b>	<b>Within 120 days</b>	<b>Within 210 days</b>	<b>Within 300 days</b>	<b>Within 390 days</b>	<b>Total Amt.</b>
Secured Financial Creditors	8.63	5.00	5.00	5.00	5.20	28.83
Operational Creditors (Employees)	0.25	0.00	0.00	0.00	0.00	0.25
Operational Creditors	0.25	0.00	0.00	0.00	0.00	0.25

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(Government Dues)						
Operational Creditors (Other than Workmen and Employees and Government Dues)	0.25	0.00	0.00	0.00	0.00	0.25
CIRP Cost	0.62	0.00	0.00	0.00	0.00	0.62
<b>Total</b>	<b>10.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.20</b>	<b>30.20</b>

#CIRP Cost is estimated at Rs.62 lakhs but will be paid at actuals. In case where the CIRP cost exceeds Rs.62 Lakhs, the deficit shall be paid from the fund allocated to the Secured Creditors

26. According to the Form H, the amounts provided for the stakeholders under the Resolution Plan are as under:

**(Amount in Rupees)**

Sl	Category of stakeholder	Amt claimed	Amt Admitted	Amt provided under the Plan	Amt provided to the Amt Claimed (%)
1.	Secured Financial Creditors  (a) Creditors Not having a right to vote under subsection (2) of Section 21	-	-	-	-
	(b) Other than (a) above: (i) who did not vote in favour of the Resolution Plan	-	-	-	-

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	(ii) who voted in favour of the Resolution Plan	396,85,11,735	393,18,48,785	28,83,00,000	7.33
	<b>Total of (a) + (b)</b>	<b>396,85,11,735</b>	<b>393,18,48,785</b>	<b>28,83,00,000</b>	<b>7.33</b>
2.	Unsecured Financial Creditors  (a) Creditors Not having a right to vote under subsection (2) of Section 21	-	-	-	-
	b) Other than (a) above: (i) who did not vote in favour of the Resolution Plan	-	-	-	-
	iii) who voted in favour of the Resolution Plan	-	-	-	-
	<b>Total (a)+ (b)</b>	-	-	-	-
3.	Operational Creditors  (a) Related Party of the Corporate Debtor				
	Other than (a) above				
	i) Government	133,12,12,578	133,12,12,578	25,00,000	0.19
	ii) Workmen	-	-	-	-
	iii) Employees	2,29,86,320	2,26,12,131	25,00,000	11.06
	iv) Other Operational Creditors	7,92,917,101	2,92,273,417	25,00,000	0.86
	<b>Total (a) + (b)</b>	<b>214,71,15,999</b>	<b>164,60,98,126</b>	<b>75,00,000</b>	<b>12.11</b>
4	Other debts and dues	-	-	-	-
	<b>Grand total</b>	<b>611,56,27,734</b>	<b>557,79,46,861</b>	<b>29,58,00,000</b>	<b>19.44</b>



**Notes:**

1. The CIRP cost to be paid in full within 30 days and in priority over all other debts. CIRP cost is estimated at Rs. 62 lakhs and in case where the CIRP cost exceeds Rs.62 Lakhs, the deficit shall be paid from the fund allocated to the Secured Creditors.
2. The SRA vide additional affidavit dated 19.08.2024 undertook to make full payment towards payment of gratuity to employees and workmen. Thus apart from previously committed payment of Rs. 25,00,000/- amount of Rs.99,18,732/- will also be paid towards gratuity. Therefore, the total amount that will be provided towards gratuity is Rs.1,24,18,732/-.

**Additional Affidavit dated 12.04.2024 on behalf of the Applicant**

27. During the course of the hearing 05.04.2024, upon query from this Tribunal Ld. Counsel for the Applicant sought time to provide details of Rs.2.26 crores payable to the employees, on the account of salary/gratuity/leave salary/LTA. Therefore, the Applicant was granted time to place the details of amount payable to the employees on various heads by way of an Affidavit. Accordingly, an additional Affidavit dated 12.04.2024 was filed, the relevant extract of which is given below:

*“ 3. It is submitted that an internal Pg. 20-21 of the Resolution Plan (Pg. 382-383 of the IA), the Resolution Plan sets out Claims of Employees & Workmen (Clause 1.16). However, the Resolution Plan erroneously describes all the claims of Employees and Workmen as 'Gratuity' claims, which is not the correct factual position.*

*4. It is submitted that the admitted Claims of Employees & Workmen amount to Rs. 2,26,12,131/- (Rupees Two Crores Twenty-Six Lakhs Twelve Thousand One Hundred Thirty-One Only) out of which a sum of Rs, 1,24,18,732/- (Rupees One Crore Twenty-Four Lakhs Eighteen Thousand Seven Hundred Thirty-*



*Two only) has been admitted towards gratuity. The table evidencing the bifurcation of the admitted claims of Employees & Workmen is attached hereto and marked as 'Annexure 1'.*


28. According to Annexure 1, the breakup of details of admitted claim of employees of Rs.2,26,12,131/- is given below:

Total Amount Claimed	Total Claims Admitted	Salary/ TDS	Leave Salary	LTA
<b>2,26,12,131</b>	66,37,603	124,18,732	16,53,282	19,02,514

**Additional Affidavit dated 19.08.2024 filed by the Applicant**

29. It was noted that the out of the admitted claim of Rs.2.26 crores an amount of only Rs. 25 lakhs was proposed to be paid to the employees. Subsequently the SRA has provided undertaking by way of affidavit dated 19.08.2024, to pay the full amount of gratuity in following terms:

*"5. That in terms of the judgment dated 21.10.2022 passed by the Hon'ble National Company Law Appellate Tribunal in the matter of Jet Aircraft Maintenance Engineers Welfare Association v. Ashish Chhawchhwaria Resolution Professional of Jet Airways (India) Ltd. Ors. (Company Appeal (AT) (Ins) Nos 987, 643, 801, 915 and 771 of 2022) and in compliance of the order dated 05.07.2024 passed by this Bench, the deponent herein undertakes to make a provision for Employees and Workmen towards their payment of gratuity in full i.e., a total amount of INR 1,24,18,7321- (Rupees One Crore Twenty-Four Lakh Eighteen Thousand Seven Hundred Thirty-Two Only). Thus, apart from the previously committed payment of INR 25,00,000/- (Rupees Twenty-five Lakh Only), the balance*



*amount of INR 99,18,732/- (Rupees Ninety-Nine Lakh Eighteen Thousand Seven Hundred Thirty-Two Only) will also be paid. The SRA commits to pay the full amount of gratuity i.e., INR 1,24,18,732/-. (Rupees One Crore Twenty- Four Lakh Eighteen Thousand Seven Hundred Thirty-Two Only).*

**Osian's Art Fund**

30. The Applicant has stated that Osian's Art Fund ('Fund') was sponsored & created as an unregistered private trust by the Corporate Debtor under a Trust Deed dated 10.03.2006 pursuant to which the Corporate Debtor has entered into an Asset Management Agreement dated 08.06.2006 and thereby assumed the role of the Asset Management Company for the Fund. Since the assets of the Fund do not form part of the assets of the Corporate Debtor, all and any claims arising in relation to the said Fund trust shall be dealt with in accordance with the Fund documentation and in compliance with SEBI/SAT order, if any.

**Additional Affidavit dated 13.11.2024 on behalf of the Applicant**

31. During the hearing dated 15.10.2024 it was noted that Clause 1.20 of the Resolution Plan provides that all disputed liabilities and cases pending against the Corporate Debtor shall be withdrawn and would stands abated on the approval of the Resolution Plan by NCLT. It was further observed that Form H was undated therefore the Tribunal directed the Applicant to provide latest position as to the pending list of litigations and date of Form H.

31.1 The Applicant vide its Additional Affidavit dated 13.11.2024 provided the date of Form H and List of Cases pending against the Corporate Debtor.

31.2 The Cases involving the Corporate Debtor apart from those IAs pending before this Tribunal are as follows:

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<b>Sr. No</b>	<b>Parties</b>	<b>Court</b>	<b>Next date</b>	<b>Claim</b>
1.	DPS Ahuja Vs. Oseta and Others (Respondent No.2)	City Civil Court, Bangalore O.S.No. 7770 of 2014.	28.11.2024	Claim of Rs. 10,00,800 plus interest @ 18% p.a. on the outstanding dues
2.	Mumbai Mirror Various Applicants vs Osian Connoisseurs of Art Private Limited and Anr	Court of Sessions, Mumbai		Defamatory news article dated 14.02.2019 published in Mumbai Mirror titled Osian trying to sell fakes
a.	Atul Dodiya vs Osian	Criminal Revision Application No.826 of 2019	28.11.2024	
b.	Reema vs Osian	Criminal Revision Application No.812 of 2019	28.11.2024	
c.	Ranjit Hoskote vs Osian	Criminal Revision Application No.828 of 2019	28.11.2024	
d.	Meenal Baghel VS Osian	Criminal Revision Application No.811 of 2019	28.11.2024	
e.	Gulam Mohammad Sheik vs Osian	Criminal Revision Application No.825 of 2019	28.11.2024	



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f.	Abhay Maskara vs Osian	Criminal Revision Application No.1283 of 2019	28.11.2024	
g.	Shireen Gandhi vs Osian	Criminal Revision Application No.827 of 2019	28.11.2024	
3.	Girish Siriram Juneja vs Office of Assistant Comissioner of Income Tax	NCLT Mumbai I.A. No. 2191 of 2022	14.11.2022	IA filed against Income Tax to recall its notice and defreeze the bank account of the Corporate Debtor

**PUFE Transaction:**

32. The details of PUFE/ avoidance applications which are pending are given below:

Sr. No	Type of Transaction	Amount (Rs.)	I.A. No
1.	Preferential transactions under Section 43 of the Code I.A.3463 of 2023	12,00,000/-	
2.	Fraudulent transactions under Section 66	80,54,07,122/-	I.A.3463 of 2023
	<b>Total</b>	<b>80,66,07,122/-</b>	

**Additional Affidavit dated 18.03.2025 on Behalf of the Applicant**

33. The SRA in Para 10.1 Section 10 of the Resolution Plan had stated that the Proceeds (if any) arising out of any such transaction, shall vest with the Resolution Applicant/ Corporate Debtor. Therefore, this Tribunal on 14.01.2025 had sought clarification whether the CoC had considered the



said clause and had taken conscious decision for the same. Extract of the daily order dated 14.01.2025 is given below:

*“This application is listed under the category ‘for clarification’. There is one PUFEE application bearing I.A. No. 3463/2023 pending before this Tribunal wherein amount under section 43 is Rs.12 lakhs and amount under section 66 is Rs.80,54,07,122/-. According to Clause 10.1 of Section 10 of the Resolution Plan, “The proceeds (if any) arising out of any such transactions shall vest with the Resolution Applicant/ Corporate Debtor.*

*Clarification was sought whether the CoC has considered the said clause 10.1 sub clause XI of section 10 of the Resolution Plan and has taken conscious decision that the proceeds of the PUFEE application shall vest with the Resolution Applicant, Ld. Counsel for the RP undertakes to file Affidavit for clarification within two weeks.”*

34. Pursuant to daily order dated 14.01.2025, the IRP filed Additional Affidavit dated 18.03.2025, relevant extract of which is reproduced below:

*“6. .... on 21<sup>st</sup> January 2025, the 15th Committee of Creditors meeting was scheduled wherein the query was placed before the CoC members for discussion and after detailed discussion, the representative of SRA sought time to seek instructions and therefore the meeting remained inconclusive.*

*7. Subsequent to the meeting, the CoC members discussed the issue with the representative of the SRA and after detailed discussion the SRA provided its final clarification vide email dated 24<sup>th</sup> February 2025. The relevant extract from the said email dated 24<sup>th</sup> February 2025 is as follows:*

*“Further, on behalf of the SRA, we confirm that subject to all the legal expenses to be borne by the COC, **the proceeds from the PUFEE transactions shall be transferred to COC.**”*

**(Emphasis Provided)**



*The CoC members consented to the clarification provided by SRA vide their email dated 24<sup>th</sup> February 2025.”*

35. From the affidavit dated 18.03.2025 it is noticed that 15<sup>th</sup> CoC meeting was reconvened on 28.02.2025, and the emails of the SRA and CoC members were placed before the CoC. The SRA has also executed an undertaking dated 11.03.2025 in support of the said clarification. We take on record the undertaking given by the SRA that the proceeds from the PUFÉ transactions shall be transferred to COC subject to the legal expenses to be borne by the CoC, which will form an integral part of the Resolution Plan.

#### **Total Plan Value**

36. We note that the resolution Applicant has offered an amount of Rs.29,58,00,000/- to the Creditors under the Resolution Plan. Considering the CIRP Cost of Rs. 62,00,000/- and the additional amount of Rs. Rs.99,18,732/- to be paid towards gratuity in addition to previously committed payment of Rs. 25,00,000/-, the Resolution Plan value comes to **Rs.31,19,18,732/-**.

#### **Compliance Certificate in Form – H**

37. Pursuant to Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Successful Resolution Applicant has prepared a Compliance Certificate dated 16.09.2022 in **Form H** which is annexed to the Application as **Exhibit J**.

#### **1.1 Compliance of mandatory requirements under the Insolvency & Bankruptcy Code, 2016:**

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<b>Sr. No.</b>	<b>Particulars</b>	<b>Compliance</b>
<b>1</b>	<b>Section 25:</b> Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the Corporate Debtor?	Yes.
<b>2</b>	<b>Section 29A:</b> Whether Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	Yes.
<b>3</b>	<b>Section 30:</b>	
	<b>(1)</b> Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Yes. Received along with EOI - Annexure F.
	<b>(2)(a)</b> Whether the Resolution Plan provides for payment of insolvency resolution process costs?	Yes, Page No.82 Section 6
	<b>(2)(b)</b> Whether the Resolution Plan provides for the payment of the debts of operational creditors?	Yes. Page No. 64 & Section 4 & Page No.70, Point 2
	<b>(2)(b)</b> Whether the Resolution Plan provides for the payment to the financial creditors who did not vote in favor of the resolution plan?	Yes. Page No. 64, Section 4 & Page No. 70, Point 3
	<b>2(c)</b> Whether the Resolution Plan provides for the management of the affairs of the Corporate Debtor?	Yes. Page No. 89, Section 9
	<b>2(d)</b> Whether the Resolution Plan Provides for implementation and supervision of the resolution plan?	Yes. Page No. 89, Section 9 & Page No. 92, Section 10.



	<b>(2)(e)</b> Whether the resolution plan contravenes any of the provisions of the law for the time being in force?	No. Page No. 51, Point xii
	<b>(4)(a)</b> Whether the Resolution Plan is feasible and viable, according to the CoC?	Yes.  The RA has provided the restructured balance sheet after the implementation of the Resolution Plan and has also included a Valuation Report as part of the Plan. Further, on Page No. 93, Point VI of the Resolution Plan has included a comment of the feasibility and viability of his resolution plan.
	<b>(4)(b)</b> Whether the Resolution Plan has been approved by the CoC with 66% voting share?	Yes. The Resolution Plan has been approved with 100% voting.
<b>4</b>	<b><u>Section 31(1):</u></b> Whether the Resolution Plan has provisions for its effective implementation Plan, according to CoC	Yes. Page 87 to 93 Section 8 to 10
<b>5</b>	<b><u>Section 35A:</u></b> Whether the resolution professional made a determination if the corporate debtor has been subjected to any transaction of the nature covered under sections 43, 45, 50, or 66, before the one hundred and fifteenth day of the insolvency commencement date, under intimation to the Board?	Yes



**1.2 Compliance under mandatory requirements under IBBI (Insolvency Resolution Process of Corporate Debtors) Regulations, 2016**

<b>Regulation 38</b>		
<b>1</b>	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Yes. Page No. 64, Section 4 & Page No. 70, Point 2
<b>1A</b>	Whether the resolution plan includes a statement as to how it has dealt with the interest of all stakeholders?	Yes. Page 3 of the Financial Proposal includes a statement and distribution to this extend.
<b>1B</b>	<p>i) Whether the Resolution Applicant or any of its related parties has filed to implement or contribute to the failure of implementation of any resolution plan approved under the Code?</p> <p>ii) If so, whether Resolution Applicant has submitted the statement giving details of such non-implementation?</p>	Yes. Page No. 93, Point XII
<b>2(a)</b>	Whether the Resolution Plan provides the term of the plan and its implementation schedule?	Yes. Page No. 87, Section 8
<b>2(b)</b>	Whether the Resolution Plan provides for the management and control of the business of the corporate debtor during its term?	Yes. Page No. 89, Section 9

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<b>2(c)</b>	Whether the Resolution Plan provides adequate means for supervising its implementation?	Yes. Page No. 89, Section 9
<b>3</b>	Whether the Resolution Plan demonstrates that -	
<b>(a)</b>	It addresses the cause of default?	Yes. Page No. 13, Point 1.4
<b>(b)</b>	It is feasible and viable?	Yes. The RA has provided the restructured balance sheet after the implementation of the Resolution Plan and has also included a Valuation Report of the Plan. Further, on Page No. 93, Point VI of the Resolution Plan has included a comment of the feasibility and viability of his resolution plan
<b>(c)</b>	It has provisions for its effective implementation?	Yes. Page No. 87 Page No. 93, Section 8 to 10
<b>(d)</b>	It has provisions for approvals required and the time for the same?	Yes. Page No. 94, Point c
<b>(e)</b>	The Resolution Applicant has the capacity to implement the Resolution Plan?	Yes. Page No. 52, Section 3 of the Resolution Plan includes a profile of the RA and his group companies including the source of funds and his experience in turnaround initiatives.



<b>Regulation 39</b>		
<b>2</b>	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Yes
<b>4</b>	Provide details of performance security received as referred to in sub-regulation (4A) of Regulation 36.	Yes. The Performance Security in the form of Bank Guarantee was received on 17.09.2022

**1.3 The CIRP has been conducted as per the timeline indicated as under:**

<b>Section/ Regulation No.</b>	<b>Description of Activity</b>	<b>Latest Timeline under Regulation 40A</b>	<b>Dates according to Regulation 40A</b>	<b>Actual Date</b>
Section 16(1)	Commencement of CIRP and Appointment of IRP	T	09.12.2021	09.12.2021
Regulation 6(1)	Publication of Public Announcement	T+3	12.12.2021	18.12.2021
Section 15(1)(c)/ Regulation 12(1)	Submission of Claims	T+14	23.12.2021	30.12.2021
Regulation 13(1)	Verification of Claims	T+21	30.12.2021	06.01.2022
Section 26(6A)/ Regulation 15A	Application for Appointment of Authorized Representative, if necessary	T+23	01.01.2022	NA



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Regulation 17(1)	Filing of Report certifying Constitution of CoC	T+23	01.01.2022	07.01.2022
Section 22(1) and Regulation 17(2)	First Meeting of CoC	T+30	08.01.2022	14.01.2022
Regulation 35A	Determination of fraudulent and other transactions	T+115	03.04.2022	13.09.2022
Regulation 27	Appointment of two registered Valuers	T+47	25.01.2022	25.01.2022
Regulation 36(1)	Submission of Information Memorandum to CoC	T+54	01.02.2022	24.02.2022
Regulation 36A	Invitation of EoI	T+75	22.02.2022	26.02.2022 13.03.2022
	Publication of Form G	T+75	22.02.2022	26.02.2022 13.03.2022
	Provisional list of Resolution Applicants	T+100	19.03.2022	29.03.2022
	Final list of Resolution Applicants	T+115	03.04.2022	22.04.2022
Regulation 36B	Issue of RFRP including Evaluation Matrix, etc	T+105	24.03.2022	12.04.2022
Section 30(6)/ Regulation 39(4)	Submission of CoC approved Resolution Plan	T+165	23.05.2022	19.09.2022

38. On perusal of Form-H, it is seen that the Resolution Plan is in compliance with the mandatory compliances as stipulated under Section 30(2) of the



Code. The Resolution Plan also meets the requirements of Regulations 37, 38, 38(1A) and 39 (4) of the IBBI Regulations, 2016.

39. The Bench also observes that, Resolution Plan of the SRA, provides for the following:

- a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
- b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
- c) For management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified U/s 30(2)(c) of the Code.
- d) The implementation and supervision of Resolution Plan by the Monitoring Committee as specified u/s 30(2)(d) of the Code.

40. This Bench further observes in the present application that the CoC with requisite majority has approved to the Resolution Plan in the 10th CoC Meeting held on 25.08.2022 with 100% voting share respectively, hence as per the CoC, the plan meets the requirements of being viable and feasible for the reviving the Corporate Debtor. The Resolution Plan provides for a detailed implementation schedule with specific timelines and the manner in which the management, control and supervision of the Corporate debtor would lie.

41. In ***K Sashidhar v. Indian Overseas Bank & Others (2019) 12 SCC 150***, the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan, as approved by CoC, meets the requirements specified in Section 30(2). The Hon'ble Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex Court further held



that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is 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.

42. In **Committee of Creditors of Essar Steel India Limited through Authorised Signatory Vs. Satish Kumar Gupta & Ors (2020) 8 SCC 531**, the Hon’ble Apex Court clearly laid down that the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom has approved.

43. In view of the law laid down by Hon’ble Supreme Court, the commercial wisdom of the COC is to be given paramount importance for approval / rejection of the resolution plan. As the Resolution Plan meets the requirements of the Code and the IBBI Regulations, the same needs to be approved. Accordingly, the **Resolution Plan is approved** with the following directions:

- i. The Resolution Plan submitted by **Mr. Karan Pal Singh** read with additional affidavit dated 12.04.2024, 19.08.2024, and 13.11.2024 and 18.03.2025, is hereby approved. The additional affidavit dated 12.04.2024, 19.08.2024, 13.11.2024 and 18.03.2025 offering clarifications by the IRP and undertakings given by SRA shall form integral part of this order.
- ii. As per Section 31 of the Code the Resolution Plan shall be binding on the Corporate Debtor, 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 is due, guarantors and other stakeholders involved in the Resolution Plan.

- iii. As far as Osian Art Fund is concerned, all claims arising in relation in said fund shall be dealt in accordance with the Fund documentation and in compliance with SEBI/SAT order, if any, subject to section 32A of the Code.
- iv. No person will be entitled to initiate or continue any proceedings in respect to a claim prior to CIRP which is not part of the Resolution Plan.
- v. The Monitoring Committee shall supervise the implementation of the Resolution Plan and shall review operational performance of the Corporate Debtor.
- vi. The Resolution Professional is further directed to handover all records, premises / documents to Resolution Applicant to finalise further line of action required for starting of the operation as contemplated under the Resolution Plan. The Resolution Applicant shall have access to all the records premises / documents through Resolution Professional to finalise further line of action required for starting of the operations.
- vii. As per the Resolution Plan, extinguishment of existing shares of the Corporate Debtor, allotment of shares to the Resolution Applicant and to New Investor and reduction of share capital do not require the consent of shareholders as required under the Companies Act or any other authority for implementation of the Resolution Plan.



i) **Reliefs and Concessions:**

- a) Approval of the Resolution Plan shall not be a ground for termination of any existing consents, approvals, licenses, concessions, authorizations, permits or the like that has been granted to the Corporate debtor or for which the Corporate Debtor has made an application for renewal, grant permissions, sanctions, consents, approvals, allowances, exemptions etc.
- b) Any exemption as sought for in relation to the payment of registration charges, stamp duty, taxes and fees arising out of the implementation of the Resolution Plan is not granted but the Resolution Applicant is at liberty to approach Competent Authorities for the exemptions if permitted under the law.
- c) For past non-compliances of the Corporate debtor under applicable laws the Resolution Applicant shall not be liable for any liabilities and offences committed prior to the commencement of CIRP and as stipulated under Section 32A of IBC, 2016.
- d) The reliefs and concessions sought by the Resolution Applicant but not expressly granted are deemed to not be granted. However, in terms of the Judgement of Hon'ble Supreme Court in the matter of ***Ghanshyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited***, on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of Resolution Plan, shall stand extinguished and no person



will be entitled to initiate or continue any proceedings in respect of a claim which is not a part of the Resolution Plan.

- e) With regard to other concessions and reliefs, most of them are subsumed in the reliefs granted above. The relief which is not expressly granted above, shall not be construed as granted. The exemptions if any sought in violation of any law in force, it is hereby clarified that such exemptions shall be construed as not granted.
- ii) Any amount out of the action taken against other persons for Preferential/ Fraudulent Transactions u/s. 43 and 66 of the IBC, 2016 as found in the Audit Report and also Unauthorized Transaction post CIRP order, shall vest with the CoC.
- iii) The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the concerned Registrar of Companies (RoC), for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.
- iv) The moratorium under Section 14 of the Code shall cease to have effect from this date.
- v) The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.

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- vi) The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

44. Accordingly, the Resolution Plan in **IA.2645 of 2022** is hereby allowed and **approved**.

**SD/-**

**Hariharan Neelakanta Iyer**  
**Member (Technical)**

Apurva LRA

**SD/-**

**Lakshmi Gurung**  
**Member (Judicial)**