

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOCHI BENCH**

**MA/113/KOB/2020  
IN  
TIBA/9/KOB/2019**

(Under Sections 30(6) of IBC, 2016 read with Regulation 39(4) of the  
Insolvency and Bankruptcy Board of India (Insolvency process of corporate  
persons) Regulations, 2016

Order delivered on 10<sup>th</sup> September, 2020

Coram:

**Hon'ble Shri Ashok Kumar Borah, Member (Judicial)**

**Applicant/Resolution Professional:**

R.Velu,  
Resolution Professional of  
Palm Lagoon Backwater Resorts Private Limited  
New No.28, Old No.22, Menod Street,  
Purasawalkam, Chennai-600 007.

Versus

**Performa Respondent/Corporate Debtor**

Palm Lagoon Backwater Resorts Private Limited  
Vellimon West, PO. Perinad Village  
Kollam-691511, Kerala.

**Parties/Counsel present (through video conference)**

For the applicant : Shri Vijay V. Paul, Advocate  
For respondent : No appearance

**ORDER**

This Miscellaneous Application has been filed by Mr. R. Velu, Resolution Professional u/s 30(6) of IBC, 2016 read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Process of Corporate Persons) Regulations, 2016 to confirm and obtain an order on the

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successful Resolution Plan approved by the Committee of Creditors of the Debtor Company viz. Palm Lagoon Backwater Resorts Private Limited.

2. The Asset Reconstruction Company (India) Limited (hereinafter referred to as, ("Financial Creditor") filed an application CP/(IB) No. 1312/2018 on **12.10.2018 before the NCLT (Chennai Bench)** u/s 7 of the Insolvency and Bankruptcy Code (IBC), 2016, read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate the Corporate Insolvency Resolution Process (CIRP) against the Palm Lagoon Backwater Resorts Private Limited hereinafter referred to as ("Corporate Debtor"). Since the National Company Law Tribunal (NCLT), Kochi Bench, has been constituted for the cases pertaining to the State of Kerala and Lakshadweep Union Territory, the case is transferred to Kochi Bench of NCLT (hereinafter referred as 'Tribunal') and the NCLT, Kochi Bench and renumbered as TIBA No. 09/ KOB/ 2019. The said application was admitted by this tribunal vide Order dated 20.09.2019 and Mr. R. Velu (Registration No. IBBI/IPA-001/IP-P00127/2017-18/10269 was appointed as the Interim Resolution Professional (IRP). The CIRP period commenced thereafter.

3. The IRP, so appointed had informed the action taken towards commencement of CIRP as under: -

- a. *published the public announcement of CIRP in Form A dated 27.09.2019N in two newspapers and invited claims from the financial / operational creditors and workers / employees of the company in terms of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;*

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- b. Constituted the Committee of Creditors (CoC) on the basis of the claims received by him;*
- c. Appointed two valuers, to determine the liquidation value of the Corporate Debtor in accordance with Regulation 27 read with Regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;*

4. In the first meeting of CoC held on 18.10.2019 in which the members resolved to appoint Interim Resolution Professional as Resolution Professional and Mr. R Velu was appointed as Resolution Professional and communicated the same to NCLT in terms of Section 22(3)(a) of IBC, 2016.

5. In accordance with the provisions of the Insolvency & Bankruptcy Code, the Resolution Professional was instructed by the CoC to invite Expression of Interests (EOI's) from Prospective Resolution Applicant(s) (PRA's) who would submit Resolution Plans.

6. The RP published an advertisement in the Business Standard and Malayala Manorama dated 04.12.2019 inviting EoI for submitting a Resolution Plan for the Corporate Debtor from interested parties on or before 02.02.2020. The said Form G was also uploaded on the website of the IBBI.

7. In response thereto, there was one Expression of Interest (EOI) that was received from M/s. Invent Assets Securitisation and Reconstruction Private Limited who expressed their interest and a process participation deposit of Rs. 25 lakhs was also received from the said Resolution Applicant. The Resolution Applicant, submitted their binding resolution plan dated

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31.01.2020 and the same was discussed and considered in the meeting of the CoC held on 29.02.2020. There were suggestions by CoC on certain clauses of the Resolution Plan. The Resolution Applicant had agreed for the changes required by CoC all through mails dated 05.03.2020, and as a consequence, a Miscellaneous Application (MA No. 27/2020) was filed before this tribunal, which was allowed vide Order dated 17.03.2020 and the period was extended for 90 days. i.e. till 18.06.2020. Consequently, the Resolution Plan has been submitted before the CoC for its consideration in the meeting held on **19.08.2020**. The CoC in its Eleventh meeting considered the same and approved the Resolution Plan with 100% voting rights.

#### **SUBMISSION OF RESOLUTION PLANS**

**8.** In response to the said EOI, there was 1 (one) Expression of Interest (EOI) that was received. The RP after verifying EoI criteria accepted them as a prospective Resolution Applicant. The Resolution Applicant, namely **Invent Assets Securitisation and Reconstruction Private Limited** submitted their binding resolution plan dated 31.01.2020 and the same was discussed and considered in the meeting of the CoC held on 29.02.2020. There were suggestions by CoC on deletion/modification of certain clauses in the Resolution Plan. The Resolution Applicant had agreed for the changes required by CoC all through mails dated 05.03.2020, 15.07.2020 and 27.07.2020. Consequently, the resolution plan was found compliant with the requirements of the Code and the CIRP Regulations and the same has been submitted before the CoC for its consideration in the meeting held **on**

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**19.08.2020.** The COC in its Eleventh meeting considered the same and approved resolution plan with 100% voting rights.

9. The Compliance Certificate in Form H under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 showing the compliance of the Resolution Plan with mandatory requirements under the Code and CIRP regulations was submitted before this Tribunal.

10. The Applicant humbly submits from the date of commencement of CIRP till the date filing the instant application, a total of 11 CoC Meetings has been convened.

11. The COC Members have approved Rs.17,33,865/- towards the CIRP Costs incurred from 20.09.2019 (commencement of CIRP) till 31.07.2020 and have also approved further expenses to be incurred from 01.08.2020 till the date of Order of Approval from the NCLT, on actual basis

### **BACKGROUND OF THE CORPORATE DEBTOR**

12. The M/s. Palm Lagoon Backwater Resorts Private Limited (Corporate Debtor) was established in 2002 with the main objective as to Organise, Plan Construct, and run and manage Lodging Houses, Hotels, Motels, rest Houses, Holiday and Health Resorts, Community Halls and Homes and to carry on business of tourists agents and contractors and to facilitate travelling and vide facilities for tourists and travellers in liaison with foreign tour operators include-acting as representatives”, is a private limited company.

### **BACKGROUND OF RESOLUTION APPLICANT**

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13. Invent Assets Securitisation and Reconstruction Company Private Limited was incorporated as a Private Limited Company on 28.03.2003 under the provisions of Companies Act,1956 having Registered Office at Bakhtawar, Suite B, Ground Floor, Back bay Reclamation Scheme, Block III, 229, Nariman Point, Mumbai-400021 is registered with RBI as a Securitisation and Asset Reconstruction Company. Resolution Applicant is engaged in business of acquisition and resolution of Non-Performing financial assets (NPA) of banks and financial institutions. Till 31.03.2019, Resolution Applicant's total acquisition of assets exceeded ₹18500 crores, wherein, apart from Invent, banks and financial institutions funds registered with SEBI and NBFCs have contributed towards purchase of a specific/pool of non-performing assets from banks and financial institutions. By focusing medium and small Enterprises, invent has already begun emerging as a leading ARC player in the Country. Invent is promoted by leading professionals including Mr. M. N. Singh, IPS, former Commissioner of Police, Mumbai and Mr. Pankaj Gupta, a leading Chartered Accountant of Mumbai and Mr. G. N. Bajpai, former Chairperson of Securities and Exchange Board of India (SEBI) and also Life Insurance Corporation of India. Currently, apart from the promoters, inter-alia, Canara Bank, Bank of India, Central Bank of India, West End Investment & Finance Consultancy Pvt Ltd and Lakshmi Vilas Bank are the shareholders. The Company has an authorised share capital of Rs. 150 crores, and Issued, Subscribed and Paid-up capital of about Rs.99.37 crores, and the current net worth of Invent is Rs. 158.88 crores. Invent has been promoted by a group of

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professionals from diverse fields with outstanding calibre. The Company with its appropriate credentials offers a wide array of services to help banks and financial institutions in channelizing resources and realize value out of non-performing assets (NPAS). It is one of the most influential advisors in this business segment with right Information, knowledge and application. Over the period Invent has developed expertise to resolve and revive NPA assets of diversified sectors. Invent has emerged as a key player in Asset Reconstruction business. Invent commenced its operations in 2009 and has an Asset Under Management of Rs 4346 Crores as on March 31, 2019. Invent team is well equipped with required skill set and resources to acquire and resolve NPAs through revival of the borrower business. Invent has successfully resolved many such accounts from across sectors. In particular to the similar industry, following are the few lists of account which are a part of the portfolio held by Invent out of which a few of them have already been resolved with a turn around.

- i. Kamat Hotels (India)Ltd
- ii. Shell Inn International Ltd

### **Reliefs Sought Under Resolution Plan**

14. The Resolution Applicant has also considered that by virtue of the order of the Adjudicating Authority approving this Resolution Plan and since the Resolution Applicant would acquire the Company on a going concern' basis, all consents, licenses and approvals whether under law or contract granted in favour of the Company or to which the Company

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is entitled or accustomed to shall be deemed to continue without disruption for the benefit of the Company and the Resolution Applicant from the NCLT Approval Date.

15. Resolution Applicant has requested following reliefs under the Resolution Plan: -

- a) That this Adjudicating Authority may be pleased to pass on order approving the resolution plan submitted by the Resolution Applicants in respect of the Corporate Debtor under Section 31 (1) of the Code and declare that the same be binding on the Corporate Debtor, its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan.
- b) Directing that, pending disposal of the, present application by this Tribunal, the Resolution Professional shall continue to conduct its role as Resolution Professional of the Corporate Debtor.
- c) Directing the Resolution Applicants to implement the Resolution Plan in the manner set out under the resolution plan;
- d) Approve the appointment of monitoring committee ("MC") from the date of approval of resolution plan by this Tribunal until the date on which the Resolution Applicants acquire control of the Corporate Debtor i.e. Closing date under the Resolution Plan, and during such period extend protection to the MC (including extension of the protection of the moratorium against any suit, legal proceedings and investigations or have any liability



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- with respect to anything which is done or intended to be done or omitted in good faith and in compliance with the Code, CIR Regulations or any other applicable law) to enable it to monitor the Corporate Debtor as going concern.
- e) Order in relation to the grant of concessions, reliefs and dispensations sought in terms of page nos. 74 to 80 of the resolution plan.
  - f) Directing all stakeholders to cooperate with the Resolution Applicants and the MC to keep the Corporate Debtor a going concern and to implement the Resolution Plan in the manner approved by this Tribunal.
  - g) Direct that the powers of the suspended board of directors of the Corporate Debtor shall remain suspended till the Resolutions Applicants acquire control of the Corporate Debtor in the manner set out in the Resolution Plan; and/or
  - h) Declare the attachments to the land property by Tax Recovery Officer, Income Tax Department, Ahmedabad as null and void.
  - i) Declare the attachment to the land property by Labour Court, Kollam as null and void.
  - j) The petition ought to have been filed on or before 08.08.2020. Resolution Applicant and CoC member are in strict containment zones in Mumbai on account of pandemic COVI-19 there were delays in approving the Resolution Plan. The petition could not be filed within the said period. The said delay is not due to wilful default. Hence to condone the delay in filing the petition.

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15. The Applicant has duly submitted Form H stating that the resolution plan is compliant of the provisions of the code. The Applicant has preferred the present application for approval of the resolution plan by this Adjudicating Authority.

16. The total payment under the resolution plan shall be made within 15 days from the date of approval of resolution plan by this Bench.

17. The Resolution Plan as annexed to the application is reproduced herein below for ready reference:

**RESOLUTION PLAN**

**FOR PLAM LAGOON BACKWATERS RESORTS PRIVATE LIMITED**

***Submitted by Invent Assets Securitisation and  
Reconstruction Pvt Ltd.***

(Under the provisions of Insolvency and Bankruptcy Code, 2016)

**06.02.2020**

**Disclaimer**

The responsibility of the Resolution Applicant to invest in PALM LAGOON BACKWATERS RESORTS PVT. LTD (PLBRPL) or implement the Resolution Plan proposed by it shall only arise on the Effective Date. Till such time the Resolution Plan is made effective on the Effective Date, no past, present or future action, course of conduct or failure to act in relation to the proposed investment in PLBRPL will give rise to or serve as the basis for any obligation or other liability on the part of the Resolution Applicant.

This Resolution Plan has been prepared and submitted by the Resolution Applicant on the basis of the limited information shared with it in relation to PLBRPL in the Information Memorandum or otherwise made available by the Resolution Professional till 01.01.2020. The proposed Resolution Plan is subject to any additional information provided to the Resolution

Applicant thereafter, which may have a bearing on the plan and the Resolution Applicant reserves the right to modify and renegotiate the Plan with the Committee of Creditors in the event it discovers or is provided with any material information pertaining to PLBRPL post such date.

This proposed Resolution Plan contains statements, statistics, information that are or may be forward looking. Further the certain statements and projections (contained in this proposed Resolution Plan) are based on judgmental estimates and assumptions.

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### **PREAMBLE**

This Resolution Plan (herein after referred to as the "**Plan**") is being submitted by **INVENT ASSETS SECURITISATION & RECONSTRUCTION PRIVATE LIMITED** (hereinafter referred to as "**INVENT**" or "**The**

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**Resolution Applicant**”), pursuant to invitation for submission of resolution plans for **PALM LAGOON BACKWATERS RESORTS PVT. LTD.** (hereinafter referred to as “PLBRPL” or the “Corporate Debtor”).

**INVENT ASSETS SECURITISATION & RECONSTRUCTION PRIVATE LIMITED** is a company registered as an Asset Reconstruction Company under section 3 of SARFAESI Act, 2002 with RBI.

PALM LAGOON BACKWATERS RESORTS PVT. LTD. is a Private Limited Company incorporated on 15.05.2002, and is involved in business of Hotels; camping sites and other provision of short-stay accommodation.

An application for initiating Corporate Insolvency Resolution Process (“CIRP”) of the Corporate Debtor, was filed by Asset Reconstruction Company (India) Ltd (ARCIL), before the Hon'ble NCLT/ADJUDICATING AUTHORITY, Kochi, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

The matter was admitted in CP (IB) No. 1312 OF 2018 by the Hon'ble NCLT/ADJUDICATING AUTHORITY, Kochi, vide its order dated 20.09.2019 and vide the said order, Mr. R Velu, an Insolvency Professional having IBBI Registration No: IBBI/IPA-001/IP-P00127/2017-18/10269 was appointed as Interim Resolution Professional (IRP).

In accordance with Section 13(1)(b) and 15 of Insolvency and Bankruptcy Code of India, 2016 read with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) the IRP had issued a public announcement on 25.09.2019 inviting claims from the creditors of the Corporate Debtor.

Thereafter the CoC resolved to appoint Mr. R Velu, an Insolvency Professional having IBBI Regn No. IBBI/IPA-001/IP-P00127/2017-18/10269 as Resolution Professional in place of Interim Resolution Professional in meeting held on 18.10.2019.

The Interim Resolution Professional Invited Expression of Interest (EoI) vide public announcements dated 04.12.2019 (also several extensions). Pursuant to the public notice, the Information Memorandum, RFRP and other documents issued by the Interim Resolution Professional/Resolution Professional, INVENT had submitted an Expression of Interest (“EOI”) to the Interim Resolution Professional; vide its mail dated 05.01.2020 and is proposing to make the investment in PLBRPL. Subsequently, this resolution plan is being submitted for insolvency resolution of PLBRPL (Corporate Debtor) under the provisions of Insolvency and Bankruptcy code 2016 and the rules, regulations and circulars issued there under (IBC).

The Resolution Applicant intends to make sincere efforts to turnaround the business in the best interest of all the stakeholders, viz Banks, Employees, Government, Local bodies and society at large.

**Resolution Applicant has made this proposal based on the following assumptions:**

- That the Resolution Applicant is of the firm belief that the takeover of the business of corporate debtor is in clean form without any pending legal conflicts with any agency and should there be any unresolved legal conflicts pending on the date of NCLT/ADJUDICATING AUTHORITY orders or arising after on account of pre-acquisition issues the same shall stand extinguished in view of the binding nature of judgment passed by NCLT/ADJUDICATING AUTHORITY bench under IBC code.
- As per the information available on records and shared by Resolution Professional, there are no claims filed by any operational creditor thus no payment has been proposed towards the settlement of operation creditors dues.
- Further this Resolution Plan has been designed with strict compliance in respect of the provisions of the IB Code and the relevant Regulations.

The resolution plan has following salient features:

- Upfront Payment of CIRP Costs in priority to any other payment;
- 100% of resolution amount to be paid to CoC within 15 days.
- Allows the secured creditor's right i.e. ARCIL to continue its claim against NEESA LEISURE LTD by only releasing the corporate guarantee of Palm Lagoon Backwaters Pvt Ltd
- Amount of payment to creditors (admitted operational & admitted financial) within 15 days – Rs. 87.77 Lakhs
- Proposed Instrument – Full Cash

**DEFINITIONS AND INTERPRETATION**

**DEFINITIONS**

In this Resolution Plan, the following words and expressions shall have the following meanings:

**"Affiliate"** means in respect of any Person, any other Person that directly or indirectly, through one or more intermediate Persons, Controls, is controlled by, or is under the common Control of such Person and in case of Persons who are natural persons, any other Person who is a Relative of such Person and any other Person Controlled by such Person or the Relatives of such Person;

**"Applicable Law"** means any applicable national, federal, central, international, foreign, state, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances, orders, notes, clarifications, releases or any other forms of delegated legislation of any Governmental Authority, statutory authority, court, tribunal or other judicial or quasi-judicial authority; (b) orders, decisions, injunctions, judgments, awards, findings, requirements and decrees of or agreements with any Governmental Authority, statutory authority, court, tribunal or other judicial or quasi-judicial authority; and (c) any modifications or re-enactments thereof, or any other law for the time being in force which may or may not be included herein after;

**"Board"** means the board of directors of the Corporate Debtor;

**"Business Day"** shall mean any day of the week excluding (i) Saturdays; (ii) Sundays; and (iii) any day which is a public holiday in New Delhi and the term "Business Days" shall be construed accordingly;

**"Business Permits"** means all licenses, registrations, permits, consents, no-objections, authorizations and approvals obtained or required by the Corporate Debtor for the conduct of its business under Applicable Law;

**"CIRP"** shall have the meaning ascribed to it in Overview Insolvency and Bankruptcy Code / Corporate Insolvency Resolution Process;

**"CIRP Regulations"** mean the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 as prevailing at the material time and amended from time to time;

**"CIRP Costs"** means the insolvency resolution process costs, as defined under the Code, incurred in respect of CIRP of PLBRPL;

**"CIRP Period"** means the period commencing on Insolvency Commencement Date and expiring on the Effective Date or 16.06.2020 (i.e. 270 days from the insolvency commencement date) whichever is earlier;

**"Claim"** means a right to payment, right to remedy arising pursuant to a contract, under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, matured, un matured, secured or unsecured, contingent, crystallized or fructified, of any nature whatsoever including Interest, damages, penalties and fines whether claimed by any Government Authority, creditor or any other Person or identity of whatsoever nature;

**"Closing date"** means the date on which the resolution plan implementation is complete.

**"Committee of Creditors"** means the committee of creditors of PLBRPL, constituted under Section 21 of the Code;

**"Companies Act"** means the Companies Act, 2013, as applicable and as amended from time to time, together with any rules, regulations, notifications, circulars and removal of difficulty orders issued there under;

**"Control"** shall mean a company holding more than 50% (fifty percent) of the voting share capital of another company or the ability to appoint majority of the directors on the board of another company or the ability of a company to direct or cause direction of the management and policies of another company, whether by operation of law or by contract or otherwise;

**"Corporate Debtor"** means PALM LAGOON BACKWATERS RESORTS PVT. LTD. (PLBRPL);

**"Effective Date"** means the date being on which the NCLT/ADJUDICATING AUTHORITY approves the Resolution Plan with or without amendment and the copy of such order duly received by the Resolution Applicant

**"Encumbrance"** means any mortgage, pledge, options, equitable interest, assignment by way of security, hypothecation, right of other Person, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, lien, charge, restriction or limitation of any nature whatsoever, encroachment, right of way, easement rights, including restriction on use, voting rights, transfer, receipt of income or exercise of any other right related to ownership, or any other security interest of any kind whatsoever, or any arrangement, whether conditional or otherwise, to create any of the above and includes any arrangement that has the commercial effect of an encumbrance or security interest. The term "Encumber" shall be construed accordingly;

**"Equity Shares"** means the equity shares of PLBRPL;

**"Force Majeure"** means any of the following events or combination of such events or circumstances as are beyond the control of a party and which cannot: (i) by the exercise of reasonable diligence, or (ii) despite the adoption of reasonable precautions and/or alternative measures be prevented, or caused to be prevented, and which materially and adversely affects the Resolution Applicant's ability to perform its obligations under this Plan, including: (a) acts of God, comprising fire, drought, flood, earthquake, epidemics and other natural disasters; (b) explosions or accidents, and terrorist attacks; (c) strikes, labour unrest or lock-outs; and/or (d) any event or circumstance analogous to the foregoing;

**"Governmental Authority"** includes (a) any national, federal, state, county, municipal, local, or foreign government or any entity exercising executive, legislative, judicial, regulatory, taxing, or administrative functions of or pertaining to government in any jurisdiction, (b) any public international organization, (c) any agency, division, bureau, department, or other political subdivision of any government, entity or organization described in the foregoing clauses (a) or (b) of this definition, (d) any company, business, enterprise, or other entity owned, in whole or in part, or controlled by any government, entity, organization, or other Person described in the foregoing clauses (a), (b) or (c) of this definition;

**"Group Companies"** Means and includes (i) a company which, directly or indirectly, holds 26% (twenty six percent) or more of the share capital of the said company or (ii) a company in which the said company, directly or indirectly, holds 26% (twenty six percent) or more of the share capital or (iii) a company in which the said company, directly or indirectly, has the power to direct or cause to be directed the management and policies of such company whether through the ownership of securities or agreement or any other arrangement or otherwise or (iv) a company which, directly or indirectly, has the power to direct or cause to be directed the management and policies of the said company whether through the ownership of securities or agreement or any other arrangement or otherwise or (v) a company which is under common Control with the said company;

**"Information Memorandum"** means the information memorandum of PLBRPL, prepared by the Resolution Professional under the provisions of the Code and CIRP Regulations, as provided to the Resolution Applicant;

**"Insolvency Commencement Date"** means **20.09.2019**, being the date of order passed by the NCLT/ADJUDICATING AUTHORITY, admitting the application filed by ARCIL. commencing the CIRP of PLBRPL;

**"Letter of Intent"** means the letter to be issued by the Resolution Professional/ Committee of Creditors to the resolution applicant whose plan has been approved by the Committee of Creditors for onward submission before the Adjudicating Authority;

**"Monitoring committee"** the Committee of Creditors shall constitute the monitoring committee, which may comprise one representative of the Resolution Applicant, representative of the CoC and a qualified Insolvency Resolution Professional (which may or may not be RP) to be appointed by COC in consultation with resolution applicant;

**"NCLT/ADJUDICATING AUTHORITY"** means the Hon'ble National Company Law Tribunal, Kochi;

**"NCLT/ADJUDICATING AUTHORITY Approval Date"** means the date of approval of the Resolution Plan by the Hon'ble NCLT/ADJUDICATING



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AUTHORITY and the Certified copy of the Order duly received by the Resolution Applicant;

**"NCLT/ADJUDICATING AUTHORITY Approval Order"** means the order passed by the NCLT/ADJUDICATING AUTHORITY, approving the Resolution Plan as approved by the CoC under Section 31 of the Code;

**"Operational Creditors"** means the operational creditors (as defined under Section 5 (20) of the Code) of PLBRPL;

**"Person"** means any person (including a natural person), sole proprietorship, corporation, body corporate, partnership, joint venture, estate, trust, company, unincorporated association or organization, firm, Governmental Authority or other enterprise, association, organization or entity whether or not required to be incorporated or registered under Applicable Law;

**"Process Memorandum" or "PM"** means the document issued by the Resolution Professional with regard to Request for Proposal for Submission of Resolution Plans on 01.01.2020, in accordance with the code and applicable regulations there under;

**"Resolution Applicant"** means INVENT ASSETS SECURITISATION & RECONSTRUCTION PRIVATE LIMITED (hereinafter referred to as **"INVENT"**), which shall implement the Resolution Plan;

**"Resolution Plan"** means this resolution plan, as proposed by the Resolution Applicant by way of submission of its bid to the Resolution Professional on 31.01.2020, for resolution of PLBRPL as a going concern or any amendment / modification in the plan thereafter;

**"Resolution Professional"** means Mr. R Velu (IBBI/IPA-001/IP-P00127/2017-18/10269), appointed as the Resolution Professional of PLBRPL by the NCLT/ADJUDICATING AUTHORITY, Kochi;

**"Secured Financial Creditor"** means the following banks/financial institutions whose Claims have been filed to the Resolution Professional as the Secured Financial Creditors of PLBRPL and have been accordingly admitted by the Resolution Professional:

1. Asset Reconstruction Company (India) Ltd (ARCIL)

and shall include any other Person to whom the secured financial debt is transferred and/or assigned by the Bank/ FI (in whole or in part), in accordance with Applicable Law.;

**"Taxes" or "Tax"** mean any and all present or future, direct or indirect, claims for tax, levy, impost, duty, Cess, statutory dues or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on

gross receipts, sales, turnover, value addition, use, consumption, property, gift, registration, withholding obligation, service, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Governmental Authority;

**"PLBRPL"** means PALM LAGOON BACKWATERS RESORTS PVT. LTD., located at Door No. PP VI/I, Vellimon West P.O, Kollam, Kerala – 691511.

## **INTERPRETATION**

In this Resolution Plan, unless the context otherwise requires:

(a) headings and bold typeface are only for convenience and reference only and shall be ignored for the purpose of interpretation and construction of the relative provisions of this Resolution Plan;

a. any reference to a clause or schedule is a reference to a Clause in or Schedule to this Resolution Plan, except as expressly provided otherwise herein;

b. the Schedules annexed hereto shall constitute an integral part of this Resolution Plan;

c. words of any gender are deemed to include the other gender;

d. the singular includes the plural and vice versa and, in particular (but without limiting the generality of the foregoing), any word or expression defined in the singular has the corresponding meaning when used in the plural and vice versa;

e. the terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Resolution Plan or specified parts of this Resolution Plan as the case may be;

f. reference to any of the words "include", "including", "for example", "such as", is not used as, nor it is to be interpreted as, a word of limitation and when introducing an example, does not limit the meaning of the word to which the example relates, to that example or examples of a similar kind;

g. any reference to a statute, ordinance, code or other law includes regulations and other instruments under it and amendments or re-enactments of any of them;

- h. if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated inclusive of that day;
- i. a reference to "month" shall mean an English calendar month and a reference to "year" shall mean an English calendar year, except as expressly provided otherwise in this Resolution Plan;
- j. the values given herein are approx. values and the same shall be rounded off shall be rounded off to the nearest rupee;
- k. if a word or phrase is defined, parts of speech and other grammatical forms of that word or phrase shall have a corresponding meaning;
- l. any reference to time is a reference to Indian Standard Time; and
- m. Reference to anything including any amount is a reference to the whole and each part of it.

## **OVERVIEW**

### **Background**

Pursuant to a default in meeting its payment/repayment obligations as a Corporate Guarantor to as Secured Financial Creditor, an application was filed by ARCIL (Secured Financial Creditor), one of the Financial Creditor of PALM LAGOON BACKWATERS RESORTS PVT. LTD. ("Corporate Debtor"), under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble National Company Law Tribunal ("NCLT/ADJUDICATING AUTHORITY"), Kochi for initiating Corporate Insolvency Resolution Process ("CIRP") of the Corporate Debtor;

The application was admitted by the Hon'ble NCLT/ADJUDICATING AUTHORITY vide order dated **20.09.2019** and vide the said order Mr. R Velu, an Insolvency Professional having IBBI Registration No: IBBI/IPA-001/IP-P00127/2017-18/10269, was appointed as Interim Resolution Professional (IRP);

In accordance with Section 13(1)(b) and 15 of Insolvency and Bankruptcy Code of India, 2016 read with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) the public announcement was issued for inviting claims from the creditors of the Corporate Debtor;

In the first meeting of CoC held on 18.10.2019 the members resolved to appoint Interim Resolution Professional as Resolution Professional and Mr. R Velu's was appointed as Resolution Professional.

In accordance with the provisions of the Insolvency & Bankruptcy Code, the Interim Resolution Professional was instructed by the CoC to invite Expression of Interests (EoI's) from Prospective Resolution Applicant(s) (PRA's) who would submit Resolution Plans.

The IRP published the necessary particulars in Form – G inviting Expression of Interest ("EOI") from PRA's on 04.12.2019 in Business Standard and Malayalam Manorama. The said Form G was also uploaded on the website designated by the IBBI. As per the Form G, the last date for submission of Resolution Plans in the ongoing CIRP of PALM LAGOON BACKWATERS RESORTS PVT. LTD. was 02.02.2020.

However, in order to explore larger options, the CoC advised the IRP to extend the last date for submission of EoI's for submission of Resolution Plan, by Prospective Resolution Applicants.

The Resolution Professional invited the Resolution Applicant (RA) to submit the Resolution Plan vide its mail dated 05.01.2020 and shared the Request for Resolution Plan (RFRP) document. There after pursuant to request from the RA, RP has provided an Information Memorandum dated 01.01.2020 on 03.01.2020 containing certain information relating to the Corporate Debtor ("Information Memorandum" or "IM").

We thank the Resolution Professional and Committee of Creditors for inviting the Resolution Applicant to submit a Resolution Plan for the Corporate Debtor.

The Resolution Applicant is submitting a Resolution Plan for the insolvency resolution of the Corporate Debtor as a going concern. In the event the Resolution Professional is considering a Resolution Plan providing for acquisition or transfer of any of the undertakings of the Corporate Debtor separately, the Resolution Applicant shall be notified of the same and shall be afforded the right to modify this Plan appropriately.

Subsequent to our Expression of Interest submitted on 24.12.2019, we, hereby present a Resolution Plan based on the Information Memorandum and information/documents provided by the Resolution Professional.

The Resolution Plan complies with the provisions of Section 30 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 37, 38 & 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

## **RESOLUTION PLAN**

This Resolution Plan, envisaging the full payment within 15 days from effective date, is prepared pursuant to Section 30 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 37, 38 & 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

### **ADDITIONAL TERMS**

The net proceeds to the secured financial creditor i.e. ARCIL is for the limited purpose of releasing the corporate guarantee of PLBRPL and shall not constitute full and final settlement of all dues payable to ARCIL by Neesa Leisure Limited. The Corporate Debtor i.e. PALM LAGOON BACKWATERS RESORTS PVT. LTD (PLBRPL) herein will be discharged on the approval and implementation of this resolution plan, but the claim of ARCIL against Neesa Leisure Limited will not be discharged

2. Upon approval of this Plan by the NCLT/ADJUDICATING AUTHORITY, this approved Plan/ all order(s) passed by NCLT/ADJUDICATING AUTHORITY shall be binding on the Corporate Debtor and its employees, shareholders, members, creditors, Customers, guarantors, Insolvency Professional and other stakeholders, including but not limited to all taxation authorities whether state Govt., Central Govt. / semi government / public sector undertaking, development authorities, village Panchayat or any other local municipal corporation / authorities, whether involved or not involved in this Plan and/or otherwise concerned or connected with the Corporate Debtor. Any breach of the terms of this Plan or default in the performance of the obligations hereunder by any of the foregoing persons shall cause irreparable damage to the Resolution Applicant and its proposal to revive the Corporate Debtor's business. Accordingly, in case of such breach or default, the Resolution Applicant shall have the right to address such remedies as may be available under Applicable law (including filing an application with the NCLT or any such authority in accordance with the Code/applicable law).

3. All the IPRs (Intellectual Property Rights), if any, belonging to the Corporate Debtor shall be vested with the Resolution Applicant and from the Effective Date the Existing Promoters/ Existing Guarantors, erstwhile Promoters or any member, associate of the Existing and Erstwhile Promoter groups shall be restrained to do any business directly or indirectly in connection with the services provided by Corporate Debtor by using any of such IPR including but not limited to drawing, design, process, inventions, diagrams, equipments etc. developed or procured in the past by Corporate Debtor directly or indirectly. In addition, the Existing Promoters or Erstwhile Promoters, Existing Guarantors or any member/ associate of Existing

Promoters or Erstwhile Promoters and Promoter groups shall also be restrained from transferring any such IPR to any other person whether related to them or not.

4. The Plan shall be binding on each of the persons mentioned above including Resolution Professional, Financial Creditors of PLBRPL. All such persons shall use their best efforts to do or cause to be done, such further acts, deeds, matters and things and execute such further documents which are/may be required by the Resolution Applicant to give full effect to the terms of this Plan in accordance with its terms and conditions.

5. Notwithstanding anything contained in above clause, all obligations of the Resolution Applicant shall be effective or operative on and from the Effective Date.

6. By the receipt and deliberation of this Plan, the Resolution Professional, the Insolvency Professional (if appointed for the constitution of Monitoring Committee) and the Financial Creditors of the Corporate Debtor agree and undertake that they shall not reveal, and shall ensure that their directors, officers, managers, employees (including those on secondment), legal, financial and professional advisors and bankers to whom Confidential Information is made available do not reveal, to members of the public, other resolution applicants or potential resolution applicants any Confidential Information, provided however that the provisions of this clause shall not be applicable to any disclosure pursuant to Applicable Law subject to any practicable arrangements to protect confidentiality. The Resolution Applicant shall be entitled to injunctive relief, specific performance and other remedies to enforce this Clause.

7. The Plan along with its Chapters, parts, Annexures and Appendix constitutes the entire Resolution Plan of the Resolution Applicant within the meaning of Section 30 of the Code and Regulation 38 of the CIRP Regulations and supersedes and cancels any prior oral or written plan, proposal or understanding in this regard, if any.

8. Neither the Insolvency Professional, any creditor (including any Financial Creditor and Governmental Authority), any stakeholder involved in this Plan or otherwise connected with this plan, the Committee of Creditors, the Monitoring Committee nor the Corporate Debtor shall:

- (i) take any of the actions specified in Sections 28(a), 28(d), 28(e) and 28(h) of the Code; or
- (ii) (a) take any other actions specified in Section 28 of the Code (excluding the actions mentioned at (i) above);  
(b) institute or continue any proceedings against the Corporate Debtor or transfer, Encumber, alienate or dispose of any of the assets or interest of the Corporate Debtor or enforce any Encumbrance or security interest created by the Corporate Debtor or on the securities of the Corporate Debtor; or

(c) take any action or measure which may result in a breach of the terms of this Plan;

9. All assets (including movable & immovable properties whether freehold, leasehold or license basis and intangible assets including technical knowhow, licenses, patents, copyrights, logo, knowledge, brand, franchise agreement etc.) held by the Corporate Debtor shall be re-vested with the Corporate Debtor from the Closing Date, free and clear off all encumbrances (albeit with the changed share holders/ new promoters) from the full payment date.

10. As this plan is envisaging full payment within 15 days, hence upon implementation of the resolution plan, all title deeds, financing documents and other related documents (including charge documents, if any) held by the Existing Financial Creditors shall be handed over to the Resolution Applicant.

11. The Financial Creditors and existing security holders hereby agree to exercise their rights as lenders or shareholders (as the case may be) of each related party (contemplated in Financial Proposal) and make efforts in good faith to procure such related party's cooperation to modify such contracts as contemplated in Financial Proposal). Furthermore, notwithstanding the reliefs and concessions in plan, each Financial Creditor hereby expressly releases (with no requirement of any further action) the Corporate Debtor from all indemnity, guarantee and like obligations, in relation to any financial indebtedness availed by any third Person where such financial indebtedness has been provided by such Financial Creditor.

12. (i) This Plan has been prepared on the assumption that none of the assets, receivables or securities of the Corporate Debtor shall be transferred, sold, disposed of or otherwise encumbered in any manner by Resolution Professional, Financial Creditor or any other related body. Notwithstanding anything contained in this plan, in the event of any such transfer, sale, disposal or Encumbrance, the Resolution Applicant and the Resolution Professional or Insolvency Professional (as the case may be) shall discuss and mutually agree suitable modifications to this Plan, in order for it to be implemented. Resolution Applicant assumes that plant and machinery of unit of the Corporate Debtor are complete & available in complete respect as represented to the Resolution Applicant in Information Memorandum.

ii. Resolution Applicant assumes that technical documentation for all the products will be available in hard and soft copies.

iii. This plan has been prepared on the assumption that there is no liability towards the Risk Purchase against past Purchase Orders (Prior to NCLT/ADJUDICATING AUTHORITY Order) by any Customers (Govt /Non-Govt. /PSU/ suppliers / vendors

/consultants/ clients against the Corporate Debtor. Resolution Applicant shall in no case will be responsible for such past claims even after re-approval / re-listing of the Corporate Debtor.

13. The Resolution Applicants and the Company shall be entitled to share certified copy of this Resolution Plan and the order of the NCLT/ADJUDICATING AUTHORITY approving this Resolution Plan with third parties, including Governmental authorities, if required.

14. The Memorandum of Association of the Company shall stand revised. The amendment to the Memorandum of Association, including the revisions to the capital clause therein, shall be pursuant to the order of the NCLT/ADJUDICATING AUTHORITY and shall not require any additional approval from the shareholders or otherwise. The Resolution Applicant may cause amendments to the Articles of Association of the Company, upon the authorised persons who will be part of managing and operating the affairs of the Company are identified.

15. Upon approval of the Plan by the NCLT/ADJUDICATING AUTHORITY, the Resolution Applicant be permitted to draw up the financial statements of the Company for a period ending on the Effective Date (or any date closest to that date as may be practicable) in compliance with applicable accounting standards such that it truly reflects the claims verified and the realisable, fair value of the assets as may be determined by the board of directors of the Resolution Applicant.

16. For the above purpose, the Resolution Applicant will be permitted to carry out necessary write off of assets, creation of additional liability or expenses or write back of liability or provision (as the case may be) in the books of accounts of the Company pertaining to the period between the Insolvency Commencement Date (ICD) and the Effective Date.

17. Pursuant to the order of the NCLT/ADJUDICATING AUTHORITY approving this Plan, any debit or credit, being the balancing figure, shall be adjusted by the Company in the capital reserve at its sole discretion and the same shall be deemed to be in compliance with the applicable accounting standards.

18. The restated balance sheet of the Company would appear on Effective Date, considering the restructuring and payments proposed in the present Resolution Plan forming an integral part of this Resolution Plan.

19. In the event it is determined that any provisions of the Resolution Plan is unenforceable either on its face or as applied to any claims or transaction and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach of any party, the new management of the Company may apply to the NCLT/ADJUDICATING



AUTHORITY for appropriate modification of such provisions of the Resolution Plan , to satisfaction of the NCLT/ADJUDICATING AUTHORITY, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective, unless otherwise directed by the NCLT/ADJUDICATING AUTHORITY by order.

20. In case any such modification is required in the Resolution Plan after the receipt of NCLT/ADJUDICATING AUTHORITY approval, to comply with any laws currently in force or to apply for certain approvals as required under the Resolution Plan or for any other requirements, not jeopardising the rights of the creditors under the current plan, the new management of the Company would obtain necessary approval on any modification required to comply with the laws in force and to successfully implement the Plan from NCLT/ADJUDICATING AUTHORITY/ NCLAT, as maybe required.

21. The Resolution Applicant reserves and retains the right to modify the proposed Resolution Plan on occurrence of any of the following events:

- In case any additional information is obtained by the Resolution Professional and provided to the Resolution Applicant Post submission of this Plan;
- In case of any information provided by the Resolution Professional is modified, revised or amended post submission of this Plan;
- In case of communication about addition / modification / revision of any claim amounts admitted/received by the Resolution Professional towards any class of creditor;
- In case the amount proposed in this Plan for settling the dues to the Financial and Other creditors is revised based on discussions between the members of the CoC and the Resolution Applicant

22. The Resolution Applicant has made every possible effort to prepare and submit the Resolution Plan strictly in accordance with the various provisions of the Code and as per the guidelines provided in Process Memorandum. However, if there is any inadvertent inadequacy/ shortcomings/ defects in the Resolution Plan, the Resolution Applicant shall be given an opportunity for rectifying and removal of such inadequacy/ shortcomings/ defects so observed.

23. The Resolution Applicant also proposes to be given an opportunity for discussion and negotiation with the members of the CoC and thereafter revising the Proposed Resolution Plan based on its discussions and negotiations with the members of the CoC.

## **ABOUT THE RESOLUTION APPLICANT**

### **Resolution Applicant – Invent Assets Securitisation & Reconstruction Private Limited (INVENT)**

The details of the RA are as mentioned below: -

<b>CIN</b>	<b>Full Name</b>	<b>Registered Address</b>
U74999MH2003PTC139774	Invent Assets Securitisation & Reconstruction Private Limited	Bakhtawar, Suite B, Ground Floor, Backbay Reclamation Scheme Block III, 229, Nariman Point Mumbai 400021

#### **Invent Profile:**

##### **Name**

Invent Assets Securitisation & Reconstruction Company Private Ltd (INVENT).

##### **Registered Office**

The registered office of INVENT, is situated at Bakhtawar, Suite B, Ground Floor, Backbay Reclamation Scheme Block III, 229, Nariman Point Mumbai 400021

##### **Date of Incorporation**

INVENT was incorporated as a private limited company on 28th of March 2003 under the provisions of Companies Act, 1956.

##### **Date of Commencement of Business**

The company commenced business on 6<sup>th</sup> November 2008

##### **Registration as Securitisation Company and Asset Reconstruction Company**

INVENT has been registered with RBI as a Securitisation Company and Asset Reconstruction Company pursuant to section 3 of the SARFAESI Act vide certificate of registration No. 10/2008 dated 23<sup>rd</sup> September 2008 issued by RBI.

#### **Shareholders**

##### **Details of Share Capital**

<b>Sr. No.</b>	<b>Name of Share Holder</b>	<b>No. of Share</b>	<b>Percentage</b>
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1	West End Investment & Finance Consultancy Pvt. Ltd.	52,705,934	53.042
2	Canara Bank	7,480,000	7.53
3	The Laxmi Vilas Bank Ltd.	65,00,000	6.54
4	Bank of India	40,00,000	4.03
5	Boulevard Trading P. Ltd.	49,00,000	4.93
6	Pioneer Management and Finance Consultant LLP	40,93,000	4.12
7	Central Bank of India	20,00,000	2.01
8	Saicharan Consultancy Pvt. Ltd.	25,00,000	2.52
9	Sita Power Pvt Ltd	25,00,000	2.52
10	Mr. G. N Bajpai	19,80,000	1.99
11	Mr. Mahesh Narayan Singh	16,66,000	1.68
12	Mr. Pankaj Kumar Gupta	29,48,332	2.97
13	Mr. Gopi Krishan Sharma	49,25,067	4.96
14	Others	11,68,333	1.18
	<b>Total Number of Shares</b>	<b>9,93,66,666</b>	<b>100</b>

### **Invent Assets Securitisation & Reconstruction Private Limited – a brief profile**

Invent Assets Securitisation and Reconstruction Company Private Limited (Invent) was established in March 2003 by professionals from banking and financial services sector. The Company commenced its operations on March 17, 2009. It is registered as a Securitisation Company and a Reconstruction Company with RBI under SARFAESI Act, 2002.

Invent is engaged in business of acquisition and resolution of Non-Performing financial assets (NPA) of Banks and Financial Institutions as provided under section 10 of the SARFAESI Act, 2002 and under the direct regulations of Reserve Bank of India.

Till March 31, 2019, Invent's total acquisitions of assets (gross outstanding) exceeded Rs. 18500 crores, wherein, apart from Invent, banks and financial institutions, funds registered with SEBI and systemically important non-banking finance companies (NBFCs) have contributed towards purchase of a specific/pool of non-performing assets from banks and/or financial institutions. By focusing on Medium and Small enterprises, Invent has already begun emerging as a leading ARC player in the country.

### **Shareholding pattern**

Invent is promoted by leading professionals including Mr. M. N. Singh, IPS, former Commissioner of Police, Mumbai and Mr. Pankaj Gupta, a leading Chartered Accountant of Mumbai and Mr. G. N. Bajpai, former Chairperson

MA/113/KOB/2020 in TIBA/9/KOB/2020 (CP.1312 of 2018 of Chennai Bench).

of Securities and Exchange Board of India (SEBI) and also Life Insurance Corporation of India.

Currently, apart from the promoters, inter-alia, Canara Bank, Bank of India, Central Bank of India, West End Investment & Finance Consultancy Pvt. Ltd and Lakshmi Vilas Bank are the shareholders.

The Company has an authorised share capital of Rs. 150 crores, and Issued, Subscribed and Paid-up capital is about Rs.99.37 crores, and the current net worth of Invent is Rs. 158.88 crores.

### **Asset under management as on March 31, 2019**

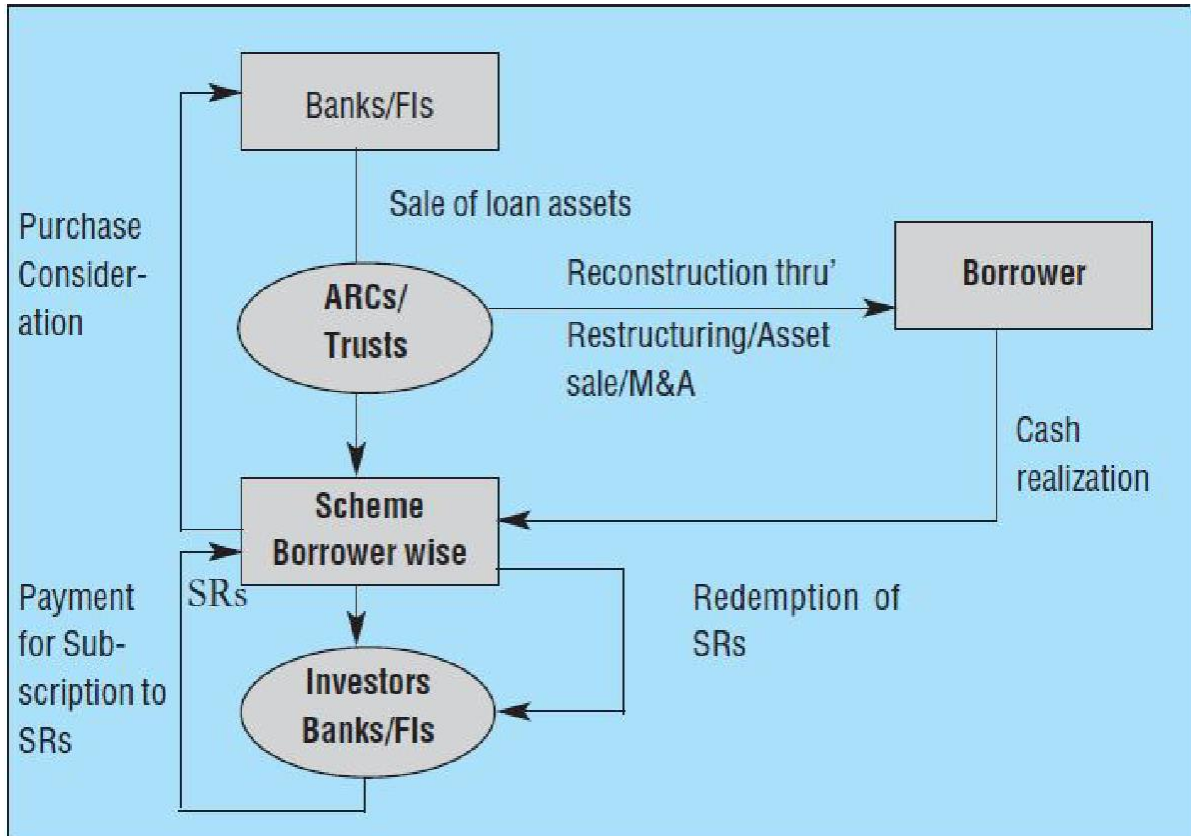
	Rs. in Crores
AUM	4346
No. of Assets	234
Gross o/s	18516

### **Financial Information:**

(Rs. in crores)

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Paid Up Capital	59.62	59.62	79.49	99.37	99.37	99.37
Net Worth	103.31	105.91	119.42	153.89	156.33	158.93
Acquisition during the year	635.35	1064.34	1140.39	760.15	1039.01	40.76
Total Income	12.50	19.88	25.88	31.36	57.30	68.98
Profit before tax & depreciation	7.97	3.90	(16.15)	5.79	3.02	3.36
Profit Before Tax	7.65	3.55	(16.52)	5.39	2.58	2.93

**Transaction Structure of Operating ARCs:** The following diagram gives in brief the operating transaction structure of ARCs.



Invent's Asset acquisition strategy is unique; which is single asset acquisitions from banks and buying out portfolio of assets with embedded single assets of value. The acquisition is largely done by co-investment model with large SEBI registered funds and NBFCs; this approach reduces the need to raise large quantum of funds by Invent.

Invent's investment approach to acquisition of assets is either by taking the assets on its books or via trusts specifically formed for each acquisition. Increasingly however, assets are being acquired more and more through the trust route. This facilitates Invent to deploy its own resources in a larger number of assets.

### Profile of Directors

#### Mr. M N Singh – Chairman and promoter director

Mr. M N Singh brings years of experience in very senior positions with the government. As an Indian Police Service officer, he has a distinguished career spanning more than thirty-five years. Mr. Singh served as the Police Commissioner of Mumbai (in the rank of Director General of Police) with distinction from 2000 to December, 2002 as his pre-superannuation assignment. He is known for his administrative acumen, resourcefulness and in-depth understanding of macro factors that interface with banks and financial institutions in respect of defaulting assets, etc.

**Mr. Pankaj Gupta – Vice Chairman and promoter director**

Mr. Pankaj Gupta is a Chartered Accountant with experience of over four decades in sectors such as banking, insurance, merchant banking and financial services viz., corporate restructuring, mergers and acquisitions, feasibility studies, project finance, private placements, accounting and taxation. Has handled assignments as Central Statutory Auditors of Banks and Institutions viz; Bank of Baroda, Central Bank of India, Bank of Maharashtra, General Insurance Corporation, Life Insurance Corporation of India, India Rare Earths and Zonal Audits of Steel Authority of India, Mahanagar Telephone Nigam Limited besides private sector clients. He also has been associated with assignments involving Investigative Audits, Monitoring of borrowers Accounts, valuations among other related specialized professional assignments allotted to his firm of Chartered Accountants was founded by him, which is on the panel of various Banks and Institutions.

He is the Chairman of West End Investment & Finance Consultancy Pvt. Ltd and Vice Chairman of West End Housing Finance Ltd., besides being a Senior Partner of Shah Gupta & Co., an established firm of Chartered Accountants since 1976 and was a Member of the Primary Market Advisory Committee of Securities and Exchange Board of India till 31.10.2007.

**Mr. G N Bajpai – promoter director**

Mr. G.N. Bajpai has been at the helm of affairs in executive positions and brings with him years of experience as regulator of the Securities Market in India, as also in the field of Insurance, Investment Banking, Corporate Governance to name a few. He superannuated while he was the head of Securities and Exchange Board of India which is a counterpart of the Securities and Exchange Commission, USA as its Chairman in February, 2005. His career path encompasses distinguished positions such as Executive Chairman of Life Insurance Corporation, a premier financial conglomerate with an asset base of nearly 4 trillion (US \$ 80 Billion), 125000 employees, 130 million policy holders, over 2000 branches and an annual premium income of over US \$ 12 billion, with forays into housing, Mutual Fund, Realty, Care-homes, Banking etc. The growth of LIC during his 2-year stint with the Corporation was at record levels of 65% and 135% consecutively.

**Mr. Raj Narayan Bhardwaj**

Mr. Raj Narayan Bhardwaj was a Member of Securities Appellate Tribunal (SAT), Government of India, Ministry of Finance, Department of Economic Affairs. It was a two years term, which ended on 7.5.2007. He retired from Life Insurance Corporation of India ("LIC") as its Chairman. During his tenure he met the challenges posed by falling interest rate environment coupled with opening of insurance sector with entry of a dozen private players amongst whom some of the members are globally successful insurance majors. Steering the biggest financial institution of the country

with nearly Rs. 5 lac crores in funds and over 1.20 lac employees and more than a million-marketing force to successfully meet the challenges of the competition from private Life Insurance Companies, LIC booked highest profits in its history by active churning of its Government Securities and Equity portfolio, thereby boosting yield on investments.

**Mr. S. C. Gupta**

Mr. S. C. Gupta Joined RBI in 1972 as an officer. He then Switched over to the legal department of R.B.I. in 1976 as legal officer, progressively assuming higher responsibilities as Assistant Legal Advisor in 1981, Deputy Advisor in 1988, and Joint Legal Advisor in 1995. He was promoted as the legal advisor in the rank of Chief General Manager in April, 1999. Thereafter he was Designated as the Head of Department in January, 2005 and retired from R.B.I. in October, 2006. During his service with R B I, he was associated with several Committees of Reserve Bank of India, Indian Banks' Association and other well-known institutions.

**Mr. G. Gopalakrishna**

Mr. G. Gopalakrishna is a Law graduate with over 33 years with the Reserve Bank of India (RBI). During his career, he worked in various profiles across different departments of RBI thereby giving him all round experience of the functioning of the Regulator and Supervisor. He took VRS as Executive Director, RBI in 2014 and was appointed as Director, Centre for Advanced Financial Research and learning (CAFRAL) promoted by RBI, a position in the grade of Deputy Governor. He was Executive Director, RBI in October 2007 to April 2014 and Was overseeing the Department of Banking Supervision, Financial Stability Unit, Department of Communication, Dept. of Information Technology, Secretary's Dept., Foreign Exchange Department, Department of Payment and Settlement System of the RBI. He also headed the Deposit Insurance and Credit Guarantee Corporation. He was Executive Director overseeing the Department of Non-Banking Supervision between 2008-2011. He was the Chairman and Member of several Working Groups set up by the Bank/Government of India. During 2011, he chaired the Working Group on Information Security, Electronic Banking Technology, Risk Management and Cyber Frauds, the recommendations of which have been implemented April 2011. The RBI guidelines has become standard for the Industry in information security, information audit, I.T Governance and Cyber frauds. He was also Chairman of the Technical Group set up to Review Supervisory Rating Framework as part of the High Level Steering Committee appointed by RBI in 2012 to review the Supervisory process in India. He authored the Central Credit Registry created by RBI in 2014 for reporting large value credits. He chaired the Committee constituted to examine the recommendations of FSLRC relating to Capacity Building in Banking and nonbanking sector. The report has been accepted and implemented by the Reserve Bank of India. He was the Regional Director, RBI Kerala from 2001 to 2004. He was also Vice-Principal/Member of Faculty in the Reserve Bank Staff College during 1989-

1995. He was RBI's Nominee Director in State Bank of Travancore (now merged with SBI) and ECGC and now serves as Independent Director on the Board of Dena Bank.

## **Profile of Executive Management**

Invent has a select band of professionals constituting its internal team. A brief profile of the management personnel is given below.

### **Management Profile**

Highly skilled management personnel with experience in Finance field:

**Mr. G.K. Sharma – Chief Executive Officer** – A Chartered Accountant by profession, Mr. Sharma, in his career spanning more than three decades, has held various managerial positions in companies across industries, such as iron & steel, man-made fibers, chemicals and those in the financial services sector. In his previous engagements, Mr. Sharma has worked with companies under stress/ distress and has successfully negotiated settlements with lenders, workers and other stakeholders therein to ensure effective turnaround. While working with these companies, he was also involved in raising funds for financing operations and payouts necessary for successful turnaround. He has in-depth knowledge of the accounting and auditing standards, companies and the income tax act and various other legislations governing the operations of the companies. As Chief Financial Officer of his previous employers, Mr. Sharma was keenly involved in preparation and finalization of accounts, conduct of audit, direct and indirect taxation, designing of accounting and financial systems and management information systems, foreign exchange risk management, etc.

**Ms. Sheetal Manhas – President (Acquisition and Resolution)** – Ms. Manhas, Chartered Accountant, has more than 19 years of professional experience having worked in the areas of distress asset resolution, insolvency, corporate finance and cash management systems. Ms. Manhas during her career prior to joining Invent had advised several clients on debt restructuring and one-time settlements with their bankers. She has also worked on several corporate finance transactions having raised project finance and working capital for mid-level and large corporates and has provided other financial advisory and consultancy services to such corporates. Ms. Manhas oversees business development and relationship management, and is also involved in acquisitions & resolution of NPAs from banks and institutions under SARFAESI Act and Indian Bankruptcy Code, Ms. Manhas is also responsible for ensuring compliance. Before joining Invent, Ms. Manhas has worked with the Regional Office of Ranbaxy, Singapore, Bajaj Allianz General Insurance Company and West End Investment & Finance Consultancy.



**Ms. Priyanka Ranka – President (Acquisition and Resolution)** - A Chartered Accountant by profession having 10 years of experience in the Asset Reconstruction Industry. Ms. Ranka is responsible for handling of various accounts and critical acquisitions and resolutions of Non-Performing Loans through SARFAESI Act, 2002, Recovery of Debts and Bankruptcy Act, 1993, Insolvency and Bankruptcy Code, 2016. She has expertise in litigation and attends the legal matters before all respective legal forums. She is also responsible for nurturing business relationship with banks and financial institutions, identifying financial assets, conducting due diligence, ensuring completion of appropriate documentation, including formation of Trusts, etc. Ms. Ranka has handled client's assignments for debt restructuring and one-time settlements including CDR cell proposals. She has been managing huge portfolio of assets starting from the asset size of Rs. 25 Crores & above. Further, Ms. Ranka is also responsible for nurturing business relationship with banks and financial institutions, identifying financial assets, conducting due diligence, ensuring completion of appropriate documentation, including formation of Trusts, etc. Before joining Invent, she has worked with Shah Gupta & Co. Chartered Accountants in the field of Audit, Finalisation of Company Balance Sheets, Cash Flow Analysis, and allied fields.

**Mr. Jugal Mehra – President - Business Strategy** - Mr. Jugal Mehra has over 50 Years of experience with the Birla Group at its Corporate Head Quarters, handling Group's Administration, Governmental dealings requiring Local and Central Governmental approvals and clearances. Currently, he holds directorship of FICCI (Western Region) and Federation of Indian Chamber of Commerce and Industries. He has held the position of President of Indo Brazilian Society and Member of Governing Council, Indo Brazilian Chamber of Commerce and Industries. Besides that, he has also held active positions in **1.** Central Treasurer of National Sports Club of India, Mumbai and Delhi. **2.** Chairman of Public Relations Society of India, Mumbai. **3.** Director of Public Relations Council of India, Mumbai. He is responsible for administration and developing new business strategies in the field of asset Securitisation and Reconstruction.

**Ms. Nupur Shah – Senior Vice President (Acquisition and Resolution)** - Master of Business Administration with specialization in Finance & International Business by vocation, Ms. Shah has more than 12 years' experience in retails and corporate finance and responsible for the acquisition and resolution of NPLs acquired from Banks/FIs by her team and responsible for managing relationship with banks and financial institutions. Before joining Invent she has worked with IL&FS Trust Company Limited, Citibank- Global Consumer Group, National Commodity and Derivatives Exchange and IDBI Trusteeship Services Limited in various roles and diverse responsibilities in the financial and banking sector.

**Mr. Dharnik Shah – Senior Vice President (Acquisition and Resolution)** – A qualified CFA, LLB and MBA with experience in various

fields such as Commodity Markets, Debt Syndication & Corporate Debt Restructuring. He gets with him experience of 14 years in core operational setup & 2 years of corporate loan documentations & management consultancy. He is responsible for complete resolution of the assets acquired by him, business development and exploring new business possibilities with banks & financial institutions.

**Ms. Ruchi Sharma – Company Secretary & Compliance Officer** – Ms. Ruchi Sharma is a Company Secretary by profession and is an associate member of the Institute of Company Secretaries of India having an experience of over 7 years post qualification. She is a commerce graduate from Aligarh Muslim University and has completed her Law from Mumbai University. She is currently designated the Company Secretary and Compliance Officer. Before joining Invent she has worked in the legal, secretarial and compliance department of various financial, manufacturing, infrastructure companies (listed and unlisted) and mutual fund companies like Morgan Stanley.

**Mr. Vasant Lothey (Patil) – Legal Head** – Mr. Lothey is a Law graduate with over 40 years of experience in law field. During his career, he has worked in various profiles. He has his own legal practice till 1995. After that he became the Civil Court Judge and judicial magistrate and served the office till November 2000. The High Court then appointed him as the Labour Court Judge in Mumbai, he served the office from 2000 to December 2002. He was then selected by MPSC for the higher quasi-judicial post for MHADA under Housing department of Maharashtra and served the office from 2002 to 2007. He was then appointed as presiding Officer (PO) for Debt Recovery Tribunal Ahmedabad and Mumbai by the committee chaired by Chief Justice of India and served the office for 9 years.

**Mr. Atul Mishra – Vice-President (Acquisition and Resolution)** – Mr. Mishra is a Bachelors in Commerce, Company Secretary, LLB(General), MBA. Mr. Mishra has been with Invent from March, 2014 and has handled litigation and resolution assignments throughout the country before Supreme Court, High Court, National Company Law Tribunal (NCLT), Debt Recovery Tribunal, Debt Recovery Appellate Tribunal and various Central Government Agencies. Mr. Mishra has been dealing with matters pertaining to SARFAESI Act, 2002 and Recovery of Debts and Bankruptcy Act, 1993. Before joining Invent, he was with the Birla Group for 4 years in the Core Finance team.

**Ms. Ritika Jain – Vice-President (Acquisition and Resolution)**- Ms. Jain is a Qualified Chartered Accountant since 2012 having experience in various fields of Audit, Taxation, Accounting, Finalisation of Financial Statements, Advisory and Consultancy on International Taxation, Inter Corporate Deposits, Service Tax, Value Added Tax, Tax Planning and Advance Tax Estimation, Tax Deduction at Source, and other related issues. Ms. Jain has worked with Invent for the last 5 years and has handled

Acquisition and Resolution of the Non-Performing Assets belonging to various industries.

Ms. Jain has carried out financial and legal due diligence, analysing the viability for acquisition of the debts, dealing with banks for acquisition on auctions or bilateral basis, statutory and regulatory compliance. She is actively involved in planning resolution strategies and implementing them for speedy resolution of the acquired debts, constant follow up with the advocates and attending legal matters before all legal forums.

**Ms. Mamta Thakker- Assistant Vice-President (Acquisition and Resolution)**- A qualified Chartered Accountant since 2014, Masters of Commerce and Certification in Public Financial Management from IMFx (an online initiative of International Monetary Fund). Ms. Thakker has experience in Internal, Forensic and Compliance Audit as well as Direct Taxation Assignments. Ms. Thakker has actively been involved in the preparation of Standard Operating Procedures (SOP), defining risk control system and evaluating the efficacy of risk management procedures. She has been with Invent from 2017, having gained professional experience in the areas of distress asset resolution, insolvency, corporate finance.

**Ms. Swati Gopalani- Assistant Vice-President (Operations)** – Ms. Gopalani is a graduate in Management studies and has 12 years of wide-ranging experience. She was associated with the rating agency CRISIL for a period of 4 years and another 4 years with IT distributors Ingram Micro. Ms. Gopalani has been working with Invent Assets Securitisation & Reconstruction Private Limited for over 5 years in the areas of Acquisition and Resolution of Non-Performing Assets of various sectors. She is handling assignments of conducting Due Diligence for Sale and Resolution of NPAs through various routes that includes legal/restructuring/settlement.

### **Key Value Drivers**

- Robust leadership team with vast experience in banking and financial Sector
- Basket of solutions offered; single stop solution provider
- Strong focus on small and medium enterprises.
- A robust internal system for identification and evaluation of loan assets
- An extensive network of technical and financial consultants and valuers, legal professionals and due diligence experts.
- A focused and concerted approach towards revival and resolution of assets.

## **Experience of the Resolution Applicant**

Invent Assets Securitisation & Reconstruction Pvt. Ltd. (Invent) is an Asset Reconstruction Company registered with the Reserve Bank of India under the Securitisation Act, 2002. Invent has been promoted by a group of professionals from diverse fields with outstanding calibre.

The Company with its appropriate credentials offers a wide array of services to help banks and financial institutions in channelising resources and realize value out of non-performing assets (NPAs). It is one of the most influential advisor in this business segment with right information, knowledge and application.

Over the period Invent has developed expertise to resolve and revive NPA assets of diversified sectors. Invent has emerged as a key player in Asset Reconstruction business. Invent commenced its operations in 2009 and has an Asset Under Management of Rs 4346 Crores as on March 31, 2019. Invent team is well equipped with required skill set and resources to acquire and resolve NPAs through revival of the borrower business. Invent has successfully resolved many such accounts from across sectors.

In particular to the similar industry following are few list of account which are a part of the portfolio held by Invent out of which a few of them have already been resolved with a turn around.

1. Kamat Hotels (India) Ltd
2. Shell Inn International Ltd

## **PALM LAGOON BACKWATERS RESORTS PVT. LTD.** **UNDERSTANDING OF THE RESOLUTION APPLICANT**

PALM LAGOON BACKWATERS RESORTS PVT. LTD. (PLBRPL) was incorporated on 15<sup>th</sup> May 2002 with Registrar of Companies, Ernakulam (RoC, Ernakulam). The Company Identification Number (CIN) is U55101KL2002PTC015416. The Company is involved in Hotels; camping sites and other provision of short-stay accommodation.

In 2009, the company gave a corporate guarantee to secure the debt of parent company Neesa Leisure Ltd., who had availed a loan of Rs.14,50,00,000/- from Union Bank of India. The above loan was assigned by Union Bank of India to ARCIL.

MA/113/KOB/2020 in TIBA/9/KOB/2020 (CP.1312 of 2018 of Chennai Bench).

The CD is undergoing CIRP pursuant to application filed by ARCIL a Financial creditor for initiating CIRP under section 7 of the Insolvency and bankruptcy code 2016 ("IBC") read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble National Company Law Tribunal (NCLT/ADJUDICATING AUTHORITY), New Delhi. The matter was admitted in CP (IB) No. 1312 OF 2018 by the Hon'ble NCLT/ADJUDICATING AUTHORITY, Kochi, vide its order dated 20.09.2019.

As per the Order Mr. R Velu, an Insolvency Professional having IBBI Registration No: IBBI/IPA-001/IP-P00127/2017-18/10269, was appointed as Interim Resolution Professional (IRP) and confirmed as Resolution Professional in the first meeting of the CoC held on 18.10.2019.

### **Industry Profile of the Corporate Debtor**

- The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.
- The World Travel & Tourism Council (WTTC), the global authority on travel and tourism, has done a research study called 'India 2019 Annual Research', which shows that travel and tourism in India contributed 9.2% of the GDP and provided 42.7 million jobs or 8.0% of the total employment.
- Total contribution by travel and tourism sector to India's GDP is expected to increase to US\$ 275.2 billion in 2025. Travel and tourism is the third largest foreign exchange earner for India.
- India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.
- During the period, April 2000-March 2019, the hotel and tourism sector attracted around US\$ 12.35 billion of FDI, as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

### **Shareholding Pattern of PLBRPL**

As per the details provided in the Information Memorandum dated 01.01.2020, PLBRPL has an authorized share capital of Rs. 120 Lakhs divided into 12000 Equity shares. The paid up capital as on 01.01.2020 was Rs. 120 Lakhs.

Based on latest disclosures provided in the Information Memorandum, we understand that the shareholding pattern of PLBRPL is:

<b>S. No.</b>	<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>Paid up amount</b>	<b>% Holding</b>
<b>1</b>	Neesa Leisure Ltd	11,999	1,19,99,000	99.99
<b>2.</b>	Gupta Sanjay Sanjana	1	1000	0.01
	<b>Total</b>	<b>12000</b>	<b>1,20,00,000</b>	<b>100%</b>

### **Claims of creditors admitted as per the Code:-**

As per the provisions of the Code, the following are the details of the claims of the creditors which have been filed to the RP and subsequently verified and admitted by the RP with respect to the CIRP of the Corporate Debtor.

### **Financial Creditors:**

As per the Information Memorandum and based on latest data available in Information Memorandum, total claims filed by Financial Creditors (as on Insolvency Commencement Date) amount to INR 2148 Lakhs. Of this, the Resolution Professional has admitted claims of Financial Creditors to the extent of INR 2148 Lakhs.

**The detail of individual admitted claims of Financial Creditors is set out below:**

#### **Amount in INR**

<b>Sr. No.</b>	<b>Name of Creditor</b>	<b>Address</b>	<b>Amount Claimed</b>	<b>Amount admitted</b>	<b>% Voting Share</b>
1	Asset Reconstruction Company (India) Ltd	10th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar West, Mumbai, Maharashtra 400028	21,48,99,700	21,48,99,700	100%
<b>Total</b>			21,48,99,700	21,48,99,700	<b>100.00</b>

### **Operational Creditors (Workmen/Employees):**

As per the Information Memorandum there are no employees or workmen of the Corporate Debtor and there has not been any filing of the claims by the employees and workmen of the Corporate Debtor. Hence, the Resolution Applicant assumes that there are no dues of the Workmen/employees of the Corporate Debtor which are outstanding for the CIRP Period.

**Operational Creditors (Statutory dues):**

As per the Information Memorandum and based on latest data provided by the resolution professional, no claims have been filed by the Statutory Authorities.

**Operational Creditors (other than Workmen/Employees and Statutory Dues):**

As per the Information Memorandum and based on latest data available in Information Memorandum, total claims filed by Operational Creditors (other than Workmen/Employees and Statutory Dues) amount to INR 2.33 Lacs. Of this, the Resolution Professional has admitted claims of Operational Creditors to the extent of INR 2.33 Lacs

**Amount in INR**

<b>Sr. No.</b>	<b>Name of Operational Creditor</b>	<b>Amount Claimed</b>	<b>Amount admitted</b>
1	Kerala State Electricity Board Limited (There is a claim by a Creditor who has submitted claim Form F mentioning that on 29.11.2019 claimant has paid Rs.3,00,000/- towards full and final settlement of the this due. This is yet to be verified.)	2,33,331	2,33,331
<b>Total</b>		<b>2,33,331</b>	<b>2,33,331</b>

**Creditors amount claimed but not yet admitted pending clarifications from the claimant:**

As per the Information Memorandum and based on latest data available in Information Memorandum, total claims filed by Creditors (Unsecured financial creditors and other than financial creditors and operational creditors) amount to INR 1.01 Crs. Of this, the Resolution Professional has rejected all the claims.

**Amount in INR**

<b>Sr. No.</b>	<b>Name of Claimant</b>	<b>Amount Claimed</b>	<b>Amount admitted</b>
1	Sangam Real Home Private Limited, A-3, Mahaveer Colony, Maa ji Sahib Ki Chatriya Ke Piche, Jaipur, Rajasthan	67,15,000	Rejected
2	Sangam Real Home Private Limited, A-3, Mahaveer Colony, Maa ji Sahib Ki Chatriya Ke Piche, Jaipur, Rajasthan	33,45,850	Rejected
<b>Total</b>		<b>1,00,60,850</b>	<b>NA</b>

MA/113/KOB/2020 in TIBA/9/KOB/2020 (CP.1312 of 2018 of Chennai Bench).

There are 3 entries as attachment on the property in the records of Registration Department.

1. Labour Court for dues of workers – Due amount not available
2. Income tax Department for tax dues of Neesa Leisure Ltd for a demand of Rs.1,32,91,16,980/-
3. Kerala Electricity Board for dues electricity charges for a demand of Rs.2,80,853/-

## **REASONS FOR PRESENT POSITION OF PLBRPL & TURNAROUND STRATEGY BY RESOLUTION APPLICANT**

### **Cause of Default:**

The corporate debtor had given Corporate Guarantee for financing availed by Neesa Leisure Ltd, who defaulted in their obligations to United Bank of India. The debt of Neesa Leisure along with underlying securities i.e. corporate Guarantee of PLBRPL was assigned vide agreement dated 13.08.2018. The application in NCLT is moved by ARCIL for recovery of its dues from PLBRPL as Corporate Guarantor of Neesa Leisure Ltd.

### **Rationale for Takeover and Turnaround Strategy by INVENT:**

1. RA is into business of asset securitization and reconstruction with rich experience of turning around sick industries of similar nature and also currently having similar industries in its management portfolio. With vast industry experience and core management team, RA proposes to revive operations of the resort and improve the existing infrastructure of the resort and slowly turnaround the business.
2. RA proposes to infuse sufficient working capital, as required, to enable the company to start resort operations.
3. With lower cost of capitalization and effective working capital utilisation RA proposes a better turnaround of the business.

### **Action Plan**

1. Infusion of Funds to start the resort which is closed since 2016
2. Funds for maintenance and upkeep of resort
3. Employment to local people of the area in which the resort is surrounded
4. Promotion of the local area as a tourist destination

## **MANDATORY CONTENTS OF THE PLAN**

### **A. Payment of CIRP Cost**



MA/113/KOB/2020 in TIBA/9/KOB/2020 (CP.1312 of 2018 of Chennai Bench).

The CIRP costs (to the extent unpaid) shall be paid in priority to any other creditors of the Corporate Debtor in the manner and from the source of funds as set forth in of this Plan **(Financial Proposal)**.

The details of the CIRP costs as mentioned in the IM is Rs. 12,22,500/- (actual & estimated). The CIRP shall be paid in priority to the other creditors from the sources of funds as set out in the financial proposal.

### **B. Repayment of liquidation value due to the Operational Creditors**

From the information made available, it is understood that there is a claim of operational creditor i.e. Kerala State Electricity Board Ltd for Rs. 2,33,331/-. The liquidation value of the Corporate Debtor has not been provided by the Resolution Professional. However, the Resolution Applicant understands that the claim is from a utility provider and will be paid in full i.e. Rs. 2,33,331/- to Kerela State Electricity Board Ltd.

### **C. Statement as to how the Resolution Applicant has dealt with the interest of all stakeholders, including financial creditors and operational creditors, of the Corporate Debtor**

Distribution of Financial Outlay dealing with interest of all stakeholders, including financial creditors, workmen & employee; Statutory Dues and operational creditors (Other than Statutory Dues and Workmen/ Employees) of Corporate Debtor has been set forth in funding plan and financial proposal of this Plan.

### **D. Term of the Plan and its implementation schedule**

Term of the Plan & its implementation Schedule is 15 days from the effective date as set out in the Financial proposal.

### **E. Mechanism regarding management and control of the affairs of the Corporate Debtor during implementation of the Plan & adequate means for supervising its implementation**

Mechanism regarding Management and control of Corporate Debtor during the term is as under:

- Detailed mechanism regarding the management and control of Corporate Debtor has been described in the management of PLBRPL part of this plan.
- The Resolution Applicant has taken into account the interests of the stakeholders of the Corporate Debtor to the extent possible in (Financial Proposal).
- The revival of the Corporate Debtor, as envisaged under this Plan, shall contribute significantly to society and government by contributing significant direct and indirect employment and service

provision opportunities in the regions, all other direct/indirect taxes. Through the implementation of this plan, the Resolution Applicant proposes to apt-size balance sheet of the Corporate Debtor and focus on operational excellence, thereby serving the society and creating significant value for all stakeholders of the Corporate Debtor.

#### **F. Eligibility under Section 29A of the Code**

The Resolution Applicant is an Asset Reconstruction Company and as per our knowledge the said provisions of Section 29(A) is not applicable. However, the RA confirms that, as on the date of this Plan and on the basis of the records of the Resolution Applicant, the Resolution Applicant is eligible under Section 29A of the Code to submit the Plan. That the Resolution Applicant or any "connected person" (as defined under Section 29A of the Insolvency and Bankruptcy Code, 2016 ("Code")) or any other person covered under Section 29A of the Code:

- a. is not an undischarged insolvent;
- b. is not a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;
- c. at the time of submission of this resolution plan has does not have any account, does not control or manage, or not the promoter of, a corporate debtor whose account has been, classified as non- performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or the guidelines of a financial sector regulator issued under any law for the time being in force and at least a period of one year has lapsed from that date of such classification till the date of commencement of the corporate insolvency resolution process of the Corporate Debtor;
- d. has not been convicted of any offence punishable with imprisonment for two years or more under any Act specified under the Twelfth Schedule of Code or for seven years or more under any law for the time being in force
- e. is not disqualified to act as a director under the Companies Act, 2013;
- f. is not prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;
- g. has not been the promoter, or been in the management or control of a corporate debtor, in which a preferential transaction, an undervalued transaction, an extortionate credit transaction or a fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under the Code;
- h. has not executed an enforceable guarantee in favour of a creditor, in respect of a corporate debtor under insolvency resolution process or liquidation under the code an such guarantee has been invoked by the creditor and remains unpaid in full or part;
- i. has not been subject to any disability, corresponding to clauses (a) to (h) above under any law in a jurisdiction outside India.

**G. Declaration to the effect that the Plan is not in contravention of provisions of the Applicable Law**

The Resolution Applicant confirms that this Plan is not in contravention of the provisions of any Applicable Law.

**H. Confirmation to the effect that the Resolution Plan is in compliance with such other requirements as may be specified by the Board**

The Resolution Applicant confirms to the effect that the Resolution Plan as submitted by The Resolution Applicant confirms to such other requirements (if any) as may be specified by the Insolvency & Bankruptcy Board of India.

**I. Addressing the Cause of Default of Corporate Debtor**

The cause of default and how the Resolution Applicant is addressing such cause through this Resolution Plan has already been demonstrated above in this plan.

**J. Feasibility and Viability of the Plan**

The plan proposed by RESOLUTION APPLICANT is in compliance with IB Code and its regulations. RESOLUTION APPLICANT has proposed the upfront payment to the Financial Creditors which has been elaborated in detail in the financial proposal.

The resolution applicant through its wide experience in turning around stressed assets and technical and management capability to handle significantly large projects has definitive plans to revive and turnaround the CD in the best interest of all the stakeholders. The plan also states the process of its implementation and management to make it feasible and Viable.

**K. Provision for Effective Implementation:**

The implementation process and its supervision has been discussed in detail in Implementation part of this Plan.

**L. Provision for approvals required and the timeline for the same:**

Refer Implementation part of this Plan.

**M. Capability of the Resolution Applicant to implement the plan:**

The RA has vast experience in turning around of industries and have similar industries in its management portfolio and has financial capability to implement the plan and a track record of successfully turning around stressed assets.

**We hereby undertake that neither the resolution applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.**

## **FUNDING PLAN AND SOURCES OF FUNDS**

***Resolution applicant propose to pay the entire payment within 15 days from effective date i.e. from getting the approval of NCLT / Adjudicating Authority from its own funds.***

### **FUNDING PLAN**

The Resolution Applicant hereby proposes Outright purchase of the business of the Corporate Debtor (PLBRPL) along with ownership of all the assets, collaterals, securities, rights, interests, belonging to the company. The overall Resolution Plan is for a total amount of INR 100 Lakhs

The existing equity shares and preferential shares if any shall be written off and a fresh equity shall be issued equivalent to Rs. 100 Lakhs of face value Rs.10/- i.e. 10,00,000 shares which shall be held by the Resolution Applicant.

In addition to above the Resolution Applicant shall infuse necessary funds towards maintenance of equipment and working capital requirements in the phased manner as and when required.

#### **a. Initial Payment**

Under this Resolution Plan, the Resolution Applicant shall make a payment amounting to 50% of the total resolution plan amount i.e Rs. 50,00,000/- (Rupees Fifty Lakhs Only) as initial payment.

This initial payment of the resolution amount shall be done to the RP in the designated account within a period of 7 days from the Effective Date; the said amount shall be utilised for payment towards unpaid CIRP cost, Operational Creditors i.e. Kerala State Electricity Board Ltd and towards the payment to secured financial Creditor.

#### **b. Final Payment**

The Resolution Applicant shall make payment of the balance 50% of the resolution plan amount i.e. a sum of Rs. 50,00,000/- (Rupees Fifty Lakhs only) within 15 days from the effective date to the RP in the designated account which shall be utilised towards full and final payment to the secured financial creditors.

MA/113/KOB/2020 in TIBA/9/KOB/2020 (CP.1312 of 2018 of Chennai Bench).

Upon receipt of the final payment, the secured financial creditors and all other stake holders shall provide No dues Certificates to the RA and all the charges registered against the Corporate Debtor (PLBRPL) if any shall be satisfied.

Infusion of funds shall be undertaken by the Resolution Applicant – INVENT from its own sources. INVENT has sufficient resources to induct more funds in the company to meet the proposed investment as well as any additional requirements towards working capital in the future.

The asset under management portfolio of INVENT had already been shared with RP before.

**Justification with respect to Sources of Fund: -**

RESOLUTION APPLICANT has sufficient funds to meet the proposed investment under the plan. The sources of the funds is highlighted in the table below:

<b>Source of Fund</b>	<b>Total Amount (INR In Lakhs)</b>	<b>Amount proposed for funding of Plan (INR in Lakhs)</b>	<b>Remarks</b>
Own Sources	100	100	Investments by INVENT.
<b>Total</b>	<b>100</b>	<b>100</b>	

In view of the above, the sources of funds are available with the Resolution Applicant

Necessary proof of the capability in terms of Asset under management have already been placed before RP.

**FINANCIAL PROPOSAL**

The Financial proposal has been prepared on the basis of the information provided by the Resolution Professional in the Information Memorandum and subsequent correspondence received there from.

The resolution applicant proposes to acquire the corporate debtor as a going concern through this resolution plan entailing a total proposed outlay of INR 100 Lakh as stated above. As aforementioned INVENT is ready to infuse further funds, as and when necessary towards working capital of the company for its turnaround.

## **RATIONALE OF THE FINANCIAL PROPOSAL BY THE RESOLUTION APPLICANT**

The Resolution Applicant before devising and presenting this Resolution Plan for the Resolution of Insolvency of the Corporate Debtor, has undertaken assessment of the values of the assets of the corporate debtor which are mortgaged to the Secured Financial Creditors, so that the Resolution Applicant would adequately address the dues of the Secured Financial Creditors and present a better values for the financial support provided by them to the Corporate debtor.

As per the Information Memorandum, the Corporate Debtor has Net book value of Fixed assets as on 31.03.2013 is Rs 37.99 Lakhs.

The above value is for the net block of assets as on 31.03.2013 and we opine that the same does not represent any commercial value at all, but only sunk cost which is not relevant for any commercial decisions.

Therefore, the sum proposed at INR 100 Lakhs by INVENT for the unit is very high compared to commercial recoverability for the constituent assets and intends to restart the resort.

### **Claims Admitted by Resolution Professional**

A list of creditors with claims received and admitted as on 01.01.2020 as received by resolution professional in response to the public announcement as per Information Memorandum is enlisted below. The creditor's wise details are as under:

<b>INR in Lakh</b>		
<b>Nature of creditor</b>	<b>Amount Claimed by Creditors</b>	<b>Amount Admitted</b>
<b>Financial Creditors</b>		
Secured Financial Creditors	2148.99	2148.99
Unsecured Financial creditors*	67.15	Rejected
<b>Sub Total- A</b>	<b>2216.16</b>	<b>2148.99</b>
Operational Creditor (Other than Workmen and Employee and Statutory Dues)	33.45	Rejected
Operational Creditor ( <i>Workmen &amp; Employee</i> and Statutory Dues)	0.00	0.00
Operational Creditors	2.33	2.33
<b>Sub Total- B</b>	<b>0.00</b>	<b>0.00</b>
<b>Total A+B</b>	<b>2251.92</b>	<b>2151.32</b>

A synopsis of the financial proposal of the Resolution Applicant (subject to the terms and conditions of the Plan and in particular this Financial Proposal), is provided below. For the avoidance of doubt, it is clarified that the provisions of Financial Proposal shall prevail in case of any inconsistency with the synopsis below and for the purpose of any interpretation.

**INR in Lakhs**

<b>Particulars</b>	<b>Amount</b>
Consideration towards CIRP cost, Financial Creditors, Operational Creditors, workmen & Employees and others	100
<b>Total Investment Proposed by RESOLUTION APPLICANT</b>	<b>100</b>

**Source of funding**

The resolution applicant proposes to pay the dues to the creditors as per the payment plan proposed under this resolution plan and same shall be arranged by the Resolution applicant from their own sources. Resolution applicant proposes to infuse the requisite funds from the sources which has been explained funding plan & sources of funds of this plan.

**Liquidation Value:**

The liquidation value of the Corporate Debtor has not been provided by the Resolution Professional. Based on the Information Memorandum and other documents made available by the RP and based on the information gathered and our experience, the Resolution Applicant understands that the Liquidation Value of the Company is much lower than the Financial Outlay considered for secured financial creditors under this Resolution Plan. Basis above, it has been assumed that Liquidation Value is not sufficient to pay outstanding debt of Secured Financial Creditors in full.

**Synopsis of financial proposal**

A synopsis of the financial proposal of the Resolution Applicant is provided below.

<b>Particulars</b>	<b>INR Lakhs</b>
<b>Financial Outlay</b>	
Upfront payment toward CIRP cost	12.23
Payment claims and dues of various creditors other than financial creditors	2.33
Payment towards settlement of claims of financial creditors	85.44
<b>Total</b>	<b>100</b>

<b>Source of Funds</b>	
From Own Contribution of Resolution Applicant:	
- Upfront Infusion (to be infused within 7 days of Effective Date)	50.00
- Deferred Infusion (to be infused within 15 days of Effective Date)	50.00
<b>Total</b>	<b>100</b>

**Basis of Settlement of Claims & settlement amount to take care of all the stakeholders:**

<b>Order of Priority</b>	<b>Nature of Creditor</b>	<b>Basis of Settlement &amp; indicative amount</b>
1 <sup>st</sup>	CIRP Cost	The CIRP Costs shall be paid in full towards final payment of the corporate insolvency resolution process costs payable in terms of Section 30(2)(a) of the IB Code.
	Operational Creditors (including Workmen/Employees and Statutory Creditors)	<p>Liquidation Value due to Operational Creditors (including Workmen/Employees and Statutory Creditors) as per RESOLUTION APPLICANT estimations is assumed to be almost NIL. Consequently, amount required to be paid to Operational Creditors for Liabilities until the Insolvency Commencement Date is NIL.</p> <p>However, no claim has been received from any operational creditor, thus these are assumed to be Nil. Hence, no amount has been proposed to be paid to such creditors.</p>
2 <sup>nd</sup>	Dues to Workmen / Employees (other than related parties of CD)	<p>As per Section 53(1)(b) of the Code, the workmen's dues for the period of twenty-four months preceding the liquidation commencement date; rank equally with the dues of the secured financial creditors.</p> <p>As per Section 53(1)(c) of the Code, the wages and any unpaid</p>



		<p>dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date.</p> <p>However, no claim has been received from any employee or workmen, thus these are assumed to be Nil. Hence, no amount has been proposed to be paid to such creditors.</p>
2nd	Operational Creditors (Statutory Creditors)	No claim has been received from any statutory authority; thus, these are assumed to be Nil. Hence, no amount has been proposed to be paid to such creditors.
2nd	Operational Creditors (Other than workmen/Employees and Statutory Dues)	Claim being filed by a utility provider the resolution applicant proposes full payment of the amount claimed.
3rd	Secured Financial Creditors (Consenting)	<p>Lumpsum amount of INR 100 Lakhs (minus the unpaid CIRP cost and operational creditor) to be paid to Secured Financial Creditors i.e. Rs. 85.44 Lacs;</p> <p>The Payment shall be made in a period of 15 days in the following manner:</p> <p>a.Upfront in 7 days from effective date - 50 Lakhs</p> <p>b.Within 15 days from effective date - 50 Lakhs</p> <p>However, this amount will be reduced by:</p> <p>i.actual unpaid CIRP cost, if any</p> <p>ii.Operational Creditors, if any</p>

The basis of settlement of claims of various classes of stakeholders, their order of priority and their respective settlement amount is provided under:

### **Payment of Insolvency Process Cost**

MA/113/KOB/2020 in TIBA/9/KOB/2020 (CP.1312 of 2018 of Chennai Bench).

We have been given to understand that the company is not in operation and that all CIRP costs are being borne by met from the operations being run. However, if there is any unpaid CIRP cost, it shall have precedence on any payment under this plan.

The IRP Costs shall be paid in full towards final payment of the insolvency resolution process costs payable in terms of Section 30(2)(a) of the Code.

This plan provides for the payment of the CIRP cost upfront before making payment to any creditors, as per the provisions of the IB Code.

Moreover, actual unpaid CIRP costs as approved by the CoC shall be paid from the total proposed payment.

### **Payment to Financial Creditors**

The claims of Financial Creditors shall be satisfied in the manner set forth below:

According to the information provided in the Information Memorandum, the total loan outstanding towards the secured Financial Creditors on the basis of claims admitted by the Resolution Professional against the claims submitted by various secured financial creditors aggregates to INR 2218.49 Lakhs. The detail of the secured financial creditors, along with the amount of their claims admitted, has been provided in the beginning of the plan.

The Resolution Plan envisages restructuring and payment of the claims of Financial Creditors admitted by the Resolution Professional in the manner stated below:

**Against a total amount of claim of Financial Creditor (secured) amounting to INR 2218.49 Lakhs, it is envisaged that an amount of INR 100 Lakh (minus unpaid CIRP cost & Operational Creditors), shall be paid in full and final settlement against their total dues and complete upfront waiver of the balance amount is sought.**

#### **Note:**

The Resolution Applicant proposes to freeze the total payment towards secured Financial Creditors claim at an amount of INR 100 Lakhs only as reduced by any unpaid CIRP costs and Operational Creditor, if any.

I. The secured CoC Member shall unconditionally release all securities / collaterals (pertaining to the Company) against which the debt had been availed by Neesa Leisure Ltd. and the Secured CoC Members shall no longer be entitled to exercise any security interest and / or rights in relation to any corporate guarantee / collateral with respect to any debt.

- II. No cost, fee, interest, charges or the like, penal or otherwise, shall be payable in addition to what is specified herein above.
- III. Any claim from any person claiming to be a secured or unsecured financial creditor of the Company, that has not been filed with the Resolution Professional, or if filed, has not been admitted by the Resolution Professional, or if verified, but has not been informed to the Resolution Applicant before approval of the plan, shall stand extinguished and shall no longer be payable.
- IV. Upon receipt of the payments in the manner contained in the present plan, the Secured and the Unsecured CoC member shall issue a certificate of discharge and no-claims in favour of the Company and also return all the security documents (including but not limited to the documents pertaining to immovable assets of the company), including deeds of corporate guarantee, to the Company and/ or the Resolution Applicant.
- V. The Resolution Applicant has proposed payments under the said Resolution Plan on the basis of the Information Memorandum provided by the Resolution professional. The Resolution Applicant states that the Resolution Professional shall ensure that all the assets listed under the Information Memorandum or any other assets not listed but lying somewhere including but not limited to vendors/subcontractors or in the premises of lessors are made available and transferred to the Resolution Applicant without any encumbrance and in a peaceful manner. If there is any shortfall in such transfer, an amount equivalent to the value of such assets short transferred shall be reduced from the overall payment envisaged under this plan, to be made to the secured creditors.
- VI. In consideration of payments as above, the Secured Financial Creditors shall withdraw all enforcement actions, notices under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, suits and cases filed by them against PLBRPL and its personal guarantors in various forums and shall release all securities charged to them.

However, the liquidation Value due to Unsecured Financial Creditors has been considered as NIL. The resolution applicant proposes NIL amount to be paid to the unsecured financial creditors.

### **Payment of Workmen and Employee Dues**

As per the provisions of IBC the Claims of Workmen & Employee shall be satisfied in the manner set forth below: -

- As per Section 53(1)(b) of the Code, the workmen's dues for the period of twenty-four months preceding the liquidation commencement date; rank equally with the dues of the secured financial creditors.
- As per Section 53(1)(c) of the Code, the employee's dues for the period of twelve months preceding the liquidation commencement date; rank farther in the priority i.e., after the dues of the secured financial creditors.

As per the Information Memorandum there are no employees or workmen of the Corporate Debtor and there has not been any filing of the claims by the employees and workmen of the Corporate Debtor. Hence, the Resolution Applicant assumes that there are no dues of the Workmen/employees of the Corporate Debtor which are outstanding for the CIRP Period.

### **Payment of Statutory Dues**

As detailed in earlier parts of this Resolution Plan, no claim has been filed by the Statutory Creditors. Hence no amount has been proposed towards such creditors.

### **Payment of Operational Creditors (Other than Statutory dues and Workmen/ employees dues)**

From the information made available, it is understood that there is a claim of operational creditor i.e. Kerala State Electricity Board Ltd for Rs. 2,33,331/-. The liquidation value of the Corporate Debtor has not been provided by the Resolution Professional. However, the Resolution Applicant understands that the claim is from a utility provider and will be paid in full i.e. Rs. 2,33,331/- to Kerala State Electricity Board Ltd.

### **Payment to Existing Shareholders of Promoter / Promoter Group**

No payment shall be made to the existing promoters or their associated company/concerns/ related parties of the Corporate Debtor or any other person since the liquidation value of the Corporate Debtor (as per our internal estimates) is inadequate to make full payments to its secured financial creditors, therefore there is no payment which shall be made to existing equity/preference shareholders of the corporate debtor and making payment to any such person may not serve the best interests of the other stakeholders.

In relation to any payments or settlements made by the Resolution Applicant to the Insolvency Professional, as provided for in this part, the insolvency professional so appointed as part of monitoring committee shall

hold all such payments in trust for the benefit of the respective creditors on whose behalf it has received such payments;

1. Promptly make all distributions to such creditors, as per the provisions of this Resolution Plan;
2. Be responsible for the allocation and distribution of such amounts among such creditors;
3. Submit the report to the monitoring committee.

The obligation of the Resolution Applicant shall stand satisfied upon payment of such amounts to the previously notified account by the monitoring committee, as the case may be.

## **ALL OTHER LIABILITIES AND DEBT**

### **Other Liabilities including Contingent Liabilities**

- i. Except to the extent of payments to be made to the financial/operational creditors or other creditors above, the Resolution Applicant and PLBRPL shall have no liability towards any Financial Creditors and/or Operational Creditors and/or any other creditors with respect to any claims (as defined under the Code) relating in any manner to the period prior to the Effective Date. Any such liability shall be deemed to be waived and due as of the Insolvency Commencement Date, the liquidation value of which is NIL and therefore no amount is payable in relation thereto. All such liabilities shall immediately, irrevocably and unconditionally stand fully and finally discharged and settled with there being no further claims whatsoever, and all forms of security created or suffered to exist, or rights to create such a security, to secure any obligations towards Financial Creditors and/or Operational Creditors and/or other creditors shall immediately, irrevocably and unconditionally stand released and discharged, and the Operational Creditors and other creditors shall waive all rights to invoke or enforce the same.
- ii. In accordance with the forgoing, all claims (whether final or contingent, whether disputed or undisputed and whether or not notified to or claimed against PLBRPL) of all Governmental Authorities (including in relation to Taxes, and all other dues and statutory payments to any Governmental Authority) relating to the period prior to the Effective Date, shall stand fully and finally discharged and settled.
- iii. Any and all legal proceedings (including any show cause notice, adjudication proceedings, assessment proceedings, regulatory orders etc.) initiated before any forum by or on behalf of any Operational Creditors or any other creditors, Semi Government

authorities or Governmental Authorities, to enforce any rights or claims against PLBRPL shall stand immediately, irrevocable and unconditionally withdrawn, abated, settled and/ or extinguished, and the Operational Creditors and other creditors shall take all necessary steps to ensure the same. Except to the extent of the payments to be made to the Operational Creditors and other creditors above, the Operational Creditors and other creditors of PLBRPL (including Governmental Authorities) shall have no further rights or claims against PLBRPL and/or new management (including but not limited to, in relation to any past breaches by PLBRPL), in respect of the period prior to the Effective Date, and all such claims shall immediately, irrevocable and unconditionally stand extinguished.

iv. As per the Information Memorandum provided by the Resolution Professional the details along with status of ongoing litigations are not completely provided. However, it has been observed that there are 3 entries as attachment on the property in the records of Registration Department.

1. Labour Court for dues of workers – Due amount not available
2. Income tax Department for tax dues of Neesa Leisure Ltd for a demand of Rs.1,32,91,16,980/-
3. Kerala Electricity Board for dues electricity charges for a demand of Rs.2,80,853/-.

However only claim of Kerala Electricity Board has been received.

Resolution Applicant shall not be liable for any payment against any liability arising out of any litigations and any other similar liabilities for which includes Liabilities on account of Bank Guarantees, indemnity bond, promissory note or any kind of promise even if not mentioned here, given to Customer or any other entity, Income Tax, Sales Tax, Service Tax, excise duty, Custom duty and any other duty, Tax, Cess, levies etc. due to Central, State or Local Government Bodies, Governing Bodies and contract remaining to be executed on Capital account whether or not mentioned in the Information Memorandum

Accordingly, all cases, litigations, disputes or claims which make PLBRPL liable, presently or in future, for payment of amounts to third parties and all rights or claims of any person against PLBRPL, relating to any period prior to the Effective Date, shall immediately, irrevocably and unconditionally stand extinguished, waived, revoked, cancelled, withdrawn, dismissed and abated (vis-à-vis, PLBRPL or the new management of PLBRPL) on the Effective Date pursuant to the NCLT/ADJUDICATING AUTHORITY Approval Order, and no

person shall have any further rights or claims against PLBRPL or new management in this regard.

The cancellation of these liabilities/claims is necessary for the resolution applicant to run the unit viably as going concern for the benefit of all the stakeholders.

- v. Any other pending suits, litigation and legal proceedings that have been initiated against or by PLBRPL, which have not been set out in Information Memorandum (**Other Disputes**); as the Information Memorandum provides extremely limited information in connection with the ongoing litigations and other disputes; we are not in a position to analyse the nature of cases initiated by/ against PLBRPL and any specific treatment of such cases are practically not possible.
  - a. Except for any cases filed by PLBRPL or for the benefit of PLBRPL, all inquiries and investigations, notices, causes of action, claims, disputes, litigations, arbitration or other legal, judicial, regulatory or administrative proceedings against PLBRPL or the affairs of PLBRPL (including proceedings by any Governmental Authorities), pending or threatened, present or future admitted or not, due or contingent, or future, whether or not set out in the Information Memorandum of PLBRPL, that have been initiated or threatened to be initiated against PLBRPL;
  - b. all obligations, claims, liabilities (whether final or contingent, whether disputed or undisputed, and whether or not notified to or claimed against PLBRPL) of PLBRPL;
  - c. all cases, litigations or claims which make PLBRPL liable, presently or in future, for payment of amounts to third parties (including statutory authorities); and
  - d. all rights or claims of any person against PLBRPL,

in each case, relating to any period prior to the Effective Date, shall immediately, irrevocable and unconditionally stand extinguished, waived, revoked, cancelled, withdrawn, dismissed and abated (vis-à-vis, PLBRPL or the new management of PLBRPL) on the Effective Date pursuant to the NCLT/ADJUDICATING AUTHORITY Approval Order, and no person shall have any further rights or claims against PLBRPL or new management in this regard.

For removal of any ambiguity or any doubt, it is clarified that if any award or benefit is accruing in favour of the Corporate Debtor in relation to such litigations as mentioned in the list above or any other similar litigation; whether before or after the takeover of the

corporate Debtor by the Resolution Applicant; shall not extinguish, shall stand active and shall be rightfully recovered by the Corporate Debtor.

- vi. By virtue of the order of the NCLT/ADJUDICATING AUTHORITY approving this Resolution Plan, new inquiries, investigations, notices, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings will not be initiated or admitted if these relate to any period prior to the Effective Date or arise on account of the acquisition of control by the Resolution Applicant over PLBRPL pursuant to this Resolution Plan, against PLBRPL or any of its employees or directors who are appointed or who remain in employment or directorship after the acquisition of control by the Resolution Applicant over PLBRPL or pursuant to the implementation of the Resolution Plan.

### **Treatment of Contractual Claims and Liabilities**

While the existing contracts of PLBRPL, shall be continued, except as stated herein, all liabilities (statutory or otherwise) of PLBRPL, arising from any contractual arrangements entered into by PLBRPL, any claims against PLBRPL, or liabilities of PLBRPL, arising or having crystallized prior to the Effective Date shall be deemed to be cancelled and written off on the Effective Date pursuant to NCLT/ADJUDICATING AUTHORITY Approval Order. Further, any claim against PLBRPL, arising from any contractual arrangements, whether set out herein or not, whether admitted or not, due or contingent, asserted or unasserted, present or future, whether or not set out in the Information Memorandum, the balance sheet or the books of accounts of PLBRPL, in relation to any period prior to the Effective Date, will be written off in full and will be deemed to be permanently extinguished by virtue of the NCLT/ADJUDICATING AUTHORITY Approval Order and the Resolution Applicant, PLBRPL and/ or the new management of PLBRPL shall, at no point, be made directly or indirectly responsible or liable for the same.

It is clarified that all shareholders' agreements, sale purchase agreements, share subscription agreements and any other agreements governing the affairs of PLBRPL and/ or governing the inter-se rights of the shareholders shall stand terminated, without any recourse against the Resolution Applicant, PLBRPL and/ or the new management of PLBRPL. The 30-year lease entered with Neesa Leisure Ltd stands terminated from Effective date.

### **Dues of Creditors during CIRP**

The dues incurred by the Resolution Professional (on behalf of PLBRPL) during the CIRP, towards the operational creditors shall be paid in terms of agreements with such operational creditors.



The Resolution Plan has been made on the assumption that all dues incurred by the Resolution Professional (on behalf of PLBRPL) during the CIRP and prior to the Effective Date, have been or will be paid as CIRP Costs. Therefore, except for CIRP Costs, any liabilities and/ or claims that arise between the Insolvency Commencement Date and the Effective Date shall stand waived, extinguished, abated, discharged in perpetuity as on the Effective Date, pursuant to the NCLT/ADJUDICATING AUTHORITY Approval Order.

Further, except as provided herein, no interest shall be paid for the CIRP Period, on any claim against PLBRPL (as on the Insolvency Commencement Date) be it of the financial creditor, operational creditor or any other claim arising on account of any financial liability, operational liability or any other contingent liability or dues, demands in connection with or against PLBRPL.

### **Treatment of Related Party Claims**

All claims on PLBRPL by any related party and all liabilities of PLBRPL towards any related party, as on and for the period prior to Effective Date, shall be deemed to be owed and due as of the Insolvency Commencement Date, the liquidation value of which is NIL and therefore no amount is payable in relation thereto. All such liabilities shall immediately, irrevocably and unconditionally stand fully and finally discharged and settled with there being no further claims whatsoever (against PLBRPL and/ or the new management of PLBRPL), on the Effective Date pursuant to the NCLT/ADJUDICATING AUTHORITY Approval Order. The order of the NCLT/ADJUDICATING AUTHORITY approving the Resolution Plan shall operate as automatic extinguishment of all other liabilities of PLBRPL, without the requirement of any further act or deed by the Resolution Applicant and/or PLBRPL.

### **Treatment of all other Unspecified Liabilities and/or Claims**

All other liabilities of PLBRPL (***to the extent not specified and/or dealt with in this part or any other part of this Resolution Plan***), including but not limited to contingent liabilities, statutory liabilities, customer claims, service provider claims, duties, responsibilities and all other obligations of any nature whatsoever and all dues payable to the other creditors, including any claims or demands or liabilities in connection with or against PLBRPL, whether under Applicable Law, equity or contract, whether admitted or not, due or contingent, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the Information Memorandum, the balance sheet or the books of accounts of PLBRPL, in relation to any period prior to the Effective Date shall be deemed to be owed and due as of the Insolvency Commencement Date, the liquidation value of which is NIL and therefore no amount is payable in relation thereto. All such liabilities shall immediately, irrevocably and unconditionally stand fully and finally

discharged and settled with there being no further claims whatsoever (against PLBRPL and/ or the new management of PLBRPL) on the Effective Date pursuant to the NCLT/ADJUDICATING AUTHORITY Approval Order. The order of the NCLT/ADJUDICATING AUTHORITY approving the Resolution Plan shall operate as automatic extinguishment of all other liabilities of PLBRPL, without the requirement of any further act or deed by the Resolution Applicant and/or PLBRPL.

### **Treatment of security and guarantee provided by PLBRPL**

By virtue of the NCLT/ADJUDICATING AUTHORITY Approval Order, on the Effective Date, all assets of PLBRPL, that are subject to any encumbrance, security and/or lien, whether in favour of the lenders of PLBRPL or in favour of any third party, shall stand released and/or extinguished. This would *inter alia* include the security mentioned in the Information memorandum of PLBRPL.

The approval of the NCLT/ADJUDICATING AUTHORITY shall be deemed to be approval of the secured creditors for release of security and the creditors shall, within a period of 1 months from the Effective Date, take all steps, execute all documents and make appropriate filings with the Registrar of Companies for release of such securities and charges created by the company will be deemed satisfied.

All corporate guarantees, indemnities, letters of comfort, undertakings (including as listed below) provided by PLBRPL, in respect of any third-party liability (including of Parent / Subsidiaries) shall stand revoked and extinguished on the Effective Date pursuant to approval of the Resolution Plan by the order of the NCLT/ADJUDICATING AUTHORITY, without the requirement of any further act or deed by the Resolution Applicant and/or PLBRPL.

### **Claims by PLBRPL**

All existing and future claims by PLBRPL and all its existing and future rights, entitlement, etc. with Governmental Authorities or any other Person (including third parties) shall not be affected and shall remain enforceable after the Effective Date. Nothing in this Resolution Plan shall be deemed to affect the rights of PLBRPL and/ or the new management of PLBRPL to recover from and/or asset claims or rights against any person and there shall be no set off of any such amounts recoverable by PLBRPL or any liability of third party towards PLBRPL extinguished pursuant to this Resolution Plan.

## **RESTRUCTURING OF CAPITAL**

### **Current Structure**

As on 31<sup>st</sup> March 2013 and 01.01.2020 (information memorandum date), PLBRPL has an issued, subscribed share capital of INR 120 Lakh divided in to 12000 Equity Shares. The paid-up capital as on 31.03.2013 is Rs. 120 Lakh (Last available as per PIM)

### Restructured Capital

As part of the Resolution Plan, the entire share capital of PLBRPL shall be restructured, such that the resultant shareholding of PLBRPL shall be as under:

S. No.	Category of Shareholder	Face Value	Number of Shares	Percentage (%)
1.	Resolution Applicant	INR 10/- each	1000000	100.00%
	<b>Total</b>		1000000	100.00%

The aforesaid restructuring shall take place in the following manner, in the sequence set out below:

- a. On the date of Upfront Equity Infusion, PLBRPL shall undertake a capital reduction and cancellation of the entire existing equity share capital and by the existing shareholders of PLBRPL i.e. 12000 Equity Shares shall stand cancelled/ extinguished without requirement of writing of the words "and reduced" in the corporate name and style of PLBRPL.
- b. The cancellation of shares and capital reduction:
  - i. shall be applicable to the existing promoters/ promoter group/ affiliates/ shareholders and associates of PLBRPL;
  - ii. shall not require the consent of any of the creditors of PLBRPL or approval of the shareholders of PLBRPL as the Resolution Plan upon being approved by the NCLT/ADJUDICATING AUTHORITY shall be binding on PLBRPL and its stakeholders (including its creditors and shareholders).
- c. Simultaneous to the cancellation of the existing Promoter shareholding, Capital reduction and infusion of funds by the Resolution Applicant (RA), PLBRPL shall issue 10,00,000 Equity Shares of INR 10/- each to the RA.

In case such restructuring requires increase in authorized share capital of PLBRPL and Consequent amendment of the Memorandum of Association of

PLBRPL, such increase and amendment shall take place as part of the Resolution Plan. The authorized share capital of PLBRPL shall be increased, without any further act, instrument or deed by PLBRPL and without any liability for payment of any fees or stamp duty in respect of such increase.

## **IMPLEMENTATION AND SUPERVISION**

### **1. TERM OF THE PLAN**

The term of this Resolution Plan is 15 ("Term") from the Effective Date, within which the payments shall be made to the financial creditors and the operational creditors, and all other creditors as contemplated herein. Upon completion of Term, the Monitoring Committee shall issue a certificate of due implementation and thereafter the Monitoring Committee shall stand discharged.

Note: Since entire claim has been proposed to be settled within a period of 15 days from the effective date hence the term of plan is considered accordingly.

### **2. APPROVALS REQUIRED FOR THE PLAN**

#### **1. NCLT/ADJUDICATING AUTHORITY**

The Resolution Plan of the Resolution Applicant shall be required to be approved by the NCLT/ADJUDICATING AUTHORITY under Section 31 of the IBC.

#### **2. Companies Act**

However, Explanation to Section 30 (2) of the Code read with MCA circular dated October 25, 2017 bearing No. IBC/01/2017 (**MCA Notification**) provides that there is no requirement of obtaining approval of shareholder/members of a company under insolvency, for a particular action, required in resolution plan, which would have been required under the Companies Act or any other law and such an approval is deemed to have been given once the resolution plan has been approved by the NCLT/ADJUDICATING AUTHORITY.

In light of the above, no shareholder's approval under Companies Act is required to be obtained by PLBRPL for issue of Equity Shares to the Resolution Applicant and the procedure for issuance of shares as set out in Section 62 of Companies Act read with Rule 13 of Share Capital and Debenture Rules, 2014 shall be followed only to the extent relevant and required in light of Explanation to Section 30 (2) of the Code read with MCA Notification.

#### **1. Increase in Authorized Capital**

The restructuring of the capital of PLBRPL (as elaborated in (*Restructuring of Capital*) part) may require increase in authorized share capital of PLBRPL or consequent amendment of the constitutional documents i.e. the Memorandum of Association of PLBRPL. As per Regulation 37 of the CIRP Regulations, the Resolution Plan may provide for amendment of the constitutional documents of the corporate debtor. Accordingly, as an integral part of the Resolution Plan, the authorized equity share capital of PLBRPL shall be increased to allow such restructuring, without any further act, instrument or deed by PLBRPL and without any liability for payment of any fees or stamp duty in respect of such increase.

### **Re-organization of Share Capital**

The Resolution Plan provides for a cancellation and reduction initially of entire share capital held by the existing Promoters and shareholders of PLBRPL. Section 66 of the Companies Act, read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 provides for reduction of share capital by a company.

The procedure for reduction of share capital requires approval of shareholders of the company (special resolution) and can only take place by way of an order of the NCLT/ADJUDICATING AUTHORITY under Section 66 of the Companies Act. The company desiring reduction is required to file an application with NCLT/ADJUDICATING AUTHORITY with prescribed documents. The NCLT/ADJUDICATING AUTHORITY is required to give notice of the application to relevant government authorities and the creditors of the company and take into consideration their representations to the NCLT/ADJUDICATING AUTHORITY within 3 months of receipt of the notice. The NCLT/ADJUDICATING AUTHORITY can approve reduction if it is satisfied that the debt or claim of every creditor of the company has been discharged or determined or has been secured or his consent has been obtained.

Since the cancellation & Reduction of Promoters holding and reduction of share capital of PLBRPL is contemplated as part of the Resolution Plan and will be approved by the NCLT/ADJUDICATING AUTHORITY (acting as Adjudicating Authority under the Code), such reduction would be binding on the shareholders and creditors of PLBRPL. Further, in light of Explanation to Section 30 (2) of the Code read with the MCA Clarification, shareholders' approval would not be required for reduction of share capital. Therefore, a separate order of the NCLT/ADJUDICATING AUTHORITY under Section 66 of the Companies Act for cancellation and/or reduction of

shareholding of PLBRPL shall not be required and the cancellation and/reduction of PLBRPL's capital can be affected by way of NCLT/ADJUDICATING AUTHORITY Approval Order. The Reduction and cancellation of shares shall be applicable to the all shareholders of the company including existing Promoters.

## **SUMMARY OF IMPLEMENTATION PLAN**

**Capital Reduction of PLBRPL:** The Resolution Plan states that the existing paid up Share Capital of the Corporate Debtor comprising of 12000 Equity Shares of face value of INR 1000/- each amounting to INR 1,20,00,000/- be reduced to 0 Equity Share of face value of Re 0/- each. The Resolution Applicant shall be exempt from requirement of any approval from any agency/authority to effect the alteration of the above said Share Capital. However, necessary forms (PAS 3) shall be filed with ROC for record and compliance. The exiting resolution applicant should be allowed to issue fresh equity of Rs. 100 Lakhs

**Cancellation of Shares of existing Promoter Group of CD:** After the capital reduction this Plan proposes to extinguish all the equity and preference shares held by existing promoters/promoter group/ shareholders immediately without payment of any price to them.

**Cancellation of Shares of other existing shareholders apart from Promoters Group:** Post the capital reduction of existing promoter shareholding, the shareholding of the other existing shareholders shall be cancelled in the similar manner and such equity and preference shares would be extinguished without any pay-out

**Infusion of Funding:** The resolution applicant shall infuse INR 50 Lakhs in the form of share application money/CCDs within the 7 days of the effective date. The same amount shall be utilised to make the payments to the CIRP cost and upfront payment to Financial Creditors as per the financial proposal of this plan.

**Increase in Authorized Share Capital of CD:** The Authorized Share Capital of the Corporate Debtor shall be increased, if required.

**Issue of Equity Shares to Resolution Applicant:** The total infused amount in infusion the CD shall issue 10,00,000 Equity

shares of INR 10/- each aggregating to INR 100 Lakhs within 15 days of the Effective Date. The shares shall be fully paid up. After the equity issuance, the resolution applicant will hold the total 10,00,000 equity shares of the CD which will be 100% of the total shareholding of the CD. The share capital proposed to be infused shall be the Resolution Plan contribution by the Resolution Applicant and shall be utilised to make the payments to the creditors as per the financial proposal.

Moreover, the Resolution Applicant shall be exempt from requirement of any approval from any agency/authority to conclude the allotment/issue of fresh issue of above equity share capital. However necessary forms (PAS 3) shall be filed with ROC for record and compliance purpose.

In accordance with the General Circular No. IBC/01/2017 bearing number 30/14/2017 issued by the Ministry of Corporate Affairs, Government of India, approval of the shareholders/members of the corporate debtor/company, which would have been required under Companies Act, 2013 or any other law if the Resolution Plan was being considered outside the scope of the Code, shall not be required for cancellation and issuance of shares and any other action under the Resolution Plan for its implementation

- Adjustment of Implementation Provisions of this Plan has been prepared on the assumption that all necessary approvals shall be provided by the Governmental Authority concerned. In the event such approvals are not granted or in case of change in Applicable Law or under any other material circumstances, then notwithstanding anything contained herein, but without prejudice to the financial commitments set forth in this Plan with respect to each creditor of the Corporate Debtor (including the quantum of payment or settlement to be made to such creditor and the timeline within which the payment or settlement is to be made), the Resolution Applicant shall be entitled to revise the acquisition structure (including, the implementation thereof), in compliance with Applicable Law, to implement the Plan by intimating the Committee of Creditors.
- As part of restructuring of the corporate debtor, Resolution Applicant is completely free for (i) the capital reduction;
- The Resolution Applicant further requires obtaining all such approvals under a 'single window clearance' approach from

the NCLT/ADJUDICATING AUTHORITY for effective and efficient implementation of the Plan.

### **3. MONITORING AND SUPERVISION**

1. In order to ensure that the Resolution Plan is implemented in accordance hereof and that the obligations undertaken herein are adhered to in letter and spirit, an appropriate monitoring committee shall be appointed within 7 Business Days of the NCLT/ADJUDICATING AUTHORITY approval of this plan.
2. The Committee of Creditors shall constitute the monitoring committee, which may comprise one representative of the Resolution Applicant, representative of the COC and a qualified Insolvency Resolution Professional (which may or may not be RP) to be appointed by CoC in consultation with Resolution Applicant, which shall monitor the implementation of the plan after the Effective Date and until closing date.
3. The monitoring committee, so appointed, shall have *inter alia* the following responsibilities:
  - a. Monitoring the implementation of this Resolution Plan, during the Term of the Plan;
  - b. Obtain all original documents, and also all other agreements, deeds, contracts, correspondences, communications, letters or any other document, pertaining to any division of the corporate debtor or pertaining to the Company as a whole, transferred by the erstwhile members of the Boards of Directors of the Company and/ or by the existing promoters or the Resolution Professional in a peaceful and unconditional manner.
  - c. Provide regular updates to the financial creditors, until the financial creditors receive the amounts payable to them pursuant to this Resolution Plan;
  - d. Ensure that all assets of the Company remain vested in the Company, on an as is basis, free from all encumbrances and/or without any encroachments (including but not limited to occupancy or possession by the erstwhile director/s or promoter/s or their men/agents/servants) upon implementation of the Plan;
  - e. Issue a certificate that the Resolution Plan has been duly implemented and the payments contemplated in this Resolution Plan have been duly completed. In issuing this certificate, if a person has not collected its payment, despite the Company having



notified such person, and accordingly the Company has created a special reserve for payment of such amount, it shall be deemed to be a discharge of Company's payment obligations.

- f. Issuance of a certificate by the Monitoring committee shall be a discharge of the Resolution Applicant from their obligation to implement this Resolution Plan in accordance with its Term.

The fee payable to qualified insolvency professional who shall be chairman of monitoring committee shall be decided and borne by the Resolution Applicant.

## **MANAGEMENT OF PLBRPL AFTER RESOLUTION**

### **1. CONTROL OF PLBRPL BY RESOLUTION APPLICANT**

1. The Resolution Applicant shall hold 100.00% shareholding in the restructured share capital of PLBRPL, as elaborated in (Restructuring of Capital).
2. After the Upfront Infusion, the Resolution Applicant shall be in control and management of affairs of PLBRPL and the business of PLBRPL shall be carried on by the new management as appointed by the Resolution Applicant. However, Resolution applicant requires the support of RP and the existing management to continue working under its control for a minimum period of 1 months for complete handholding of all the resort related work.
3. The Resolution Professional was appointed by the NCLT/ADJUDICATING AUTHORITY and the CoC was formed by the Resolution Professional during the conduct of the Corporate Insolvency Resolution Process. The Resolution Professional shall be released of his/ her duties and responsibilities and the CoC shall be dissolved after handover as mentioned above in point 1.2 with effect from the Effective Date. The members of the CoC may separately monitor the activities of the Company and the implementation of the Resolution Plan in accordance herewith. Within 30 days of the effective date, the Board of Directors of PLBRPL shall be reconstituted, wherein the existing directors (including the independent directors) shall resign and new directors will be appointed to the Board of Directors of PLBRPL by the Resolution Applicant. The new Board will be professionally managed by experienced persons.
4. With effect from the Effective Date, the Company shall be managed by a Reconstituted management/Board comprising of Directors nominated by the Resolution Applicant.

5. The directors on the Reconstituted Board shall be appointed on the Effective Date, without any additional approval from the Shareholders, and will be accountable for the day-to-day operations of the Company and shall be bound as per applicable law to protect and preserve the assets of the Company.
6. The Resolution Applicant will appoint such number of directors on the board of the Company, including independent directors, as maybe necessitated or required by the applicable laws
7. All existing Directors shall cease to remain and act as the Director of the corporate debtor immediately on Effective Date.
8. Resolution Applicant shall also exercise veto rights that it deems fit in the interest of retaining the Company as a going concern. The erstwhile promoters would have no control, veto rights, and directorship in the Company.
9. Entire management control of the Company will vest with the Resolution Applicant, for the management of the day-to-day affairs, for which Resolution Applicant will identify a core operating team. At the same time the Resolution Applicant realizes that given the complexities of the business like this, the Resolution Applicant will evaluate the need of human resource to revive the company and at their option may use any existing employee /technical team member/ management personnel for the same
10. Any change in the members managing the Company shall not affect the validity and enforceability of any agreement, lease deed, contract, etc. executed by the Company with various parties, authorities, companies, etc. save and except the provisions and scope of alterations/ modifications/ amendments as also such reliefs and concessions provided to the Resolution Applicant and the Company under this Resolution Plan.
11. Immediately from the Effective Date the existing directors shall cease to be the Directors of the Corporate Debtor and the persons nominated by the Resolution Applicant shall be appointed to constitute the new Board, without any further approval from any agency/authority. Accordingly, the necessary form to be filed with the MCA intimating cessation of existing Directors and appointment of new Directors shall be concluded without affixation of Digital signatures.
12. Further, whole-time key managerial personnel, if required, will be appointed as per the requirements of the Companies Act by the Resolution Applicant.
13. The Resolution Applicant shall appoint the statutory and internal auditor of their choice, subject to Applicable Laws.

14. In order to successfully drive the operations of PLBRPL, the team of experts of relevant field will work under the direct supervision and control of the new management.

15. Resolution Applicant shall be the new promoter of PLBRPL and relevant applications shall be made to SEBI for declassification of existing Promoters as promoters of PLBRPL, if required.

## 2. **EXISTING EMPLOYEES**

As mentioned in the information memorandum there are no existing employees of the Corporate Debtor. Further the RA also proposes to appoint technical persons having experience in running affairs of a resorts preferably or from hospitality industry at a mutually negotiated remuneration.

For financial sustainability and also keeping in view the fact that the resort is to be started, the Resolution Applicant shall be free to appoint its own resources including manpower, labour, workforce and shall not be bound by any Government authority to follow requirement of employing from particular state or region. Resolution Applicant will follow its own well-designed model of employment which will include contractual / fix term/ probation/ regular or deputation or on consultant basis.

## **RELIEFS AND CONCESSIONS**

Notwithstanding anything contained in this Plan, the performance of the obligations of the Resolution Applicant under the Plan is subject to the prior completion (unless waived in writing by the Resolution Applicant) of the conditions set out in the plan, to the satisfaction of the Resolution Applicant, by the Closing Date. If the conditions set forth in this plan are not met to the satisfaction of the Resolution Applicant by the Closing Date, this Plan shall not be effective or operative and the Resolution Applicant shall have no obligations whatsoever under this Plan or otherwise to any Person, including having no obligation with respect to any bid bond guarantee, or any other obligation and each such guarantee shall be promptly returned to the Resolution Applicant.

## **RELIEFS AND CONCESSIONS**

The Resolution Applicant requests the NCLT/ADJUDICATING AUTHORITY for the reliefs and concessions set out below for the successful implementation of the Resolution Plan. By approving this Resolution Plan, the NCLT/ADJUDICATING AUTHORITY shall approve the waivers, reliefs and concessions listed below:

- a. The net proceeds to the secured financial creditor i.e. ARCIL is for the limited purpose of releasing the corporate guarantee of PLBRPL and shall not constitute full and final settlement of all dues payable to ARCIL by Neesa Leisure Limited. The Corporate Debtor i.e. PALM LAGOON BACKWATERS RESORTS PVT. LTD (PLBRPL) herein will be discharged on the approval and implementation of this resolution plan but, the claim of ARCIL against Neesa Leisure Limited will not be discharged.
- b. Direction to Tax Authorities to grant an exemption from all Government taxes, State Government taxes, Central government taxes, District taxes authorities/ Revenue authorities, levies, fees, transfer charges, transfer premiums, and surcharges that arise from or relate to implementation of the Resolution Plan, since payment of these amounts may make the Resolution Plan unviable. This would include waiver of MAT and income tax implication arising due to write back/write off of liabilities in the books of accounts of PLBRPL, without any impact on brought forward tax and book loss / depreciation, pursuant to this Resolution Plan, more specifically lifting of attachment from the Registration Department
- Income tax Department for tax dues of Neesa Leisure Ltd for a demand of Rs.1,32,91,16,980/- (This will make the plan unviable)
  - Labour Court for dues of workers – Due amount not available (Further no claim filed with Resolutions Professional)
- c. Waiver from the levy of stamp duty and fees by the stamp authorities and Ministry of Corporate Affairs, applicable in relation to this Resolution Plan and its implementation,
- d. Neither the Resolution Applicant, nor any of its Affiliates or connected persons, will be disqualified from or considered ineligible under the Code for proposing and /or implementing a plan in relation to the insolvency resolution of any person (other than the Corporate Debtor), merely on account of the implementation of this Plan by the Resolution Applicant;
- e. It is to be confirmed that, on and from the Closing Date, all accounts of the Corporate Debtor shall stand regularized and their asset classification shall be standard for the purposes of all RBI applicable laws;
- f. exemption from all taxes, levies, fees, transfer charges, transfer premiums, and surcharges to PLBRPL/ Resolution applicant that arise from or relate to implementation of the Resolution Plan,

g. The jurisdictional Registrar of Companies to take on record and implement the Plan, upon approval of the Plan by NCLT/ADJUDICATING AUTHORITY, without any further compliances and re-instate all the approvals and waive all the financial or other penalties/ interest / prosecution of all type and nature;

h. All Designated Authorised Dealer Category / Banks to grant any approval or dispensation as may be required for actions contemplated under the Plan in accordance with its terms and conditions

i. Waiver of any income-tax and Minimum Alternate Tax (MAT) liability or consequences (including interest, fine, penalty, etc) on PLBRPL, Resolution Applicant and its shareholders on account of various steps as proposed in the Resolution Plan,

j. The transactions contemplated under this plan shall not be void within the meaning of/for the purpose of section 281 of the IT Act, nor any other action will be taken in respect of the said transaction under IT Act.

k. Any approvals that may be required from Governmental Authorities (including tax authorities) in connection with the implementation of the Resolution Plan including on account of change in ownership / control of PLBRPL shall be deemed to have been granted on the Effective Date.

l. Upon approval of the Resolution Plan by the NCLT/ADJUDICATING AUTHORITY, all non-compliances, breaches and defaults of PLBRPL for the period prior to the Effective Date (including but not limited to those relating to tax), shall be deemed to be waived by the concerned Governmental Authorities. Immunity shall be deemed to have been granted to PLBRPL from all proceedings and penalties under all Applicable Laws for any non-compliances for the period prior to the Effective Date and no interest/penal implications shall arise due to such non-compliances /defaults /breaches prior to the Effective Date. This includes, without limitation, waiver/extinguishment of any penalties / interests on account of staggered payment of statutory liabilities of the workmen/ employees of PLBRPL in accordance with the terms of this Resolution Plan.

m. Waiver/extinguishment of any tax (including but not limited to income-tax and MAT) and duty (including interest, fine, penalty, etc.) and legal liability pertaining for the period prior to the Effective Date such as any kind of existing and/or future litigation/assessment/scrutiny/contingency.

n. All creditors of the Corporate Debtor shall have to withdraw all legal proceedings commenced against the Corporate Debtor in relation to Claims, including all criminal proceedings,

proceedings under Section 138 of the Negotiable Instruments Act, 1881 and proceedings under SARFAESI and RDDBFI, within 30 (thirty) days of the Effective Date for revival of the corporate debtor and for economic stability of the business of the Corporate Debtor.

- o. From the Effective Date, all inquiries, investigations and proceedings, whether civil or criminal, suits, claims, disputes, proceedings in connection with PLBRPL or affairs of PLBRPL (including those initiated by Governmental Authorities), pending or threatened, present or future in relation to any period prior to the Effective Date, or arising on account of implementation of this Resolution Plan shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out in the balance sheets of PLBRPL or the profit and loss account statements of PLBRPL will be deemed to have been written off fully, and permanently extinguished and no adverse orders passed in the said matters shall apply to PLBRPL or the Resolution Applicant. Upon approval of this Resolution Plan, all new inquiries, investigations, notices, suits, claims, disputes, litigations, arbitrations or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against PLBRPL and/ or its new management in relation to any period prior to the Effective Date.
- p. Except to the extent of payments to be made to the Operational and Other creditors under *Financial Proposal* above, the Resolution Applicant and PLBRPL shall have no liability towards any Operational Creditors and other creditors with respect to any claims (as defined under the Code) relating in any manner to the period prior to the Effective Date. Any such liability shall be deemed to be waived and due as of the Insolvency Commencement Date, the liquidation value of which is NIL and therefore no amount is payable in relation thereto. All such liabilities shall immediately, irrevocably and unconditionally stand fully and finally discharged and settled with there being no further claims whatsoever, and all forms of security created or suffered to exist, or rights to create such a security, to secure any obligations towards Operational Creditors and other creditors shall immediately, irrevocably and unconditionally stand released and discharged, and the Operational Creditors and other creditors shall waive all rights to invoke or enforce the same.
- q. Neither the Resolution Applicant nor PLBRPL, nor their respective directors, officers and employees appointed as on or after the Effective Date shall be liable for any violations,

liabilities, penalties, interests on statutory payments and/ or fines with respect to or pursuant to any order of any Governmental Authority or on account of non-compliance of Applicable Laws by PLBRPL or due to PLBRPL not having in place requisite approvals and licenses to undertake its business as per Applicable Law.

- r. The business permits/ licences/or any statutory order (s) which were possessed by the Corporate Debtor to conduct the business shall deemed to be in continuation on the date of final approval of NCLT/ADJUDICATING AUTHORITY as those were prior to the Insolvency Commencement Date by All or any one of the applicable statutory / Governmental Authority (s) for the time being in force for ensuring the economic viability and financial sustainability of the business of Corporate Debtor;
- s. Since the Resolution Applicant has been provided with limited information in relation to the Business Permits, Service Licences and their current status, it is probable that some of the Business Permits, licences of the Corporate Debtor may have lapsed, expired, suspended, cancelled, revoked or terminated or the Corporate Debtor has Non- Compliances in relation thereto. Accordingly, all Governmental Authorities to provide reasonable time period after the Effective Date in order for the Resolution Applicant to assess the status of these Business Permits and ensure that the Corporate Debtor is compliant with the terms of such Business Permits and Applicable Law without initiating any investigations, actions or proceedings in relation to such Non- Compliances and permit the Resolution Applicant to continue to operate and financially revive the business of the Corporate Debtor
- t. Resolution Applicant shall not be impacted and will be kept indemnified financially or otherwise against any of the negative impact / observation / findings of Forensic Audit. Further neither the Corporate Debtor nor any member of the new promoter group shall be made party to any of the legal cases arising out of such forensic audit.
- u. No action will be taken against the any dues non-compliance penalty, interest related to the period before the effective date, by any authority under PF Act, ESI, Factory Act, electricity department, Fire department, Pollution Department, Labour Law or any other department not mentioned here.
- v. All Departments and Authorities, including but not limited to Government/ Semi- Government / PSUs/ Non-Government/ Research & Development Centres / Subsidiaries/ Division/ Zones/ Workshop/ Sheds or any other entities not mentioned here, shall allow the Corporate Debtor to

submit their offers / Proposal / tenders etc., for the period of ten years from the date of NCLT/ADJUDICATING AUTHORITY order, without insisting for the details on past revenue, profitability records, net worth and supply and performance records or any other credentials.

- w. Indemnification- Resolution Applicant and the CD shall not be impacted and will be kept indemnified financially or otherwise against any of the negative impact / observation / findings of Forensic Audit. Further neither the Corporate Debtor nor the Resolution Applicant shall be made party to any of the legal cases arising out of such forensic audit.
- x. The 30-year lease entered with Neesa Leisure Ltd stands terminated from Effective date.
- y. By virtue of the NCLT/ADJUDICATING AUTHORITY Approval Order, on the Effective Date, all assets of PLBRPL, that are subject to any encumbrance, security and/or lien, whether in favour of the lenders of PLBRPL or in favour of any third party, shall stand released and/or extinguished. This would *inter alia* include the security mentioned in the Information memorandum of PLBRPL.
- z. The approval of the NCLT/ADJUDICATING AUTHORITY shall be deemed to be approval of the secured creditors for release of security and the creditors shall, within a period of 1 months from the Effective Date, take all steps, execute all documents and make appropriate filings with the Registrar of Companies for release of such securities and charges created by the company will be deemed satisfied.
- aa. All corporate guarantees, indemnities, letters of comfort, undertakings provided by PLBRPL, in respect of any third-party liability (including of Parent / Subsidiaries) shall stand revoked and extinguished on the Effective Date pursuant to approval of the Resolution Plan by the order of the NCLT/ADJUDICATING AUTHORITY, without the requirement of any further act or deed by the Resolution Applicant and/or PLBRPL.
- bb. The existing equity shares and preferential shares if any shall be written off and a fresh equity shall be issued equivalent to Rs. 100 Lakhs of face value Rs.10/- i.e. 10,00,000 shares which shall be held by the Resolution Applicant



## **KEY DIRECTIONS**

The Resolution Applicant has prepared this Resolution Plan with a view to maximize the value of the assets of PLBRPL to resolve insolvency and improve utilization of such resources (in line with the legislative mandate of the Code). It is imperative that the following directions are granted in favour of the Company by the NCLT/ADJUDICATING AUTHORITY, which directions are reasonable and just, in view of the present condition of the business of PLBRPL. In the event the directions are denied or rejected by the NCLT/ADJUDICATING AUTHORITY, the same will have an adverse impact on the business condition of PLBRPL, its stakeholders and *inter alia* may result in failure of the Resolution Plan to resolve insolvency. It is hereby clarified that unless a direction is specifically denied or rejected by the NCLT/ADJUDICATING AUTHORITY, the same shall be deemed to have been granted.

- a. Direction to the relevant collector/department of stamps for waiver from the levy of stamp duty applicable in relation to this Resolution Plan and its implementation, including on issuance of new Equity Shares to the Resolution Applicant.
- b. Direction to Tax Authorities to grant an exemption from all Government taxes, State Government taxes, Central government taxes, District taxes authorities/ Revenue authorities, levies, fees, transfer charges, transfer premiums, and surcharges that arise from or relate to implementation of the Resolution Plan, since payment of these amounts may make the Resolution Plan unviable. This would include waiver of MAT and income tax implication arising due to write back/write off of liabilities in the books of accounts of PLBRPL, without any impact on brought forward tax and book loss / depreciation, pursuant to this Resolution Plan, more specifically lifting of attachment from the Registration Department
  - i. Income tax Department for tax dues of Neesa Leisure Ltd for a demand of Rs.1,32,91,16,980/- (This will make the plan unviable)
  - ii. Labour Court for dues of workers – Due amount not available (Further no claim filed with Resolutions Professional)
- c. Direction to the relevant Governmental Authority to grant exemption to the Resolution Applicant, PLBRPL and their respective directors, officers and employees appointed as on or after the Effective Date for/ from any violations, liabilities, penalties, interests on statutory payments and/ or fines with respect to or pursuant to any order of the Governmental Authority or on account of non-compliance of Applicable Laws by

PLBRPL or due to PLBRPL not having in place requisite approvals and licenses to undertake its business as per Applicable Law.

## **MISCELLANEOUS**

### **1. Governing law**

The terms of this Resolution Plan shall be governed by and construed in accordance with the laws of India.

### **2. Accounting Standards**

On and after the Effective Date, the Resolution Applicant shall be permitted to draw up the financial statements of PLBRPL, for a period ending on the Effective Date (or any date closest to that date as may be practicable) in compliance with applicable accounting standards such that it truly reflects the claims verified and the realisable, fair value of the assets as may be determined by the board of directors of PLBRPL. For this purpose, PLBRPL shall be permitted to carry out necessary write off of assets, creation of additional liability or expenses or write back of liability or provision (as the case may be) in the books of accounts of PLBRPL.

Pursuant to the NCLT/ADJUDICATING AUTHORITY Approval Order, any debit or credit, being the balancing figure, arising as a result of giving effect to the Resolution Plan, shall be adjusted by [PLBRPL] directly in the capital reserve account.

### **3. Assignment**

The Resolution Applicant shall be free to undertake the implementation of the Resolution Plan through an Affiliate.

### **4. Compliance**

The Resolution Plan submitted by the Resolution Applicant does not violate any provisions of law for the time being in force.

### **5. Withdrawal of Plan prior to Approval by Committee of Creditors.**

The Resolution Applicant shall have the right to withdraw its proposal at any time prior to approval of the Resolution Plan by the Committee of Creditors, without incurring any liability, in the following circumstances:

- a. In case the Resolution Plan proposed by the Resolution Applicant is not finally submitted to the Committee of Creditors;
  - b. In case any material changes to the proposal of the Resolution Applicant are insisted by the Resolution Professional and/or the Committee of Creditors;
  - c. In case of a Force Majeure Event;
  - d. In case any additional information on PLBRPL is provided to the Resolution Applicant/ discovered by the Resolution Applicant (outside Information Memorandum) which has a material adverse effect on PLBRPL.

#### **6. Withdrawal of Plan after Approval by Committee of Creditors**

The Resolution Applicant shall have the right to withdraw its proposal at any time prior to NCLT/ADJUDICATING AUTHORITY Approval Date without incurring any liability, in the following circumstances:

- a. In case of a Force Majeure Event;
  - b. In case any additional information on PLBRPL is provided to the Resolution Applicant/ discovered by the Resolution Applicant (outside Information Memorandum) which has a material adverse effect on PLBRPL.

#### **7. Effective Date and Failure of Approved Resolution Plan**

The obligations of the Resolution Applicant under the Resolution Plan shall come into effect only on the Effective Date; provided however that in case the Resolution Plan is challenged before the Hon'ble National Company Law Appellate Tribunal, the Effective Date shall be extended to the date of receipt of the order of the Hon'ble National Company Law Appellate Tribunal, dismissing such appeal.

The Resolution Applicant shall not bring funds into PLBRPL or take control or management of PLBRPL prior to the Effective Date.

In case the Approved Resolution Plan is rejected or is not approved by the NCLT/ADJUDICATING AUTHORITY or of the approval of NCLT/ADJUDICATING AUTHORITY is set aside by the appellate authorities/or any court the Resolution Applicant will not be liable in any manner whatsoever under the Approved Resolution Plan. In such case, all the existing liabilities, including but not limited to

liability pertaining to Financial Creditors, Operational Creditors, or any dues, claims, demand, in present or in future or any contingent liability or any disputes or litigations filed by or against PLBRPL shall continue in its name and shall not be waived or modified in any manner.

## 8. **Assignment by Creditors**

If at any time before the NCLT/ADJUDICATING AUTHORITY Approval Date, any creditor transfers/assigns its loans/debts to any other person or third party, such assignee/ transferee shall be bound by the terms of this Resolution Plan.

## 9. **Severability**

In the event it is determined that any provisions of the Resolution Plan is unenforceable either on its face or as applied to any claims or transaction and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach of any party, the Resolution Applicant may apply to the NCLT/ADJUDICATING AUTHORITY for appropriate modification of such provisions of the Resolution Plan, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective, unless otherwise directed by the NCLT/ADJUDICATING AUTHORITY.

## 10. **CONFIRMATION & REQUEST**

### 1. **CONFIRMATION**

The Resolution Applicants hereby confirms that:

- a. It is duly authorized to execute and submit this Plan;
- b. This Plan contains all the information mandatorily required to be provided under the IBC;
- c. This Plan is not in contravention of provisions of Applicable Law;
- d. This Plan has dealt with the interest of all stakeholders (including the Financial Creditors, Operational Creditors, Other Creditors, guarantors, members, workmen, employees and other stakeholders of the Company), in the manner set out above.

### 2. **REQUEST FOR ATTENDANCE AT MEETING OF THE CoC**

- a. The Resolution Applicants are desirous of attending the meeting of the CoC at which this Plan would be considered. Pursuant to Section 30(5) of IBC, the CoC and the Resolution Professional are requested to provide prior written notice of such meeting(s) to the Resolution Applicants. We look

forward to working with the Resolution Professional and the CoC to negotiate and finalize a resolution plan that ensures a successful insolvency resolution process in respect of the Company and delivers maximum value for the Financial Creditors and other stakeholders of the Company.

b. In the event that there is any change in Applicable Laws after the date of submission of the Plan, relating to, or otherwise affecting in any manner, the corporate insolvency resolution process under the IBC or the provisions of this Plan, then the Resolution Applicants may be allowed by CoC, at any time prior to the Plan being approved by the CoC, to modify the provisions of this Plan in order to incorporate such changes.

### 3. **CONFIDENTIALITY**

a. This Plan is confidential, and the Resolution Professional, the CoC , the company, and their respective affiliates, directors, officers, workmen, employees, agents, advisers and representatives shall not, without our prior written consent, make any disclosure of any information pertaining to this Plan, or the Resolution Applicants, or any information which is provided by us or our representatives, to any person (except to their own representatives, who shall maintain confidentiality with respect to any such information), except where such disclosure or announcement is required under Applicable Law or are made to their advisors/consultants, and prior written notice thereof has been provided to us.

b. Until the date of passing of any order by the NCLT/ADJUDICATING AUTHORITY with respect to this Plan, the Resolution Applicants shall not disclose any information pertaining to this Plan or the Company and its affair or any information which is provided to them by the Resolution Professional, except where such disclosure or announcement is required under Applicable Law, or when such disclosures is made to their advisors, lenders and consultants.

### **Signed for and on behalf of Resolution Applicant**

**Name: INVENT ASSETS SECURITISATION & RECONSTRUCTION PRIVATE LIMITED**

Sd/-

**G K Sharma, Chief Executive Officer**

**Date: 31.01.2020**

**Place: Mumbai**

**FINDINGS: -**

18. I have heard the submissions made by the Learned Counsel for the Resolution Professional through video conferencing and going through the Resolution Plan submitted by M/s. Invent Assets Securitisation and Reconstruction Pvt Ltd which satisfies the threshold approval by 60% voting right of the CoC. As per the CoC, the plan stands the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.

19. Further, in case of non-compliance of this order or withdrawal of Resolution Plan by the Resolution Applicant, the CoC shall forfeit the EMD amount paid by the Resolution Applicant.

20. Subject to the observations made in this Order, the Resolution Plan submitted by M/s. Invent Assets Securitisation and Reconstruction Pvt Ltd. is hereby **APPROVED** by this Bench.

21. It is ordered that the Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect and the "Moratorium" imposed under Section 14 shall cease to have any effect henceforth. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record and also return to the Resolution Applicant or New Promoters.

MA/113/KOB/2020 in TIBA/9/KOB/2020 (CP.1312 of 2018 of Chennai Bench).

22. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance. Liberty is hereby granted for moving any Miscellaneous Application, if required, in connection with implementation of this Resolution Plan. In respect of stepping by the New Promoters/Resolution Applicant into the shoes of the erstwhile Company and taking over the business, the provisions of the Companies Act, 2013 shall be applicable and for this reason, a copy of this Order is to be submitted to the Office of the Registrar of Companies, Kerala.

23. The RP is further directed to handover all records, premises/factories/documents to Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records/premises/factories/documents through Resolution Professional to finalise the further line of action required for starting of the operation.

24. The Tribunal hereby permits appointment of a Monitoring Committee from the date of approval of the Resolution Plan till the date on which the Resolution Applicants acquire control of the Corporate Debtor.

25. The directions embodied and period of implementation provided herein above shall be effective from the date of this Order.

Dated this the 10<sup>th</sup> day of September, 2020

Sd/-  
**(Ashok Kumar Borah)**  
**Member (Judicial)**