

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1



ITEM No.301
IA(Plan)/43(AHM)2024
in
C.P.(IB)/153(AHM)2023

ORDER

IN THE MATTER OF:

Modilal Dhanraj Pamecha RP of Cyber Infosystems and
Technologies Pvt. Ltd

.....Applicant

.....Respondent

Order delivered on: 22/04/2025

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sanjeev Kumar Sharma, Hon'ble Member(T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

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SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

-sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD**



**IA(Plan)43(AHM)2024
in**

C.P (I.B.) No. 153/NCLT/AHM/2023

(An Application under Section 30(6) and Section 31 of the IBC, 2016 read with Regulation 39 (4) of the IBBI (Insolvency Resolution Process of Corporate Persons) Regulations, 2016)

IN THE MATTER OF : Cyber Infosystems and Technologies Pvt. Ltd

Modilal Dhanraj Pamecha,

RP of Cyber Infosystems and Technologies Pvt. Ltd.

Having Addressed at:

C 802, Padmarag, JB Nagar,

Andheri (East), Mumbai-400059.

... Resolution Professional/Applicant

Order Pronounced on: 22.04.2025

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV KUMAR SHARMA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For the Applicant : Mr. Arjun Sheth Advocate, along with

: Mr. Rajiv Chawla Advocate and

Mr. Modilal D. Pamecha RP in Person

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ORDER
(Per: BENCH)



1. This Interlocutory Application (IA) No.43 of 2024 has been filed by the Resolution Professional (hereinafter referred to as “**RP**”) of the Corporate Debtor - Cyber Infosystems and Technologies Pvt. Ltd., on 21.09.2024 (online) and 27.09.2024 (physical copy), under Section 30(6) along with Section 31 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**IBC, 2016**”) read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution for Corporate Persons) Regulations, 2016 seeking the following prayers: -

- a. *Pass an order approving the Revised Resolution Plan dated 15.09.2024 submitted by Devika Trading Private Limited with the Applicant herein and duly approved by the CoC in accordance with Section 31(1) of the Code, 2016, and further pass other order;*
- b. *Pass an order directing that in accordance with Section 31(1) of the Code, 2016, the approved Resolution Plan shall be binding on all the stakeholders of the Corporate Debtor;*
- c. *Pass an order directing the Resolution Applicant to implement the Resolution Plan in the manner as set out under the Revised Resolution Plan dated 15.09.2024 submitted by Devika Trading Private Limited; and/or*
- d. *Such other and further relief(s) as may deem fit in the interest of justice.*

2. The Application states that the Committee of Creditors, in its 8th



meeting held on 19.09.2024, has approved the revised resolution plan dated 15.09.2024 submitted by Devika Trading Private Limited, having office address of No. 24, Mezzanine Floor, Swadeshi Mill Compound, Opera House, J.S.S. Road, Girgaon. Mumbai -400004.


Facts of the Case:

3. This Tribunal vide its order dated 13.10.2023 in CP (IB) No. 153 of 2023 had admitted the Company Petition and initiated CIRP against Cyber Infosystem and Technologies Pvt Ltd, the Corporate Debtor. Shri Modilal D Pamecha was appointed as Interim Resolution Professional (IRP), and the moratorium was declared under section 14 of the IBC. Further, Shri Modilal D Pamecha was confirmed to be the Resolution Professional (RP) for the CIRP during the **first CoC meeting** held on 14.11.2023.
4. Pursuant to the discussion held in the **2nd CoC meeting** on 14.12.2023, the Expression of Interest (for short "**EoI**") in Form G was published in Business Standard (English) and in Gujarat Guardian (Gujarati) on 15.12.2023 with the last date of submission of EoI as 30.12.2023. A copy of Form-G is annexed

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to the application in Annexure-G.

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5. After publication of Form G, the Applicant received 16 responses till 30.12.2023 and, out of them, only responses filed by two entities, namely (i) Subhlaxmi Investments Advisory Pvt. Ltd. and (ii) Devika Trading Pvt. Ltd., complied with the condition as prescribed by the CoC and deposited Rs. 1 Lakh each. The name of the said entities was included in the Final List of Resolution Applicants, and the Information Memorandum, Evaluation matrix and RFRP were provided to the above-mentioned Resolution Applicants.
 6. As the CIRP period of the Corporate Debtor was nearing completion, the **CoC in its 4th meeting** held on 23.03.2024 passed a resolution for extension of the CIRP period by a further 90 days. Pursuant to which the Applicant filed an application, bearing IA No. 634 of 2024, seeking extension of 90 days, which was allowed w.e.f. 13.04.2024 by the order of this Adjudicating Authority dated 23.04.2024.
 7. The **5th meeting of CoC** was held on 30.04.2024, wherein the Applicant apprised the CoC that the said two Resolution


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Applicants have done due diligence, including compliance under Section 29A of the Code, and filed an affidavit stating that Resolution Applicants are not barred by Section 29A of the Code. In this regard, CS Dhara Udeshi, PCS, has also filed a report, which is annexed at Annexure - J to the application. In the said 5th meeting, the CoC gave 15 days' time and advised the Prospective Resolution Applicants ("PRAs") to make changes in the Resolution Plan and revise their offer.

8. The **6th meeting of CoC** was held on 17.06.2024, wherein the Applicant appraised the CoC regarding receipt of the revised Resolution Plan. The Resolution Plan submitted by both PRAs was put for voting. The CoC with 100% majority voted in favour and approved the Resolution Plan submitted by Devika Trading Pvt. Ltd. The copy of the 6th CoC meeting and voting result is annexed at Annexure-L to the application.
9. Devika Trading Company, the Successful Resolution Applicant ("SRA") had also paid Performance Bank Guarantee/Security Deposit amounting to Rs. 2 Lakh in favour of the Corporate Debtor in accordance with the procedure as set out in Request for Resolution Plan and proof of payment of Performance Bank



Guarantee/Security Deposit by SRA is annexed at Annexure-N to the application.

10. Thereafter, the Applicant filed an application bearing **IA No. 28 of 2024** on 03.07.2024 (Diary No. E-1646) seeking approval of the Resolution Plan. However, during the hearing before this Tribunal on 12.07.2024, learned counsel for the Applicant sought withdrawal of the application with liberty to file a fresh one within 10 days.
11. Pursuant to the aforesaid order, the Applicant sent an email to the SRA on 14.07.2024, returning back the Resolution Plan dated 12.06.2024 to file the plan again after removing the conditions stated in the Plan. Subsequently, the SRA submitted the Revised Resolution Plan dated 16.07.2024 on 16.07.2024 and the same was discussed in the **7th CoC meeting** held on 18.07.2024 wherein the CoC with 100% voting share approved the plan submitted by Devika Trading Pvt. Ltd. A copy of the 7th CoC meeting and voting result is annexed at Annexure-R to the application.
12. Pursuant to the 7th CoC meeting, the Applicant filed an



application bearing **IA (Plan) No. 34 of 2024** seeking approval of the said **2nd Revised Resolution Plan**. The said IA was heard and this Adjudicating Authority vide its order dated 06.08.2024 raised certain queries. The same order dated 06.08.2024 is reproduced below:

“This is an application filed by the applicant under Section 30 of the IB Code, 2016 seeking approval of the resolution plan.

*After hearing brief submissions of the learned Counsel for the applicant/RP, **we pointed out certain queries in respect of resolution plan at page No. 347 (Para-6), 348 (Para-8) and page No. 363 (middle of the page) primarily for which learned Counsel for the applicant requested for adjournment to clarify after going through entire contents of the Resolution Plan, which is allowed.***

Re-list on 30.08.2024.”

13. In compliance with the same a clarification letter provided by the SRA was submitted before this Adjudicating Authority vide pursis dated 29.08.2024. Thereafter, this Adjudicating Authority, after briefly hearing the Applicant, passed an order and relevant portion is extricated below: -

“Learned Counsel for the applicant Mr. Arjun Sheth, submits that this application may be returned with liberty to conduct another CoC meeting to place before the CoC addendum to the resolution plan through fresh I.A...”

In view of the request made by the learned Counsel for the applicant in presence of the RP, we hereby return the present application to the applicant herein with liberty to conduct another CoC meeting and to file resolution plan,

if any, within a period of three weeks from the date of this order.

With above directions, IA(Plan)34(AHM)2024 is disposed of accordingly.”

14. Pursuant to the said order, the **3rd Revised Resolution Plan** dated 15.09.2024 was submitted by the SRA to the Applicant on 15.09.2024. The **8th CoC meeting** was held on 19.09.2024, and necessary resolutions were put for voting. The CoC, by its 100% voting share, approved the Resolution Plan dated 15.09.2024 submitted by Devika Trading Pvt. Ltd.
15. A scanned copy of the salient features of the Revised Resolution Plan submitted by the SRA and approved by the CoC, in its 8th meeting on 19.09.2024, is as under:-

40. That the following are the salient features of the Revised Resolution

Plan submitted by SRA and approved by the CoC of the CD:

- i. The total resolution plan amount is Rs. 16,43,00,000/-.

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- ii. Effective Date has been considered as the Date of Approval of the Proposed Resolution Plan by this Hon'ble AA.
- iii. The payment schedule of Resolution Debt/Settlement of Past Dues is as under

Particulars	Proposed Amount (Rs.)
CIRP Cost- CIRP cost (Till date) Subject to further changes i.e., fees will payable to Valuers, Auditors, IBBI & Resolution Professional	0.41 Cr.
As per IBC, 2016 section 30(2)(a) and CIRP Regulation 2016 section 38(1)(a) the CIRP cost shall be paid from the RA's Resolution Plan Payment and same shall be paid in priority to any other creditors.	
Workmen & Employees Payment: As per IM there is no Claim made by workmen & Employees if any before IRP/RP so accordingly, RA is not proposing any payments to Workmen and Employee under this resolution plan	Nil
As per IBC, 2016 section 38(1) the due of workmen & employees shall be paid over the financial creditors under the proposed Resolution Plan.	
Payment toward the Un Secured Financial Creditors:- Total amount will be paid Rs. 15 Cr.	Total Rs. 15 Cr. distributed in the following manner:
Payment within 360 days of the NCLT Order to Un-Secured Financial Creditors.	2.00 Cr.
Payment within 720 days of the NCLT Order to Un -Secured Financial Creditors.	2.00 Cr.
Payment within 1080 days of the NCLT Order to Un -Secured Financial Creditors.	2.00 Cr.
Payment within 1440 days of the NCLT Order to Un	2.00 Cr.





-Secured Financial Creditors.	
Payment within 1800 days of the NCLT Order to Un-Secured Financial Creditors.	2.00 Cr.
Payment within 2160 days of the NCLT Order to Un-Secured Financial Creditors.	2.00 Cr.
Payment within 2520 days of the NCLT Order to Un-Secured Financial Creditors.	3.00 Cr.
Total Payment to Un- Secured Financial Creditors	15.41 Cr.
As per the IBC 2016 section 30(2)(b) if any member of the COC who do not vote in favour of a resolution plan he shall receive an amount that is not less than the liquidation value of their debt.	
Payment to Operational Creditors (As per IM there is no claim)	Rs. Nil/-
Payment to Government Dues/ Statutory Dues	Rs. 2,00,000/-
Contingency Fund to meet following	
Working Capital Investment	0.5 Cr.
Contingency	0.5 Cr.
Total Resolution Plan Amount	16,43,00,000/-

- iv. The Resolution Applicant Proposes to pursue Legal proceeding for taking possession back to Corporate Debtor from MIDC and, all legal cost related to release of the said property shall be borne by RA after approval of the Resolution plan by Adjudicating Authority.
- v. The CIRP cost has been estimated by RA to the extent of Rs. 41, 00,000/- (Rs. Forty- One lakhs only) as per Information Memorandum Shared by Resolution Professional. In case CIRP Costs is more than Rs. 41, Lakhs/- then any additional CIRP costs shall be adjusted from the payment of financial creditor in the ratio of their voting power in COC on approval of the Resolution plan by Adjudicating Authority.
- vi. With respect to Claims by Unsecured Financial Creditors submitted beyond its timeline, RA is not Proposing for any payments. However,





if the delay is condoned or if the claim is admitted by Hon'ble Adjudicating Authority, then said claims shall be considered by RA as per the law/ direction of Hon'ble Adjudicating Authority.

- vii. For Operational Creditors other than Income Tax Dues RA is not proposing any payments as there is No Claim as of Now. However, if there are any adjudicated claims received till approval of Resolution Plan by Hon'ble NCLT, then RA is proposing to pay not more than 1% of each of the claim of Operational Creditors and such claims shall be adjusted/paid from the payment of un-secured financial creditor in the ratio of their voting power in CoC.
- viii. **Equity Shareholders:** Value payable to shareholders of the Corporate Debtor is NIL.
- ix. The SRA has provided its Source of Funding and Annexure I and II to the resolution plan has been provided by the SRA.
- x. The SRA has provided for proposed business and revival plan.
- xi. Approvals/ Waivers have been sought by the SRA in the plan.
- xii. It is declared by SRA that the Approvals/Waivers/Reliefs/Specific Orders sought from the Hon'ble NCLT are in the nature of requests, and in case the Hon'ble NCLT does not grant the same due to the same being beyond its purview, the Proposed Resolution Plan shall continue to be binding for RA.
- xiii. The Plan provides for monitoring committee for supervising and implementation of resolution plan.
- xiv. The plan provides for appointment of key managerial personnel and Appointment of Auditor.



16. During the hearing before this Tribunal on 20.11.2024, this Adjudicating Authority raised queries to which the RP sought further two weeks' time to take instructions from the RA. The said order records as under:-

"This is Plan on future basis payment for over a period of seven

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*years from the date of the approval of the Plan. **The substantial portion of the Plan amount is sought to be paid in the later years. Therefore, a question arises before this Bench as to how to secure the unpaid/balance amount of the Plan.***

At this stage, RP who is present in person seeks and is granted further two weeks' time to take instructions from the Resolution Applicant.

Let the same be filed by way of an additional affidavit.

Re-list on 16.12.2024.”

17. During the hearing on 16.12.2024, this Adjudicating Authority recorded that in compliance of the order dated 20.11.2024, an additional affidavit was filed on 09.12.2024 vide inward diary no. D8834 along with copies of SRA and one letter of SRA dated 28.11.2024 giving the reduced timeline for payment of the Resolution Plan amount without the approval of CoC. It directed the RP to place the order dated 20.11.2024 before the CoC and take further instructions in this regard.
18. Thereafter, the RP filed an additional affidavit on 03.01.2025 vide inward diary no. D9207 along with a copy of the **9th CoC meeting** held on 21.12.2024 accepting the reduction of the timeline of payment of Resolution Plan from 7 years to 3 years and the same was recorded vide order dated 21.01.2025 of this Tribunal.
19. As another CoC meeting was held on 21.12.2024, the learned



counsel for the RP, during the course of hearing on 10.03.2025, undertook to file revised Form-H.

20. In compliance of the order dated 10.03.2025, an additional affidavit was filed under inward diary no. D1807 on 19.03.2025 to place on record the Revised Form-H dated 15.03.2025 and summary of valuation details. In the said affidavit, it is stated that: -

1. *That the present affidavit is being filed pursuant to order dt. 10.03.2025 passed by this Hon'ble Adjudicating Authority in the captioned matter.*
2. *That I seek to place on record copy of the revised Form H which is annexed hereto and marked as Annexure- A.*
3. *The summary of the valuation details in the matter of CD is annexed hereto and marked as Annexure- B.*
4. *That the valuation in Land and Building class of the Corporate Debtor was done by Valuers Mr. Sunil Dhingra and Mr. Yatendra Paliwal. Copy of the valuation report dt. 18.06.2024 along with its Addendum dt. 16.07.2024 submitted by Mr. Sunil Dhingra and, copy of the valuation report dt. 18.06.2024 along with its Addendum dt. 16.07.2024 submitted by Mr. Yatendra Paliwal is annexed hereto and marked as Annexure- C.*
5. *That the valuation in Securities and Financial Assets class of the Corporate Debtor was done by Valuers Mr. Ramesh Totla and Mr. Ankit Gupta. Copy of the valuation report dt. 06.03.2024 submitted by Mr. Ramesh Totla and, copy of the valuation report dt. 05.03.2024 submitted by Mr. Ankit Gupta is annexed hereto and marked as Annexure - D.”*



21. The Applicant has also filed the Written Submissions and convenience compilation under the inward diary no. D1926 dated 21.03.2025.

22. As per Clause 8 of the Resolution Plan (page 385 of the application), the total cost of the Resolution Plan is Rs. 16.43 Crores. The Resolution Plan proposes the following payments towards the following class of creditors: -

8. SUMMARIZED FORMAT OF RESOLUTION AMOUNT PAYMENT SCHEDULE

Particulars	Admitted Claims (Rs)	Final Resolution Plan offer Amount in Crore	Days from the Date of NCLT Order (Rs in Crore)							
			60	360	720	1080	1440	1800	2160	2520
Unsecured Financial Creditors	9,19,92,14,569/-	15.00 Cr.		2.00 Cr.	2.00 Cr.	2.00 Cr.	2.00 Cr.	2.00 Cr.	2.00 Cr.	3.00 Cr.
Statutory Dues	82,54,238/-	0.02 Cr		0.02 Cr						
Operation Creditors	Nil	Nil								
CIRP Cost		0.41 Cr	0.41 Cr							
Working Capital		0.50 Cr								
Payment towards Contingency Fund		-0.50 Cr								
Total	Rs. 16.43 Crores (Rs Sixteen Crore Forty Three lakhs Only)									

23. However, in compliance with the order dated 16.12.2024, the SRA submitted a revised payment schedule vide affidavit dated

26.12.2024, which was approved in the 9th CoC meeting held on 29.12.2024. A scanned copy of the same is as under:

Evaluation summary of reduced timeline in Payment of Resolution Plan amount

i. Payment in Terms Resolution Plan – Offer Amount Rs 16.43 Cores

Particulars	Proposed Amount
CIRP Cost (Till date) subject to further changes i.e fees payable to Advocate, Valuers, Auditors, IBBI & Resolution Professional. CIRP Cost shall be paid within 30 Days from the date of the order of NCLT.	Rs 0.41 Crore
Payment to Government Dues/ Statutory Dues. Shall be paid within 30 days from the date of order of NCLT in Priority over Unsecured Financial Creditors	Rs 2,00,000/-
<u>Payment to Un Secured Financial Creditors (Total Rs 15 Crore)</u>	Total Rs 15-Crore will be paid in following manner

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Payment within 1 Year from the date of the order of the NCLT	Rs 5 Cores
Payment within 2 Year from the date of the order of the NCLT	Rs 5 Cores
Payment within 3 Year from the date of the order of the NCLT	Rs 5 Cores
Total Payment to Unsecured Financial Creditors	Rs 15.00 Cores
Payment to workmen and Employees Dues (As per IM there is no Claim)	Rs NIL
Payment to Operational Creditors other than Govt Dues/ Statutory Dues (As per IM there is no Claim)	Rs NIL
Working Capital (as per requirement)	0.50 Cores
Contingency Fund (as per requirement)	0.50 Cores
Total	Rs 16,43,00,000/-
Final Offer (Total Resolution Plan Amount) Rs Sixteen Crore Forty Three Lakhs only.	Rs 16.43 Cores

24. As per Clause 9 of the Resolution Plan, the Source of Fund is as under: -

9. SOURCE OF FUNDING

The Source of Funding of Resolution Plan Amounting to Rs 16.43 Crores as under

Sr No	Particulars	Rs in Crore	Remarks / Annexures
1	Financial Investor Adon Textiles Private Limited has agreed and accepted the proposal of RA for subscription of Debentures (CCDs) aggregating to Rs. 15/- Crores to be issued by the RA	15.00	Net Worth Certificate and Letter of investment Proposal issued by Adon Textiles Private Limited along with its Bank/Fixed Deposit Balance Certificate issued by Axis Bank amounting to Rs. 21.13 Crores is given in Annexure 1
2	Own source of funds	1.43	Own Net worth (Rs. 4.61 Crores). Net Worth Certificate is given in Annexure 2
	Total	16.43	

25. In respect of the **Management and Control of the Business of Corporate Debtor** during the Resolution Plan, in Clause 11 of the Resolution Plan, it is stated that: -

Board of Directors Approval of the Resolution Plan by NCLT will be treated as Approval for Existing Board to retire and entail new Promoters to appoint Directors to take over the Management of the Company for better operations within 90 days of the Effective Date. The RA will appoint Directors as per Statutory requirements or more, who may be in Executive/Non- executive Directors in Capacity.

The RA has informally identified people for the Constitution of the Board with regard to Managing Director, Executive Directors, Non-executive Directors etc. for the Company but they will be

appointed at the later stage by the Board.

The following person will be appointed as Director.

- 1. Ms. Krutika Vijay Dasarwad (Din No 10746151)*
- 2. Mr. Chirag Navinchandra Shah (Din No 10746090)*

Note:

"Effective Date" means the Date of Approval of the Proposed Resolution Plan by the NCLT.

26. In respect of the **Implementation and Supervision of the Resolution Plan**, Clause 13 of the Resolution Plan state as under: -

Once the Resolution Plan is approved by the Hon'ble NCLT, a monitoring Committee for the purpose of supervising implementation of the resolution plan shall be appointed consisting of:

- i. **Mr. Paresh Chandul Mehta as Insolvency Professional having Reg. No. IBBI/IPA-03/IPA-003/IP-N00099/017-2018/1100 as Monitoring Professional,***
- ii. **One authorized representative of resolution applicant,***
- iii. **One authorized Member of CoC (Unsecured financial creditors)***

The Monitoring Professional shall be paid suitable remuneration as agreed by the Monitoring Committee. The Monitoring Committee shall supervise the affairs of the Company from the effective date till the date of complete implementation of the Resolution Plan.

Appointment of Key Managerial personal


This appointment shall be made as and when required to meet the requirement of the operation and regulatory requirements

Appointment of Auditor

The Resolution Applicant proposes to change the existing statutory auditor on approval of the Resolution plan by Adjudicating Authority.

27. Under Clause 15 of the Resolution Plan, the RA has given the following confirmation and declaration as per IBC, 2016 and regulations made thereunder:

- a) *RA declares and confirm under Regulation 38(1B) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 that the RA or any of its promoter, director and relative parties has not failed to implement or contributed to the failure in past in any approved resolution plan.*
- b) *RA declares and confirm under Regulation 38(3)(b) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 that the projection financial plan enclosed with this proposed binding resolution plan is feasible and viable and fund will be managed by RA for the future business of Corporate Debtor.*
- c) *RA declares and confirm under Regulation 38(3)(a) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 that the RA was understood the reason of failure of Corporate Debtor, which led due to slowdown in various segment of business of the Corporate Debtor.*
- d) *RA declares and confirm under regulation 38(3)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 RA has made enough provisions for emphatic implementation of the Proposed Binding Resolution Plan and the same has stated in detail above in the Plan.*
- e) *RA declares and confirms under regulation 38(3) (d) of the IBBI (Insolvency Resolution Process for Corporate Persons)*



Regulations, 2016 that RA will take care all necessary approval required for implementation of Binding Resolution Plan, within the time period as specified in the law.

- f) RA declares and confirm as per regulation 38(3)(e) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 that RA has the capability to implements the Binding Resolution Plan.*
- g) RA declares and confirms as per Section 29A of the Insolvency and Bankruptcy Code, 2016 that RA is eligible for Resolution Plan and any of the people related for RA, nowhere connected to Corporate Debtor.*
- h) We hereby declare that we have read and understood all the terms and conditions relating to the formulation of resolution plan and hereby express our interest in the submission of resolution plan for the said Company.*
- i) We further declare that the resolution plan is not in contravention of provisions of the Applicable Law and conforms to other requirements as may be specified by the Insolvency and Bankruptcy Board of India.*
- j) We also hereby declare that any confidential information of the Company that has come to our knowledge or might come to our knowledge during the insolvency resolution process shall not be divulged by us.*
- k) We hereby agree to invest the funds as proposed in the Resolution Plan. We understand that the Resolution Professional and/or the CoC have further right to renegotiate the terms of this Resolution Plan and the decision of the Resolution Professional and/or the CoC in selection of the Successful Resolution Applicant shall be final and binding on us.*
- l) We acknowledge that the Resolution Plan submitted is irrevocable and once the Resolution Plan is received and accepted, it shall not be transferable/ assignable.*
- m) We undertake to provide the Resolution Professional, the CoC and the CoC's advisor with any further information as*



may be requested by them. In case any of the provisions of this resolution plan are in contradiction to the Request for Resolution Plan (Information Memorandum) and Evaluation Matrix issued by the Resolution Professional, then the terms of this resolution plan shall prevail.

- n) We undertake and confirm that the Financial Proposal submitted as part of the Resolution Plan is unconditional and irrevocable and acknowledge and agree that the CoC reserves the right to negotiate better terms with the Resolution Applicants and any decision taken by the COC and/or the Resolution Professional in relation to the Resolution Plan and the Resolution Plan Submission Process shall be final and binding on the Resolution Applicant. Further, in addition to the undertaking set out above, the Resolution Applicant confirms that all the confirmations, declarations and representations made in the Resolution Plan are valid as on the date of this Undertaking and acknowledge that Authorized Representative or the Resolution Professional may at their sole discretion be free to cancel our Resolution Plan and encase the Earnest Money Deposit and attract penal action under the code where such confirmations, declarations and representations are found to be incorrect or misleading.
- o) We undertake that we will provide for additional fund to the extent required for the purposes under sub-regulation (1) of regulation 38.

28. As per the revised Form-H dated 15.03.2025, the **Fair Value** and the **Liquidation Value** of the Corporate Debtor is arrived at **Rs. 15,15,15,731/-** and **Rs. 10,14,40,009/-** respectively.

29. The List of Financial Creditors of the Corporate Debtor, being members of the CoC, and distribution of voting share among them is as under: -



Sr. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for / Dissented / Abstained)
1	Vignaharta Corrugators Pvt Ltd CIN U74990MH2009PTC196826) RM-81, Sudarshan Nagar, MIDC, Phase-II, Dombivli (East), Mumbai,- 421201	1.69%	Voted for
2	Anukaran Consultancy Pvt Ltd, (CIN U74140MH2009PTC194927) 25th Floor-2, Plot No 59/61, Arsiwala Mansion, Nathalal Parikh Marg, Coloba- Mumbai-400005.	59.65%	Voted for
3	Bodal Conpro Pvt Ltd , (CIN U45201DN2007PTC000234) Gala No.107, Everest Industrial Estate, Near 66 KVA Power Substation, Amlī, Silvassa, Dadar& Nagar Haveli-396230	6.63%	Voted for
4	Conart Conpro Pvt Ltd (CIN U45201DN2006PTC000218)) Gala No.108, Everest Industrial Estate, Near 66 KVA Power Substation, Amlī, Silvassa, Dadar& Nagar Haveli-396230	5.00%	Voted for
5	Madhu Crimpers Pvt Ltd (CIN U17100MH1986PTC041758) Office no-122,1st Floor, Paras Center, A, Tata Road No-2, Opera House Mumbai MH 400004	3.65%	Voted for
6	Ritu Multitrade Service Pvt Ltd (CIN U74900MH1988PTC046216 Office No-27A, Mezzanine Floor, Swadeshi Mill Building, Opera House, J.S.S. Road, Girgaon, Mumbai-400004	6.45%	Voted for
7	Taban Real Estate Pvt Ltd (CIN U70109MH2010PTC209037) Office No-127, 1st Floor, A- Paras Center, Tata Road No-2 Opera House, Mumbai-400004	3.65%	Voted for
8	Wellworth Apparels Pvt Ltd (CIN U1720MH2009PTC194116) Office No M 2, Mazine Floor, Pearl Plaza, Tata Road No 2, Opera House, Mumbai-400004	13.37%	Voted for
	Total		100% - Voted for (Majority) Nil - Dissented Nil - Abstained

30. As per the revised Form-H, **the amounts provided to the Stakeholders** under the Resolution Plan are as under: -

7. The amounts provided for the stakeholders under the 3rd Revised Resolution Plan including revised reduced time line of the payment of Resolution Plan amount from 7 years to 3 years is as under:

(Amount in Rs)

Sr. No.	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan #	Amount Provided to the Claimed Amount (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	NIL	NIL	NIL	NIL
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	NIL	NIL	NIL	NIL
		(ii) who voted in favour of the resolution plan	NIL	NIL	NIL	NIL
		TOTAL [(a) + (b)]	NIL	NIL	NIL	NIL



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2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	NIL	NIL	NIL	NIL
		(b) Other than (a) above:	NIL	NIL	NIL	NIL
		(i) who did not vote in favour of the resolution Plan				
		(ii) who voted in favour of the resolution plan	9,19,92,14,569	9,19,92,14,569	15,00,00,000	1.63%
		TOTAL [(a) + (b)]	9,19,92,14,569 (Rs Nine Hundred and Nineteen Crores Ninety-Two Lakhs Fourteen Thousand Five Hundred and Sixty-Nine only)	9,19,92,14,569 (Rs Nine Hundred and Nineteen Crores Ninety-Two Lakhs Fourteen Thousand Five Hundred and Sixty-Nine only)	15,00,00,000 (Rs Fifteen Crores Only)	1.63%
3	Operational Creditors	(a) Related Party of Corporate Debtor	NIL	NIL	NIL	NIL
		(b) Other than (a) above:	NIL	NIL	NIL	NIL
		(i) Government (Shall be paid within 30 days from the date of order of Hon'ble	82,54,238 (Rs Eighty Two Lakhs Fifty Four	82,54,238 (Rs Eighty Two	2,00,000 (Two	2.42%



Madhul Dinkaj Pamecha

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		NCLT in Priority over Unsecured Financial Creditors.	Thousand Two Hundred and Thirty Eight Only)	Lakhs Fifty Four Thousand Two Hundred and Thirty Eight Only)	lakhs only)	
		(ii) Workmen	NIL	NIL	NIL	NIL
		(iii) Employees	NIL	NIL	NIL	NIL
		(iv) Supplier/Creditors	NIL	NIL	NIL	NIL
		TOTAL[(a) + (b)]	82,54,238	82,54,238	2,00,000	2.42%
4	Other debts and dues	Creditors of Other Category:	NIL	NIL	NIL	NIL
		(i)	NIL	NIL	NIL	NIL
		(ii)	NIL	NIL	NIL	NIL
5	CIRP Cost	CIRP Cost (Estimated till date subject to further changes i.e fees will be payable to Advocate, Auditors, IBBI & Resolution Professional. CIRP Cost shall be paid within 30 Days from the date of the date of order of Hon'ble NCLT)	40,52,599 (Rs Forty lakhs Fifty-Two Thousand Five Hundred and Ninety-Nine only)	40,52,599 (Rs Forty lakhs Fifty-Two Thousand Five Hundred and Ninety Nine only)	41,00,000 (Rs Forty -One lakhs Only)	100%
Total			9,21,15,21,406 (Rs Nine Hundred and Twenty-One Crores	9,21,15,21,406 (Rs Nine Hundred and	15,43,00,000 (Rs Fifteen Crores Forty	1.68%



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	Fifteen Lakhs Twenty-One Thousand Four Hundred and Six Only	Twenty-One Crores Fifteen Lakhs Twenty-One Thousand Four Hundred and Six Only	- Three lakhs only)	
Need basis for improvement of Operations/ WC/ Refurbishments in debt /Contingency	NIL	NIL	1,00,00,000 (Rs One Crore only)	NIL
Grand Total	9,21,15,21,406 (Rs Nine Hundred and Twenty-One Crores Fifteen Lakhs Twenty-One Thousand Four Hundred and Six Only	9,21,15,21,406 (Rs Nine Hundred and Twenty-One Crores Fifteen Lakhs Twenty-One Thousand Four Hundred and Six Only	16,43,00,000 Round off To Rs 16.43 Cores Rs Sixteen Crore Forty - Three lakhs only)	1.78%



* If there are sub-categories in a category, please add rows for each sub-category.

Amount provided over time under the Resolution Plan and includes estimated value of non-cash components It is not NPV.]

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31. The **interests of existing shareholders** have been altered by the Resolution Plan which are as under: -

8. The interests of existing shareholders have been altered by the 3rd Revised Resolution plan as under:

Sr. No	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
1	Equity	10,00,000	10,00,000	100%	100%

32. The **compliances of the Resolution Plan** are as under:-

9. The compliance of the 3rd Revised Resolution Plan is as under:

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	Page No 6 to Page 16	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	Page 21 to Page 23	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Page 22 and Affidavit on Rs 500 Stamp Paper dated 15/03/2024	Yes
[Section 30(2)]	Whether the Resolution Plan-		
	(a) Provides for the payment of insolvency resolution process costs?	Page 13	Yes
	(b) Provides for the payment to the operational creditors?	Page 14 and Page 15	Yes
	(c) Provides for the payment to the financial creditors who did not vote in favor of the resolution plan?	Not Applicable	Coc member has voted (100%) in favour of the Resolution plan, Hence This clause is not applicable.
	(d) Provides for the management of the affairs of the corporate debtor?	Page 20	Yes



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	(c) adequate means for supervising its implementation?	Page 20 to Page 21	Yes
38(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default? (b) it is feasible and viable? (c) it has provisions for its effective implementation? (d) it has provisions for approvals required and the timeline for the same? (e) the resolution applicant has the capability to implement the resolution plan?	Page 8 to 21 and Page No 9 to 14 of Additional Affidavit Dated 26/12/2024 (E Filed on 31/12/2024) of CoC approved revised time line of Payment of Resolution plan amount from 7 years to 3 years.	Yes Yes Yes Yes Yes
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Page 19	No
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Page 14	Yes

33. We have heard the Ld. Counsel for the Applicant/RP and perused the Resolution Plan and related documents submitted along with the Application and filed during the proceedings before this Tribunal.

34. Before advertng to the proposals made in the Resolution Plan and deciding on the approval or otherwise of the same, we

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consider it appropriate to refer to the relevant facts leading to the submission of the Resolution Plan by the Resolution Applicant and approval of the same by the CoC.

Observation of the Tribunal:

35. The Corporate Debtor is a private limited company incorporated on 07.02.2000. It is classified as non-govt. company and is registered with the Registrar of Companies, Ahmedabad.
36. A Financial Creditor of the CD – **Vignaharta Corrugators Private Limited**, having address of RM-81, Sudarshan Nagar, MIDC, Phase II, Dombivli (East), Mumbai -421201, filed an application under Section 7 of the IBC, 2016, bearing CP(IB) No.153 of 2023, on 05.06.2023, seeking initiation of the CIRP of the Corporate Debtor - Cyber Infosystems and Technologies Pvt. Ltd., having registered address of Gala No. 106, Everest Industrial Estate, Near 66 KVA Power Station, Amli, Silvasa, Dadar and Nagar haveli -396230. This Adjudicating Authority vide its order dated 13.10.2023 admitted the Corporate Debtor in the CIRP and, as proposed by the financial creditor, appointed Mr. Modilal Dhanraj Pamecha, as IRP. The IRP was later confirmed as the RP of the Corporate Debtor.



37. The Application of Vignaharta Corrugators Private Limited provided that it had advanced a loan of Rs 3,00,00,000 to the corporate debtor on 30.03.2016. The loan was advanced without any security. The bank account statement bearing account number CBCA/01/000795 of Vignaharta showed that the amount of Rs. 3,00,00,000 was advanced out of Rs 6,00,00,000 received on the same date by it from one Udit Textiles Private Limited. Out of this Rs 6 crores, another Rs. 3 Crores was paid by Vignaharta to one Anukaran Consultancy. It is noted that Anukaran Consultancy is another unsecured financial creditor of the corporate debtor whose outstanding amount is Rs. 547.89 Crores. It is also noted that, the interest at the rate of 22% per annum to be compounded on a quarterly basis and the principal amount was to be repaid by CD as a bullet repayment along with interest within a period not exceeding five years. The terms of loan were not explicit about the date of repayment. The terms also include 2% overdue interest above return on investment in case of default of repayment on due date. The total amount outstanding as on 01.04.2021 became Rs. 11,99,79,693. This default in payment led to the filing of application under section

7 of the IBC by Vignaharta Corrugators Private Limited.

38. Subsequent to the admittance of the CD to the CIRP, the IRP made a public announcement in Form-A to invite claims from the creditors of the Company on 18.10.2023 and the claims were to be submitted by 30.10.2023.
39. The RP vide letter dated 07.11.2023 informed this Tribunal that claims were received from two creditors only, and out of the same, the claim of only one Financial Creditor was admitted, and a Committee of Creditor was constituted as given below:

Sr No	Names of the Creditors	Amount claimed & Admitted (Rs)	%
1	Un Secured Financial Creditors Vignaharta Corrugators Private Ltd (CIN U74990MH2009PTC196826) RM-81, Sudarshan Nagar, MIDC, Phase-II, Dombivli (East), Mumbai-421201	15,51,29,097	100
	Total	15,51,29,097	100%

40. Only one Financial Creditor, namely Vignaharta Corrugators Private Limited, who had filed the application under section 7 of the IBC, attended the first COC held on 14.11.2023.
41. The RP vide letter dated 12.12.2023 again informed this Tribunal



about the reconstitution of the COC based on the claims received from the unsecured Financial Creditors and operational creditors. It is noted that claim of the second creditor was under verification at the of first CoC meeting. The list as provided is given below:

Sr No	Names of the Creditors	Amount claimed & Admitted (Rs)	Voting right %
1	Un Secured Financial Creditors Vignaharta Corrugators Private Ltd (CIN U74990MH2009PTC196826) RM-81, Sudarshan Nagar, MIDC, Phase-II, Dombivli (East), Mumbai- 421201	15,51,29,097	2.75%
2	Anukaran Consultancy Pvt Ltd. (CIN U74140MH2009PTC194927) 25 th Floor-2, Plot No 59/61, Arsiwala Mansion, Nathalal Parikh Marg, Coloba- Mumbai-400005.	5,47,89,83,205	97.25%
	Total (A)	5,63,41,12,302	100%
3	Operational creditors (Income Tax Demands, Government Dues) -(B)	82,54,238	0%
	Total (A+B)	5,64,23,66,540	100%

42. The second COC meeting held on 14.12.2023 was attended by the above-mentioned two Financial Creditors. The meeting took note of the updated list of creditors and COC given hereunder:



Sr No	Unsecured Financial Creditors	Claimed and Admitted (Rs in Cores)	Percentage Share (%)
1	Vignaharta Corrugators Pvt Ltd	15.51	2.75 %
2	Anukaran Consultancy Pvt ltd	547.90	97.25 %
	Total (A)	563.41	100%
1	Operational Creditors (B)	0.83	Nil
	Total (A+B)	564.24	100%

43. The Applicant vide letter dated 21.01.2024 informed this Tribunal regarding the further reconstitution of the COC. It was stated that the COC is reconstituted on 21.01.2024 on the basis of claims received from unsecured financial creditors and was kept under verification to obtain the required information/clarification from the creditors. These additional claims were received after the due date of 30.10.2023. The COC was reconstituted as given below:

Sr No	Names of the Creditors	Amount claimed & Admitted (Rs)	Voting right %
1	Un Secured Financial Creditors Vignaharta Corrugators Private Ltd (CIN U74990MH2009PTC196826) RM-81, Sudarshan Nagar, MIDC, Phase-II, Dombivli (East), Mumbai- 421201	15,51,29,097	1.69%



2	Anukaran Consultancy Pvt Ltd. (CIN U74140MH2009PTC194927) 25 th Floor-2, Plot No 59/61, Arsiwala Mansion, Nathalal Parikh Marg, Coloba- Mumbai-400005.	5,47,89,83,205	59.56%
3	Bodal Conpro Pvt Ltd (CIN U45201DN2007PTC000234) Gala No.107, Everest Industrial Estate, Near 66 KVA Power Substation, Amlti, Silvassa, Dadar & Nagar Haveli-396230	60,99,01,468	6.63%
4	Conart Conpro Pvt Ltd (CIN U45201DN2006PTC000218) Gala No 108, Everest Industrial Estate, Near 66 KVA Power Sub Station, Amlti, Silvassa DN 396230	46,01,13,750	5.00%
5	Madhu Crimpers Pvt Ltd (CIN U17100MH1986PTC041758) Office no-122, 1 st Floor, Paras Center A, Tata Road No-2, Opera House, Mumbai MH 400004	33,57,54,424	3.65%
6	Ritu Multitrade Services Pvt Ltd (CIN U74900MH1988PTC046216) Office No-27A, Mezzanine Floor, Swadeshi Mill Building, Opera House, J.S.S. Road, Girgaon, Mumbai-400004	59,34,71,638	6.45%
7	Taban Real Estate Pvt Ltd (CIN U70109MH2010PTC209037) Office No-127, 1 st Floor, A- Paras Center, Tata Road No-2 Opera House, Mumbai-400004	33,58,85,353	3.65%
8	Wellworth Apparels Pvt Ltd (CIN U1720MH2009PTC194116) Office No M 2, Mazine Floor, Pearl Plaza, Tata Road No 2, Opera House, Mumbai-400004	1,22,99,75,634	13.37%
	Total (A)	9,19,92,14,569	100%
9	Operational creditors (Income Tax Demands, Government Dues) –(B)	82,54,238	0%
	Total (A+B)	9,20,74,68,807	100%

44. Regulation 6 (3) of the IBBI (Resolution Process for Corporate Persons) Regulations 2016 (hereinafter as, “CIRP Regulations”)



provides for submission of the proofs of claim within 14 days from the appointment of the IRP. As informed to this Tribunal, the IRP had received only two claims earlier, but now has added six more unsecured financial creditors. Operational creditors for claims of Rs 82,54,238 were also added. However, the Applicant has not specified the dates of receipt of these additional claims and why those were admitted.

45. Regulation 6A of the CIRP Regulation required the IRP to send a communication along with a copy of the public announcement made under regulation 6, to all the creditors as per the last available books of account of the corporate debtor through post or electronic means wherever the information for communication is available. However, the Application or the documents on record do not indicate whether the IRP fulfilled these requirements.

46. The IRP also visited CD's registered office at Gala No. 106, Everest Industrial Estate, Near 66 KVA Power Substation, Amli, Silvassa, Dadra & Nagar Haveli. The Application does not indicate whether it had access to the books of account, records and other relevant documents and information, to the extent



relevant for discharging his duties under the IBC, of the corporate debtor. The Application does not provide details of the assets and valuation of those assets at the Registered office. The IRP also did not provide any information whether he met any persons of the CD at Silvasa office.

47. The 3rd meeting of CoC was held on 05.03.2024, wherein it was resolved to appoint M/s D D N D & Associates, Chartered Accountants, for conducting the Transaction Audit for assisting the RP in the determination of transactions covered under Section 43, 45, 50 or 66 of the Code. As per the audit report for the period from 01.04.2021 to 13.10.2023, there were **nil avoidance transactions**. The Applicant has not submitted the transaction audit report along with the Application.

48. **Information Memorandum** is attached as Annexure F (pages 118 to 126) to the Application. This was updated on 11.06.2024. As per the IM, the corporate debtor was incorporated on 07.02.2000, and the paid-up capital is Rs 1,00,00,000. The 10,00,000 shares of the company are equally held, 5,00,000 each, by two companies, namely Express Suiting Pvt Ltd and
Cubical Reality Pvt Ltd. The Memorandum states that the last



AGM was held on 30.09.2022 (as per records of MCA), and as per records of the MCA, its last balance sheet was filed on 31.03.2022. There are two directors in the company, namely Daljeet Singh and Gurchet Singh. There are no assets in the Plant and Machinery class. The financial assets as per the audited balance sheet as of 31.03.2023 and 31.10.2023 are of Rs 59,83,77,374 and Rs 61,83,71,597 respectively. These included Rs 9,86,45,887 as net deferred tax assets. It is noted that the deferred tax assets represent the tax credits a person may get in future due to available business loss for set off against the business income. Similarly, the book value of assets was Rs 32,59,30,782 and Rs 22,08,72,309 respectively on the respective dates. Claims from secured financial creditors were NIL, and unsecured financial creditors' claims were Rs 919,92,14,569. The claims from the Income Tax Department were of Rs 82,54,238. The information about these claims is available on page 124 of the Application, and the same is extracted below:

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Claim from Financial & Operational Creditors

Sr No	Name of the Creditor	Amount Claimed (Rs)	Amount Admitted	Nature of Claim
Secured Financial Creditors	No Claim	Nil	Nil	Nil
Unsecured Financial Creditors				
Receipt within 14 days from Appointment of IRP (Upto 30/10/2023)				
1	Vignaharta Corrugators Pvt Ltd	15,51,29,097	15,51,29,097	Unrelated Party
2	Anukaran Consultancy Pvt Ltd	5,47,89,83,205	5,47,89,83,205	Unrelated Party
	Total (A)	5,63,41,12,302	5,63,41,12,302	
Receipt up to 90th day of commencement of CIRP (Upto 14/01/2024)				
3	Bodal Conpro Pvt Ltd	60,99,01,468	60,99,01,468	Unrelated Party
4	Conart Conpro Pvt Ltd	46,01,13,750	46,01,13,750	Unrelated Party
5	Madhu Crimpers Pvt Ltd	33,57,54,424	33,57,54,424	Unrelated Party
6	Ritu Multitrade Services Pvt Ltd	59,34,71,638	59,34,71,638	Unrelated Party
7	Taban Real Estate Pvt Ltd	33,58,85,353	33,58,85,353	Unrelated Party
8	Wellworth Apparels Pvt Ltd	1,22,99,75,634	1,22,99,75,634	Unrelated Party
	Total (B)	3,56,51,02,267	3,56,51,02,267	
	Total of (A+B)	9,19,92,14,569	9,19,92,14,569	
Operational Creditors (Govt Department)				
9	Income Tax Dept , Ministry of Finance Govt of India	82,54,238	82,54,238	Unrelated Party
	Grand Total of Claim	9,20,74,68,807	9,20,74,68,807	

49. Pages 324 and 325 of the Application refers to additional claims of Rs 1421.50 crores which were received by the RP in Form C



from Unsecured Financial Creditors and have been rejected with reasons communicated to claimants which are filed after the last date of submission as per public announcement and after the approval of resolution plan by COC. The details of these claims, as given in the Application, are extracted as below:

Sr No	Particulars	Claim filed on	Last date of submission of Claim as per Public Announcement	Delay in days from last of its submission	Amount (Rs in Crores)	Other pending Documents
1	Unsecured Financial Creditor UCO Bank, Branch office: Asset Management Branch , UCO Bank Building, 4 th Floor, 359, Dr D N Road, Fort Mumbai, 400001	08/08/2024	30/10/2023	283	600.05	Documents for invocation of Corporate Guarantee, Calculation of Interest, penal Interest and other charges.
2	Abhinandan Multitrade Pvt ltd Office No 24, Mezzanine Floor, Swadeshi Mill Compound, Plot No 80/84, Opera House, J.S.S Road, Girgaon Mumbai-400004.	30/08/2024	30/10/2023	305	260.27	Calculation of Interest, penal Interest and other charges.

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3	Charms Holding Pvt Ltd Room No 8, Patel Pada, Samarvani, Silvassa, Dadra Nagar Haveli- 396230	05/09/2024	30/10/2023	311	96.37	Documents for invocation of Corporate Guarantee, Calculation of Interest, penal Interest and other charges.
4	Express Suiting Pvt Ltd Office No 122, 1 st Floor, Paras Center A, Tata Road No 2, Opera House, Mumbai- 400004	05/09/2024	30/10/2023	311	341.04	Documents for invocation of Corporate Guarantee.
5	Eloquent Traders Pvt Ltd Flat No 304, Cosmicity Jupiter, H.No. 1615/20 Build Type- C, Sayli, Silvassa, DNH-396230	12/09/2024	30/10/2023	318	77.72	Documents for invocation of, Calculation of Interest, penal Interest and other charges.
6	Conart Conpro Pvt Ltd Office No 108, Everest Industrial Estate, Near 66 KVA Power Sub Station, Amla, Silvassa, DN 396230	12/09/2024	30/10/2023	318	46.05	Documents for invocation of Corporate Guarantee.
			Total		1421.50	

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50. The above list shows that the CD gave a guarantee of Rs 600.05 Crores to UCO Bank indicating some entity close to the CD took a loan from UCO Bank for which it provided a guarantee.
51. Express suiting (P) Ltd, appearing at Sr. No. 04 above, which has claims of Rs 341.04 cores, is one of the shareholders of CD.
52. The CD is held by two companies, namely Express Suiting Pvt Ltd and Cubical Realty Pvt Ltd. The directors of Express Suiting Pvt Ltd are Shri Chetan Vinodbhai Patel and Shri Prem Singh. The directors of Cubical Realty Pvt Ltd are Shri Daljeet Singh, Shri Dineshbhai Ramubhai Ahir and Shri Ashokbhai Ramubhai Bhandari. Shri Daljeet Singh is one of the directors of CD. The information on the CD's beneficial owners to the level of individuals is not available in the Application.
53. It is seen from the MCA master data that Wellworth Apparels Pvt Ltd (with a claim of Rs 122, 99,75,634), Bodal Conpro Pvt Ltd (claim of Rs 60,99,01,468), and Anukaran Consultancy Pvt Ltd (claim of Rs 547,89,83,205) have Shri Chetan Vinodbhai Patel as director, who is also a director in Express Sitings Private Limited, a shareholder of CD. This indicates that Shri Chetan Vinod Bhai



Patel is a common director in the corporate entity owning the CD and some of the unsecured financial creditors of whom claims have been admitted.

54. Shri Daljeet Singh, a director of the CD has also been a director of Bodal Conpro Private Limited.
55. Considering the above, the finding of the RP that all the unsecured financial creditors are unrelated parties to the CD is not fully correct.
56. The IM noted that audited financial statements from as of the CIRP date and for FY 2022-23, FY 2021-22 are attached as Annexure 1 to the IM, but the same are not attached with the present Application. The Information Memorandum does not provide any other information as required under Regulation 36 of the CIRP Regulations. The IM does not provide any information on all material litigation and ongoing investigations or proceedings initiated by the government or statutory authorities. It does not provide any information on the business carried out by the CD, financial highlights, business performance, which bring out the value as a going concern over and above the assets

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of the corporate debtor, such as brought forward business losses in the income tax returns, key customers, etc. The information memorandum lacked this vital information.

57. Form G (Invitation for Expression of Interest) is attached as Annexure G to the Application. It states that the majority of fixed assets are located at the Silvasa address of the company and does not refer to the MIDC property of the CD at Dombivli, indicating that Form G missed out the main assets of the CD located at Dombivli. Further, the information is also apparently incorrect that the assets are located at Silvasa address.
58. The Application has considered the resolution plan submitted by Devika Trading Private Limited, office No.122, First Floor, Paras Centre A, Tata Road No.2, Opera House, Mumbai, as the Resolution Applicant. Devika Trading Private Limited has another address of Office No. 7C, Ground Floor, Plot 396, Kamat Industrial Estate, Swatantrya Veer Savarkar Marg, Kismet Cinema, Prabhadevi, Mumbai, Maharashtra, India, 400025.
59. Devika Trading Private Limited was incorporated on 30.09.2009 and had a share capital of Rs 1,00,000, and the same was equally

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held by two shareholder companies, namely Avadhesh Trading Private Limited and Asmita Textile and Real Estate Private Limited. The Application does not provide information on the beneficial owners (individuals) of Devika Trading Private Limited.

60. As per page 375 of the Application, Devika Trading Private Limited is in business of “ distributors, merchants, traders, stockist, importers, exporters, entitlement and for that purpose buy, sell distribute or otherwise deal in commodities, goods, article, materials and things of every description and kind including Automobile parts, Ball and Roller bearing beverages, chemicals, cigarettes, cotton, cycle parts, electronics goods, fertilizers, finishing good, Glass material, liquor, Iron and steel, computer parts, hardware, pharmaceuticals, medicines, machineries and equipment, laboratory equipment, building construction materials, nylon synthetics, packing materials, paper and Pulp products, photographic film and paper, PVC and resins, Rubber goods, Tea, Textiles, readymade garments, Timber products, Zipper, Sizing, Gold, Silver, Diamonds, Jewellery and ornaments, gift Articles, Petroleum Products, Lubricant Agricultural products and by-products, telephone

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instrument and accessories, telecommunication components paint, Oil pesticides, insecticide, Electrical and Electronic good, Vehicles and transportation equipments, any other material and substances of all types of varieties and their products and byproducts and compounds of any and every description and kind. No money circulating scheme will be carried out by the Company.”

61. Directors of Devika Tarding Private Limited, as per page 210 of the Application, are Shri Shishpal Sharma and Shri Gurpreet Singh. Net worth of the company is Rs 3,06,11,301, comprising Rs 1,00,000 as share capital and Rs 3,05,11,301 as free reserves (page 236 of the Application). Page 318 of the Application shows Ms. Krutika Dasarwad as the director of the company. Page 313 of the Application shows Chirag Navinchandra Shah as the Director of the company. Therefore, different documents annexed within the application show different directors.
62. As per page 376 of the Application, the shares of Devika Trading Private Limited are owned by three companies, of which information is given below:



Shareholding of Devika Trading Private Limited as on Date

Sl No.	Name	No. of Share, FV of Rs 10 Each	Amount (Rs.)
1.	Avadhesh Trading Private Limited	30000	3,00,000/-
2.	Asmita Textile and Real Estate Private Limited	30000	3,00,000/-
3.	Adon Textiles Private Limited	50000	5,00,000/-
	Total	1,10,000	11,00,000/-

63. The above table shows that Adon Textiles Private Limited is a new shareholder and the share capital of the company has increased from Rs. 1,00,000 to Rs. 11,00,000.

64. Page 253 of the Application provides for the salient features of the Revised Resolution Plan submitted by Devika Trading Private Limited (the SRA). The total resolution plan amount is Rs. 42,43,00,000. The relevant portion is extracted below:

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- i. The total resolution plan amount is Rs. 42,43,00,000/-.
- ii. Effective Date has been considered as the Date of Approval of the Proposed Resolution Plan by this Hon'ble AA.
- iii. The payment schedule of Resolution Debt/Settlement of Past Dues is as under

Particulars	Proposed Amount (Rs.)
CIRP Cost CIRP cost (Till date) Subject to further changes i.e., fees will payable to Valuers, Auditors,	0.41 Cr.
IBBI & Resolution Professional	
As per IBC, 2016 section 30(2)(a) and CIRP Regulation 2016 section 38(1)(a) the CIRP cost shall be paid from the RA's Resolution Plan Payment and same shall be paid in priority to any other creditors.	
Workmen & Employees- Payment As workmen & Employees have not made any claims in CIRP of CD, RA is not proposing any payments to Workmen and Employee under this resolution plan.	Nil
As per IBC, 2016 section 38(1) the due of workmen & employees shall be paid over the financial creditors under the proposed Resolution Plan.	
Payment toward the Un Secured Financial Creditors:- Total amount will be paid Rs. 41 Cr. <ul style="list-style-type: none">• 1 Cr• 40 Cr Total Rs. 41 Cr distributed in the following manner:-	
Payment within 60 days of the NCLT Order to Un-Secured Financial Creditor	1.00 Cr.



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• Rs. 41 Cr.

(As per information in IM property of the CD situated at Plot No. C-3 MIDC Phase II Dombivli Industrial Area, Manpada, Sagaon Village Kalyan, Dist Thane and currently under the custody of MIDC and IA 863 (AHM) 2024 is filed against MIDC before Hon'ble NCLT, Ahmedabad on 20/05/2024.

Total Rs. 40 Cr will be paid in following manner- Rs. 6 Cr will be paid every year for 7 years but after the date of the release of the property by MIDC. Details

is as under:

Payment within 360 days of the NCLT Order to Un- Secured Financial Creditors.	6.00 Cr.
Payment within 720 days of the NCLT Order to Un - Secured Financial Creditors.	6.00 Cr.
Payment within 1080 days of the NCLT Order to Un -Secured Financial Creditors.	6.00 Cr.
Payment within 1440 days of the NCLT Order to Un -Secured Financial Creditors.	6.00 Cr.
Payment within 1800 days of the NCLT Order to Un -Secured Financial Creditors.	6.00 Cr.
Payment within 2160 days of the NCLT Order to Un -Secured Financial Creditors.	5.00 Cr.
Payment within 2520 days of the NCLT Order to Un -Secured Financial Creditors.	5.00 Cr.
Total Payment to Un- Secured Financial Creditors	41.41 Cr.
As per the IBC 2016 section 30(2)(b) if any member of the COC who do not vote in favour of a resolution plan he shall receive an amount that is not less than the liquidation value of their debt.	
Payment to Operational Creditors	Nil/-
Payment to Government Dues/ Statutory Dues	Rs. 2,00,000/-
Contingency Fund to meet any future legal expenses	

INDIA





Working Capital Investment- Invest within on or before (as per requirement) 1 year of the NCLT Order	0.5 Cr.
Payment towards Contingency Fund- Invest within on or before (as per requirement) 1 year of the NCLT Order	0.5 Cr.
Total Resolution Plan Amount	42,43,00,000/-

- iv. The maximum outflow under the Resolution Plan at any instance cannot exceed Rs 42.43 Crore. (excluding interest to financial creditors). It also including all the necessary other expenses to be borne by the CoC

65. The Application contains a copy of IA No. 34 of 2024 (pages 291 to 309). This revised resolution plan provides a total resolution amount of Rs 16,43,00,000. The relevant portion of the same is extracted herein under:

- i. The total resolution plan amount is Rs. 16,43,00,000/-.
- ii. Effective Date has been considered as the Date of Approval of the Proposed Resolution Plan by this Hon'ble AA.
- iii. The payment schedule of Resolution Debt/Settlement of Past Dues is as under

Particulars	Proposed Amount (Rs.)
CIRP Cost CIRP cost (Till date) Subject to further changes i.e., fees will payable to Valuers, Auditors, IBBI & Resolution Professional	0.41 Cr.
As per IBC, 2016 section 30(2)(a) and CIRP Regulation 2016 section 38(1)(a) the CIRP cost shall be paid from the RA's Resolution Plan Payment and same shall be paid in priority to any other creditors.	
Workmen & Employees- Payment As workmen & Employees have not made any claims in CIRP of CD, RA is not proposing any payments to Workmen and Employee under this resolution plan.	Nil





As per IBC, 2016 section 38(1) the due of workmen & employees shall be paid over the financial creditors under the proposed Resolution Plan.	
Payment toward the Un Secured Financial Creditors:- Total amount will be paid Rs. 15 Cr.	Total Rs. 15 Cr. distributed in the following manner:
Payment within 360 days of the NCLT Order to Un-	2.00 Cr.

Secured Financial Creditors.	
Payment within 720 days of the NCLT Order to Un - Secured Financial Creditors.	2.00 Cr.
Payment within 1080 days of the NCLT Order to Un -Secured Financial Creditors.	2.00 Cr.
Payment within 1440 days of the NCLT Order to Un -Secured Financial Creditors.	2.00 Cr.
Payment within 1800 days of the NCLT Order to Un -Secured Financial Creditors.	2.00 Cr.
Payment within 2160 days of the NCLT Order to Un -Secured Financial Creditors.	2.00 Cr.
Payment within 2520 days of the NCLT Order to Un -Secured Financial Creditors.	3.00 Cr.
Total Payment to Un- Secured Financial Creditors	15.41 Cr.
As per the IBC 2016 section 30(2)(b) if any member of the COC who do not vote in favour of a resolution plan he shall receive an amount that is not less than the liquidation value of their debt.	
Payment to Operational Creditors-	Rs. Nil/-
Payment to Government Dues/ Statutory Dues	Rs. 2,00,000/-
Contingency Fund to meet any future legal expenses	
Working Capital Investment- Invest within on or before (as per requirement) 2 year of the NCLT Order	0.5 Cr.



Payment towards Contingency Fund- Invest within on or before (as per requirement) 2 year of the NCLT Order	0.5 Cr.
Total Resolution Plan Amount	16,43,00,000/-

66. Page 328 of the Application refers to the source of funding of the Resolution Plan amounting to Rs 16.43 crores. It is stated that investor Adon Textiles Private Limited has agreed and accepted the RA proposal for subscription of Debentures (CCDs), which is aggregating to Rs 15 crores to be issued by Devika Trading Private Limited. Page 393 of the Application is a letter dated 12.09.2024 issued by Adon Textile Private Limited having an address of Unit No.6, Ground Floor, Kamath Industrial Estate, Opp. Siddhi Vinayak Temple, Mumbai -400025, refers to commitment to investment and subscription to Debentures (CCD) of Devika Trading Private Limited. It is noted that Devika Trading Private Limited is also having one address located on the Ground Floor, Plot 396, Kamat Industrial Estate, Swatantrya Veer Savarkar Marg, Kismet Cinema, Prabhadevi, Mumbai, Maharashtra, India, 400025.

67. Pages 396 and 397 of the Application are Net Worth Certificates



issued by Rishi Sekhri and Associates, Chartered Accountants in the case of Adon Textiles Private Limited. Both are dated 11.09.2024, but the net worth available is stated to be Rs. 23,41,740 (Share capital Rs. 11,00,000 and free reserve of Rs. 12,41,740) on one certificate whereas the second certificate shows net-worth of Rs. 4,61,03,301 (share capital Rs. 11,00,000 and Free Reserve of Rs. 4,50,03,301). It is unclear how a company can have two net worths on the same date.

68. The RP has submitted a **convenience compilation of all the documents** which are relevant for the perusal of the present application on 21.03.2025 with the Tribunal vide Inward No. D-1926, in which there is a copy of latest revised Resolution Plan which was submitted by Devika Trading to the Resolution Professional on 21.03.2025. The document has pages 279 to 442. Relevant additional facts/information available are noted in the following paragraphs.

69. The Plan notes that the resolution plan was submitted on 27.02.2024. The First Revised Resolution Plan was submitted on 12.06.2024. The second revised RP was submitted on 16.07.2024, and 3rd revised resolution plan was submitted on

15.09.2024.



70. The key business of the Corporate Debtor is to develop, import, export and deal in all types of computers, computer software, hardware systems, analysis and allied products, as well as to provide all types of consultancies in the field of computer, internet, information technology, engineering, and industrial. Currently, the business of the corporate debtor is not a going concern (ref. page 283 of the Compilation).
71. There are no assets in the Plant and Machinery class (page 284 of the Compilation).
72. The entire land and building are situated at plot no. C-3 MIDC Phase II Dombivli Industrial Area, Manpada, Sagaon Village Kalyan, Dist. Thane and currently under the custody of MIDC (page 284 of the Compilation).
73. Page 286 of the Compilation refers to the proposed business and revival plan. It reads as: "The Company is interested in acquiring the Corporate Debtor under the Proposed Resolution Plan, with the objective to revive the corporate debtor by developing the private sector information Technology Park according to the main



object of the CD as specified in the Memorandum of Association. The acquisition of the Corporate Debtor would enable the Company to further strengthen its position in the development and establishment of the private sector information Technology Park, according to the main object of the CD in the Memorandum of Association. Further, the company will create new job opportunities to run the company in the existing business of the corporate debtor. The company will recruit suitable men to fill many positions at many levels.

74. Page 286 of the Compilation provides for the business plan for turnaround, and under the heading “Proposal for the takeover and execution of the existing plan: On payment of the Upfront payment under the Proposed Resolution Plan, RA will focus on revival of the business of the CD as per the memorandum of association. The resource requirements for execution of the existing business of the corporate debtor will be from a new and known network of the RA, which the RA knows and has built up on their own as of now.

75. Page 288 of the Compilation shows that the corporate debtor is not a going concern.



76. In regard to unsecured financial creditors, against an admitted claim of Rs. 919,92,14,569, a payment of Rs. 15 crores will be made. Payment of Rs. 5 crores will be made within 1 year of the NCLT order, and then Rs. 5 crores will be paid each year, and full payment will be made within 3 years of the NCLT order.
77. Viability of the Plan is described at page 304 of the Compilation and reads as:

“RA believes that with the help of infusion of additional working capital in the system, the RA will be able to revive the corporate debtor by developing the private sector information Technology Park according to main object of the CD as specified in Memorandum of Association at significantly high capacity so that the information Technology project is expected to operate on good level and start generating profit right from the first year. The entire operational activities shall be taken care of by RA. Thus it is believed that the RA will be able to revive the company in a very short period of time and RA will be able to add substantial value of the company and all its stakeholders which will be beneficial to all stakeholders and it will thus be absolutely in the spirit of IBC 2016.”

78. Regarding Regulation 38(3)(a) of the CIRP Regulations, 2016, the RA states that the RA understood the reason for the failure of the Corporate Debtor, which led to a slowdown in various segments of the business of the Corporate Debtor.

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79. Item 15B of Form-H states that the Committee has recommended under Regulation 39C the sale of the business of the corporate debtor as a going concern and also the sale of the corporate debtor as a going concern.
80. As approved by the CoC in its 2nd and 4th meeting held on 14.12.2023 and 23.03.2024 respectively, the Applicant appointed the two registered valuers, namely, Mr. Ramesh Kumar Totla and Mr. Ankit Gupta for the valuation of securities and financial assets and further two registered valuers, namely, Mr. Yatendra Paliwal and Mr. Sunil Dhingra for the valuation of assets falling in land and building. Since there were no plant and machinery, the valuers for the said class were not appointed.
81. Page 365 of the Compilation shows that the market value and liquidation value of the corporate debtor's land and building as of 13.10.2023 are Rs. 33,43,55,348 and Rs. 29,32,27,218, respectively. The report was prepared by Mr. Sunil Dhingra as of 18.06.2024. The Fair value and liquidation value were revised to Rs. 7,69,25,947 and Rs. 6,15,40,758, respectively.
82. Another valuer, Shri Yatindra Paliwal, had determined the fair

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value and liquidation value of land and buildings as of 13.10.2023 at Rs. 35,55,61,514 and Rs. 30,12,77,860, respectively. These values were revised to Rs. 9,36,37,514 and Rs. 6,55,46,250 vide a report dated 16.07.2024.

83. Shri Ramesh Totla valued financial assets at Rs. 649.70 lakhs (Fair Value) and Rs. 399.55 lakhs (Liquidation Value).
84. Page 437 of the Compilation shows that the CD has non-current investments in the form of shares in KSL and Industries Ltd, K-Lifestyle and Industries Limited, and Eskay Knit India Limited, all of which are under CIRP.
85. Page 439 of the Compilation shows that the CD has made long term loans and investments various companies namely Actif Corporation Limited, Asahi Industries Limited, Eskay Knit (India) Limited, Global Softech Ltd, Jaybharat Textiles and Real Estate Limited, K G Corporation Ltd, K- Lifestyle and Industries Limited, KSL and Industries Limited and Reward Real Estate Company Limited. The book value of long-term loans and advances is of Rs. 35,84,39,720, and all these parties are undergoing the CIRP Process, and CD has not put any claim in these parties, and



therefore, fair value and liquidation value in these classes are taken as NIL by the valuer. Respective Resolution Plans are pending before NCLT for approval.

86. Page 440 of the Compilation shows that CD has trade receivables from Actif Corporation Limited, Jaybharat Textile and Real Estate Limited, K—Life Style Industries Limited, and KSL and Industries Limited totaling Rs 2,58,84,510. All these parties are undergoing CIRP proceedings, and CD has not put any claim in them. Therefore, the fair value and liquidation value in these classes are also taken at NIL by the valuer.

87. The RP has submitted minutes of various CoC meetings, the information about members of CoC (Unsecured Financial Creditors), who attended the meetings (sample basis) as authorized representative of these creditors is given below:

Members who attended the 3rd, 4th and 5th CoC Meeting:

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2 Member of Committee of Creditors (Unsecured Financial Creditors)			
a)	Vignaharta Corrugators Pvt Ltd	Mr Ganesh Desai ,	Authorised Representative
b)	Anukaran Consultancy Private Limited	Ms Neha Patil,	Authorised Representative
c)	Bodal Conpro Private Limited	Ms. Mitali Kohali	Authorised Representative
d)	Conart Conpro Private Limited	Ms. Neha Patil	Authorised Representative
e)	Madhu Crimpers Private Limited	Ms. Priyanka Thakur	Authorised Representative
f)	Ritu Multitrade Services Private Limited	Mr Pawiter Singh	Authorised Representative
g)	Taban Real Estate Private Limited	Mrs Vaishnavi	Authorised Representative
h)	Wellworth Apparels Private Limited	Mr Ganesh Desai	Authorised Representative

Members who attended the 8th CoC Meeting:

2 Member of Committee of Creditors (Unsecured Financial Creditors)			
a)	Vignaharta Corrugators Pvt Ltd	Ms Mitali Kohali	Authorised Representative
b)	Anukaran Consultancy Private Limited	Ms Neha Patil	Authorised Representative
c)	Bodal Conpro Private Limited	Ms Mitali Kohali	Authorised Representative
d)	Conart Conpro Private Limited	Ms Neha Patil	Authorised Representative
e)	Madhu Crimpers Private Limited	Ms Priyanka Thakur	Authorised Representative
f)	Ritu Multitrade Services Private Limited	Mr Pawiter Singh	Authorised Representative
g)	Taban Real Estate Private Limited	Ms Vaishnavi Angchekar	Authorised Representative
h)	Wellworth Apparels Private Limited	Ms Vaishnavi Angchekar	Authorised Representative

Members who attended the 9th CoC Meeting:

2 Member of Committee of Creditors (Unsecured Financial Creditors)			
a)	Vignaharta Corrugators Pvt Ltd	Mr Ganesh Desai	Authorised Representative
b)	Anukaran Consultancy Private Limited	Ms Neha Patil	Authorised Representative
c)	Bodal Conpro Private Limited	Ms Neha Patil	Authorised Representative
d)	Conart Conpro Private Limited	Ms Neha Patil	Authorised Representative
e)	Madhu Crimpers Private Limited	Ms Vaishnavi Angchekar	Authorised Representative
f)	Ritu Multitrade Services Private Limited	Mr Ganesh Desai	Authorised Representative
g)	Taban Real Estate Private Limited	Ms Vaishnavi Angchekar	Authorised Representative
h)	Wellworth Apparels Private Limited	Ms Vaishnavi Angchekar	Authorised Representative

88. The above collated details indicate that the same persons have





represented different creditors at different meetings suggesting that the unsecured financial creditors apparently are associated entities.

89. Minutes of CoC meetings indicate that the unsecured financial creditors have not raised any queries to the RP and also have approved all the resolutions with 100% voting in favour.
90. Page nos. 204 to 245 of IA(Plan) No. 28 of 2024 contains 1st Revised Resolution Plan filed by Devika Trading Private Limited vide letter dated 12.06.2024. Page 214 notes the business plan for turnaround and reads as:

“Proposal for the Takeover and execution of the existing order book/inventory, if any; On Payment of the Upfront Payment under the Proposed Resolution Plan, RA will focus on starting the real estate project by contact basic with valuable customer on goodwill basic. The said action will be the basis on which new Business can be build up. The Inventory requirements for execution of the real estate project will be from new and known network of Suppliers of the RA which the RA knows and have built up on their own as of now.”

91. Further, the Resolution Plan which was filed in this Tribunal through the Convenience Compilation on 21.03.2025 vide Diary No. D-1926. Page 286 provides a write up on the proposed business plan and revival plan and the same reads as:-



*“The Company is interested in acquiring the Corporate Debtor under the Proposed Resolution plan, with the objective to revive the corporate debtor **by developing the private sector information Technology Park** according to main object of the CD as specified in Memorandum of Association.*

The acquisition of the Corporate Debtor would enable the Company to further strengthen its position in development and establishment of the private sector information Technology Park according to main object of the CD in Memorandum of Association.

Further, the company will creates new job opportunities to run the company in existing business of the corporate debtor. The company will recruit suitable men to fill many positions at many levels.”

Analysis and Directions of this Tribunal:

92. The first resolution plan was submitted on 12.06.2024 and placed before this Bench through IA No. 28 of 2024. During the hearing, counsel for the applicant, on instructions from the RP, sought liberty to withdraw and revise the plan. Thereafter, within days, the same resolution applicant submitted a revised plan dated 16.07.2024, which was again approved by the CoC in the 7th meeting with 100% vote.
93. This process repeated once again upon queries raised by the Bench in August 2024, the RA submitted a third revised resolution plan dated 15.09.2024. This was again approved by



the CoC in its 8th meeting with 100% voting share, followed by a subsequent approval to reduce the timeline of payment from 7 years to 3 years in the 9th meeting.

94. Section 31 of the IBC deals with the approval of the resolution plan. Section 31 reads as follows:

“31. Approval of Resolution Plan

(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan.

Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation.

(2) Where the Adjudicating Authority is satisfied that the resolution plan does not conform to the requirements referred to in sub-section (1), it may, by an order, reject the resolution plan.

(3) After the order of approval under sub-section (1),—

(a) the moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and

(b) the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution

process and the resolution plan to the Board to be recorded on its database.

(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later.

Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors.”

95. To our understanding, section 31 requires satisfaction of the Adjudicating authority on two issues:

- a) Whether the resolution plan has provisions for its effective implementation; and
- b) Whether the resolution plan meets the requirements of section 30 (2) read with Regulations 38 and 39 of the CIRP Regulations.

96. Section 30 (2) of the IBC reads as below:

“30. Submission of resolution plan.

(2) The resolution professional shall examine each resolution plan received by him to confirm that each resolution plan—

(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor;



(b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-

(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or

(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53,

whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.

Explanation 1.-For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.

Explanation 2.-For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-

(i) where a resolution plan has not been approved or rejected by the Adjudicating Authority;

(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or

(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;

(c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;

(d) the implementation and supervision of the resolution plan;



(e) does not contravene any of the provisions of the law for the time being in force;

(f) conforms to such other requirements as may be specified by the Board.

Explanation. -For the purposes of clause (e), if any approval of shareholders is required under the Companies Act, 2013 (18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law.”

97. This Tribunal is fully conscious of the principle that judicial intervention by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 must be limited and restrained. As reiterated in a catena of decisions by the Hon'ble Supreme Court, including in **K. Sashidhar (2019 INSC 148)** and **Vallal RCK ((2022) 9 SCC 803)**, the commercial wisdom of the CoC is not to be interfered with, save in exceptional circumstances. However, this Tribunal cannot remain a mute spectator where the very anchor of the insolvency resolution process, the bona fide, and the commercial judgment of the CoC - is corroded by patent arbitrariness and opacity.

98. The Tribunal's doubts are further deepened by the lack of a convincing foundation underpinning the feasibility and viability of the Resolution Plan. While the plan purports to revive the



Corporate Debtor and continue it as a going concern, there is a glaring absence of meaningful financial strategy, operational clarity, or substantiated projections to support such revival as discussed in detail in the following paragraphs.

99. The Corporate Debtor has no plant and machinery and no employees. Presently, CD is not carrying on any business and is not a going concern. The RA has not provided any basis to justify its proposal to purchase the CD as a going concern. The information provided does not indicate the basis of the CoC's approval to sell the CD as a going concern.
100. The RA has proposed to infuse a working capital investment of Rs. 50 lakhs in the CD to carry out the business. The RA has not provided details to justify how it could run/start a business of the CD as a going concern when the CD is totally non-operational and without any plant and machinery. The CoC did not raise any concern on this issue.
101. As per the RP, it accepted claims of Rs 919.92 crores of unsecured financial creditors and it rejected claims of Rs 1421.50 crores as those were not filed within the stipulated

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time. This means that the CD had claims of at least Rs 2341.42 crores from the unsecured financial creditors. This is a huge debt of a company that does not even have plant and machinery. The transaction auditor could not find any avoidance transactions. The resolution plan does not address the cause of default as required by Regulations 38 (3) of the CIRP Regulations. Neither the cause of default is identified nor the proposed Resolution Plan address the same.

102. The liability side of balance sheet has liability of at least Rs 2341.42 crores and against this, the assets as per the information discussed above are not more than Rs 100 crores (financial assets of Rs 59.83 crores and land and building of Rs 22.59 crores) and then how could the asset and liability side of the balance sheet match. The RP has not provided the audited accounts of the CD to this Tribunal. The minutes of first CoC meeting noted that various information is pending from the CD and that included list of bank accounts, back up of books of accounts, statutory audit and tax audit report, audited/unaudited provisions balance sheets, number of employees with their details, fixed asset register, inventory



register, trade receivables and loans and advances. It is unclear whether the RP finally got the same from the CD. The RP has not filed any IA before this Tribunal regarding non-co-operation from the CD. The transaction auditor provided an audit report of no avoidance transaction. The transaction auditor did not audit the CD for more than two years to identify the fraudulent transactions as required by section 66 of the IBC. This indicates that the RP did not have the full information to be provided in the Information Memorandum and therefore in absence of the same, the Resolution Plan submitted by the RA can not be considered to have taken into account the full picture of the CD as on the date of submission of the Plan. The documents provided by the RP does indicate that the suspended management attended the CoC meetings and therefore no first-hand information about the CD was available to the CoC.

103. The RA first provided a plan of Rs. 42.43 Crores and then reduced the amount to Rs 16.43 crores. The CoC approved both plans without any question or clarification. The CoC did not inquire about the reasons for drastically reducing the resolution amount.

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104. The RA had first proposed to carry out real estate business as per first revised resolution and then changed to develop an IT park in the third revised plan indicating that the RA did not have a proper feasible and viable plan for running the CD as a going concern. Due to there being no proper plan for running the business of the CD it lacked the requirement of having provisions for the effective implementation of the Plan.
105. The total resolution plan amount of Rs 16.43 crores includes a payment of Rs 15 crores to the unsecured financial creditors, and initially it was to be paid in seven years, and then it was reduced to three years. The CoC approved both the plans with 100% majority with no questions or clarifications. The balance of Rs 1.43 crores to be used for payment of CIRP cost of Rs 0.41 crores, working capital investment of Rs 0.5 crores and payment towards contingency funds of Rs 0.5 crores. Practically, there are no funds to carry on the business as proposed to be taken over by the RA. This indicates that the RA did not have capability to implement the so-called resolution plan provided by it.
106. The RA, Devika Trading Private Limited, has proposed to



arrange funds of Rs 15 crores from Adon Textiles Private Limited, a new shareholder, through issue of Compulsory Convertible Debentures (CCDs). No plan is provided about the issue of CCDs and when the money will be received and when the same would be converted into equity. As the RA had proposed to pay Rs 15 crores to unsecured financial creditors, earlier seven years which is revised to three years, this would mean that the RA will also get funds from Adon Textiles in three years which was earlier seven years. This money will be paid to unsecured financial creditors and those are also proposed to be paid in seven/three years. Acceptance of such a financial plan by the CoC does not reflect on the use of commercial wisdom by the CoC. The beneficial owners of none of the entities including the CD or the RA or Adon Textiles are known and it is not clear that who are the real persons behind these entities. The plan also does not provide that who are the key persons or the promoters or the ownership of the RA.

107. There are common directors of Devika Trading Private Limited and its subsidiaries, and some of the unsecured financial creditors. Some of them have a common address. The entities




to whom CD have made loans and advances, investments in equity, or are sundry debtors of CD, most of these are undergoing CIRP, as per report of the valuer. The transactions are in crores of rupees. For example, one private limited company, namely Anukaran Consultancy Private Limited, has advanced unsecured financial loan of Rs 547.89 crores to CD and is part of the CoC. The minutes of meetings show that these CoC members agreed to all types of proposals made and did not question anything.

108. The unsecured financial creditor is shown as an unrelated party to the CD. The transaction between CD and Vignaharta shows that it was not a normal business transaction which would be undertaken by prudent business persons. The relationships of these parties and their involvement in financial transactions of hundreds of crores of rupees are unclear.

109. The fulcrum on which the Resolution Process under the Code proceeds is the full and correct knowledge of the affairs of the CD; however, in the present case, full information about the CD was not available. Therefore, the CoC could not be said to have exercised its commercial wisdom while approving the resolution

plan of Devika Trading Private Limited.



110. The objective of the IBC for value maximisation has not been considered under the shield of the commercial wisdom of CoC.

111. Collective wisdom of the CoC: The role of CoC is questionable. The decision of the CoC to approve everything put up to it with a 100% majority and without raising any questions/clarifications on anything during the whole CIRP indicates a behavior not of prudent decision makers and at arm's length. The facts indicate that their decisions were motivated with the sole intention of getting the approval of this Tribunal and get the all types of benefits, reliefs and concessions available due to the approval of the plan to all involved in the transactions. There appears to be no intention to resolve the insolvency because there is no running business of the CD.


112. The amount of Rs 16.41 crores being offered in realty is misleading and deceptive for the reasons that:

- Amount of Rs 15 crores will be paid to the unsecured financial creditors and that too not immediately but in three

years which was proposed as seven years previously.

- The source of funding of the RA is also dubious. It will issue a CCD to Adon Textiles Private Limited, which also does not have any credible funds. There is no clear scheme about issue of CCD and receipt of money by RA.
- When the CCD gets converted to equity shares then the ownership and control over Devika Tarding Private Limited, the RA will move in the hands of Adon Textiles Private Limited.
- The CoC did never ask who are the individuals owning various entities and whether the RA, unsecured financial creditors, and CD are related parties and their transactions are collusive
- The fair value and liquidation value got changed by the valuers and it is not known who prompted the change in value. That means that the valuer was not provided correct details/information by the RP.
- Further, creditors of Rs 1041 crores of whom claims are not admitted. It is strange that none of them have approached this Tribunal with any grievance.

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113. In the case of **Vallal RCK v. Shiva Industries** the Hon'ble Supreme Court has also held that:

“ ...in our view, the adjudicating authority or the appellate authority cannot sit in an appeal over the commercial wisdom of the CoC. The interference would be warranted only when the adjudicating authority or the appellate authority finds the decision of the CoC to be wholly capricious, arbitrary, irrational and de hors the provisions of the statute or rules.”

114. As discussed above, the resolution plan does not address the cause of default, it is neither feasible nor viable, it has no provisions for effective implementation and the resolution applicant has no capability to implement the resolution plan. The resolution plan fails the requirements of Regulation 38 (3) of the CIRP Regulations.

115. In view of the facts discussed above, the CoC not only acted in a “capricious, arbitrary, irrational” manner but also approved the plans that contravene the provisions of IBC. In that regard, the CoC has failed to exercise its commercial wisdom in deciding on the Resolution Plan, which in a real sense does not take into account the ground realities of the CD and is not commercially feasible and viable.

116. Therefore, we are of the view that the resolution plan has no



provisions for its effective implementation as required by Section 31 (1) of the IBC.

117. The Tribunal would also like to mention that the underlying purpose of a resolution plan is not merely the settlement of claims but the revival of the Corporate Debtor as a going concern in a manner that is commercially viable and legally compliant. In this regard, Regulation 38(3) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, lays down important parameters that every resolution plan must adhere to. The said regulation reads as under:

“Regulation 38(3): The resolution plan shall demonstrate that -

- (a) it addresses the cause of default;
- (b) it is feasible and viable;
- (c) it has provisions for its effective implementation;
- (d) it has provisions for approvals required and the timeline for the same; and
- (e) the resolution applicant has the capability to implement the resolution plan.”

118. In the present case, upon a detailed consideration of the material on record, it is evident that the resolution plan fails to satisfy the benchmarks laid down in the above regulation. The



plan does not address, in any meaningful manner, the root causes of financial distress of the Corporate Debtor, despite the magnitude of defaults and the volume of transactions with entities that are themselves under CIRP. The plan lacks financial depth and strategic clarity to justify its claim of feasibility and viability. Moreover, there is no demonstrable capability shown on the part of the Resolution Applicant to implement the plan effectively, nor is there a well-defined structure for obtaining necessary approvals or managing post-resolution operations.

119. Thus, in substance and spirit, the resolution plan does not comply with Regulation 38(3), and the manner in which it has been approved without these essential elements being satisfied raises serious questions about the integrity of the resolution process as a whole.

120. Accordingly, in view of the discussion above, relying on the provisions of Section 31(2) of IBC, 2016, and due to the contravention of the provisions under Regulation 38(3) of the Corporate Insolvency Resolution Process (CIRP) Regulations, 2016, the Resolution Plan in question is hereby **rejected** .

121. The provisions under Section 33(1)(b) of the Code are reproduced below: -

33. Initiation of liquidation. -

(1) Where the Adjudicating Authority, -

(b) rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall -

- (i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;
- (ii) issue a public announcement stating that the corporate debtor is in liquidation; and
- (iii) require such order to be sent to the authority with which the corporate debtor is registered.

122. As a consequence, to rejection of the application by this Adjudicating Authority and as the extended CIRP period of the Corporate Debtor has already expired on 21.09.2024, the Tribunal relying on the provisions of Section 33(1)(b) is forced to order for Liquidation of the Corporate Debtor.

123. IBBI vide its circular number Liq-12011/214/2023-IBBI/840 dated 18.07.2023 in the exercise of its powers conferred under section 34(4)(b) of the Code, had recommended that an IP other than the RP/IRP may be appointed as liquidator in all the cases where liquidator (*read liquidation*) order is passed henceforth.


124. In view of the above, it is hereby ordered as follows: -







- a) The Corporate Debtor **Cyber Infosystems and Technologies Private Limited** is admitted into liquidation in terms of the provisions of **33(1)(b)** of the Insolvency and Bankruptcy Code, 2016, to be conducted in accordance with Chapter III of the Code and the IBBI (Liquidation Process) Regulations, 2016 which shall be effective from the date of this order.
- b) In terms of the above circular of IBBI and as per section 34(4)(b) of the IB Code, we hereby appoint, **Riddhi Sanket Gandhi**, having **Reg. No. IBBI/IPA-001/IP P-02631/2021-2022/14041**, **E-mail ID: kadhiwala riddhi@yahoo.co.in**, **Mob: 96878-16500** is hereby appointed as a Liquidator of the Corporate Debtor i.e. **Cyber Infosystems and Technologies Private Limited** as per the panel suggested by IBBI for this Bench for the period of January, 1, 2025 to June 30, 2025, as the Liquidator of the Corporate Debtor to carry the liquidation process
- c) The Moratorium declared under section 14 of the Code shall cease to have effect from the date of the order of liquidation.
- d) A fresh moratorium under Section 33(5) of the Code is declared, prohibiting the institution or continuation of suits or proceedings against the Corporate Debtor, except as provided under the Code, effective from the



date of this order until the completion of the liquidation process.

- e) The Liquidator shall take charge of the Corporate Debtor's assets, books, and records forthwith and perform all duties as prescribed under Sections 35 to 50 of the Code and the IBBI (Liquidation Process) Regulations, 2016.
- f) The Liquidator is directed to file a preliminary report within 75 days of this order, as per Regulation 13 of the IBBI (Liquidation Process) Regulations, 2016, and submit periodical progress reports to this Tribunal.
- g) The Liquidator so appointed shall complete the liquidation process as per the provisions of the Code r.w. the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- h) All the powers of the Board of Directors, key managerial persons, and the partner of the Corporate Debtor, as the case may be, hereafter cease to exist. All these powers henceforth vest with the Liquidator.
- i) The Creditors as well as the Personnel of the Corporate Debtor are directed to extend all cooperation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.



- j) The Liquidator will charge fees for the conduct of the liquidation proceedings in proportion to the value of the liquidation estate assets as specified by IBBI and same shall be paid to the Liquidator from the proceed of the liquidation estate under section 53 of the Code.
- k) Once the liquidation process is initiated, subject to section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor. The Liquidator has the liberty to institute a suit and other legal proceedings on behalf of the Corporate Debtor with the prior approval of this Adjudicating Authority, as provided in sub-section (5) of section 33 of the Code.
- l) This liquidation order shall be deemed to be notice of discharge to the officers, employees, and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.
- m) This Adjudicating Authority directs the Liquidator to issue a public announcement stating that the Corporate Debtor is in liquidation. The Liquidator will also serve a copy of this order to the various Government Departments such as Income Tax, GST, VAT, etc., who are likely to have any claim upon the Corporate Debtor so that the authorities concerned are informed of the

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liquidation order timely. The Liquidator will also provide a copy of this order to the trade unions/employee associations of the Corporate Debtor so that the workman/employees could also be informed of this liquidation order through their association.

- n) **The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section - 35(1) of IBC, 2016 read with relevant rules and regulations, and also file its response for disposal of any pending Company Applications during the process of liquidation.**
- o) **The Liquidator shall examine the relationships between the Corporate Debtor, unsecured financial creditors (e.g., Anukaran Consultancy Pvt. Ltd., with a claim of Rs. 547.89 crores), and entities like Adon Textiles Private Limited (funding source). This includes verifying whether these entities are related parties under Section 5(24) of the IBC and assessing the nature of their financial transactions to identify any preferential or undervalued dealings.**
- p) **The Liquidator shall investigate whether the Corporate Debtor engaged in fraudulent or wrongful trading, particularly in light of the Tribunal's concerns about the absence of audited accounts, the mismatch in asset- liability positions, and the RP's failure to audit**



transactions beyond two years. This includes scrutinizing loans, advances, and investments made by the Corporate Debtor to entities under CIRP for any intent to defraud creditors.

- q) The Liquidator shall file a report with the Adjudicating Authority detailing findings on any avoidance transactions, as required under Regulation 35 of the IBBI (Liquidation Process) Regulations, 2016. If fraudulent or preferential transactions are identified, the Liquidator may seek appropriate orders under Section 66 to recover assets or hold responsible persons liable.**
- r) The Liquidator is directed to prioritize these investigations to ensure transparency and protect creditor interests, addressing the deficiencies noted during the CIRP. The Liquidator shall coordinate with the Adjudicating Authority for any necessary approvals to institute legal proceedings, as provided under Section 33(5) of the IBC.**
- s) The present Resolution Professional is directed to hand over the relevant documents and control of the Corporate Debtor to the newly appointed liquidator forthwith.
- t) The Registry is directed to communicate this order to the concerned Registrar of the Companies, the registered



office of the Corporate Debtor, IBBI, the Resolution Professional, and the Liquidator by speed post as well as e-mail within one week from the date of this order, after completion of all the formalities for records and necessary action, if any. The Registrar of Companies shall update the Corporate Debtor's status on the MCA portal accordingly.

- u) Liberty is granted to the Liquidator to approach this Tribunal for any further directions or clarifications as may be required during the liquidation process

125. Accordingly, **IA(Plan) No. 43 of 2024** in CP(IB) No. 153 of 2023 stands ***dismissed*** and disposed of.

126. Before parting with the issue in the IA, this Tribunal deems it appropriate to offer a word on the role of the RP in the conduct of the CIRP in the present case. The RP is the fulcrum of the CIRP. While the RP is not expected to evaluate the commercial merits of a resolution plan, the Code and the accompanying Regulations place upon him the duty to ensure that the process is transparent, informed, and compliant with the applicable legal framework. In the present case, a number of material concerns - ranging from lack of audited financial statements,



inconsistencies in asset and liability positions, providing a clear picture of the CD, failure to make claims about loans and advances of the CD to the respective RP of the companies which were in the CIRP, to apparent connections among the Resolution Applicant and financial creditors, lack of information on the real persons behind the CD, lack of interest in unearthing the fraudulent transactions, - have remained unaddressed. Additionally, the substantial change in resolution amounts and terms, shifting revival strategies, and the absence of scrutiny of related party relationships, all suggest that crucial information was either unavailable or not placed adequately before the CoC.

127. This Tribunal is of the considered view that such deficiencies could not have persisted without some degree of knowledge or inaction on the part of the RP. While there may be no direct evidence of mala fide intent, the RP's failure to raise red flags, seek clarifications, or bring significant procedural lapses to the notice of this Tribunal, casts doubt on the robustness of the process. Hence, this Tribunal directs that the conduct of the RP be referred to the Insolvency and Bankruptcy Board of India for

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appropriate disciplinary proceedings (under the applicable provisions of law).

128. The Registry is directed to forward a copy of this order along with relevant extracts of the record to the **IBBI** for information and for taking necessary action.
129. The Registry is also directed to send e-mail copies of the order forth with to all the parties and their Learned Counsel for information and for taking necessary steps. Files be consigned to the record.

-sd-

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

SEN/HG

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SHAMMI KHAN
MEMBER (JUDICIAL)