



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI, BENCH-V**

**I.A. No. 263 of 2023**

**IN**

**C.P. No. 73 of 2021**

In the matter of an Application under  
Section 30(6) and Section 31 of the  
Insolvency and Bankruptcy Code, 2016.

**Mr. Prashant Jain**

**(Resolution professional of Greatwall  
Corporate Services Private Limited)**

...Applicant/Resolution Professional

In the matter of

**Nagpur Nagarik Sahakari Bank Limited**

... Financial Creditor

V/s.

**Greatwall Corporate Services Private  
Limited**

... Corporate Debtor

**Order Dated:02.09.2024**

**Coram:**

Hon'ble Ms. Madhu Sinha  
Member (Technical)

Hon'ble Ms. Reeta Kohli  
Member (Judicial)

**Appearance:**

***For the Applicant/RP:*** Adv. Rohit Gupta

***For the SRA:*** Adv. Viraj Parikh (PH)



**ORDER**

***Per: Reeta Kohli, Member (Judicial)***

1. The above captioned Application was filed under Section 30(6) and Section 31, of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**Code**”) by the Resolution Professional (hereinafter referred as the “**Applicant**”), seeking approval of the Resolution Plan, submitted by the Resolution Applicant - Mr. Karan Misal in consortium with Mr. Ashish Kadam and Mr. Rushabh Ranawat, which was approved by 75.27% voting shares of the members of the Committee of Creditors (hereinafter referred to as ‘**COC**’).
2. The facts leading to the Application are as under:
  - a. Corporate Insolvency Resolution Process (**CIRP**) of the Corporate Debtor was initiated, vide an order dated 15.03.2022, under Section 7 of the Insolvency and Bankruptcy Code 2016 (hereinafter referred to as ‘**the Code**’) and Mr. Atul Rajwadkar, was appointed as Interim Resolution Professional. The IRP, constituted the Committee of Creditors. The COC in its 2<sup>nd</sup> meeting held on 24.05.2022 replaced Mr. Atul Rajwadkar with **the present Applicant** (Mr. Prashant Jain) as the Resolution Professional. The IRP published a public announcement as per Section 15 of the Code, inviting claims from the creditors of the Corporate Debtor.
  - b. The Applicant published a Public Announcement in Form A in accordance with Section 15 of the Code read with Regulation 6 of the CIRP Regulations, on 17.03.2022, inviting submission of proof of claims from the creditors of the Corporate Debtor, on or before 29.03.2022.
  - c. The claims **received** and **accepted** by Resolution Professional are as under:

**Details of Secured Financial Creditors of the Corporate Debtor.**

<b>S No</b>	<b>Name of Creditors</b>	<b>Amount Claimed</b>	<b>Amount of claim admitted</b>	<b>% of voting share in COC</b>
1	Bank of Maharashtra	27,19,84,743.00	27,19,84,743.00	74.95%
	<b>Total</b>	<b>27,19,84,743.00</b>	<b>27,19,84,743.00</b>	<b>74.95%</b>

**Details of Unsecured Financial Creditors of the Corporate Debtor being related Party.**

<b>S No</b>	<b>Name of Creditors</b>	<b>Amount Claimed</b>	<b>Amount of claim admitted</b>	<b>% of voting share in COC</b>
1	HDFC Bank	45,61,461	32,67,028	0.90%
2	Nagpur Nagarik Sahakari Bank Limited	86,462,438.00	86,462,438.00	23.83%
3	IIFL	2449499.95	1178687.59	0.32%
	<b>Total</b>		<b>8,97,29,466.00</b>	<b>24.80%</b>



**Details of Operational Creditors and Statutory Creditors of the Corporate Debtor:**

<b>DEPARTMENT</b>	<b>AMOUNT CLAIMED</b>	<b>AMOUNT ADMITTED</b>
Employees State Insurance Corporation, Pune	1,39,45,731	81,24,147.94
Department of Goods and Services Tax	29,44,09,569	29,44,09,569
Profession Tax Officer	1,88,53,670	16829154.75
Income Tax Officer	91,24,309	54,54,105
Office of Assistant/ Deputy Commissioner of Central Tax	1,37,40,118	1,37,40,118
Regional Provident Fund Commissioner	7,14,65,776	7,14,65,776
R.M. Manlift	7,62,422	3,91,964
Banjara Hills Central GST Division, Hyderabad GST Commissionerate	79,18,454	78,21,764
<b>TOTAL</b>	<b>43,02,20,049</b>	<b>41,82,36,599</b>

3. After receiving the claims, the Committee of Creditors was constituted. The constitution of COC is as under:

<b>Sr. No.</b>	<b>Name of the COC Member</b>	<b>Nature</b>	<b>Voting %</b>	<b>Voting to the Plan</b>



1.	Bank of Maharashtra	Secured	74.95%	Approve
2.	Nagpur Nagarik Sahakari Bank	Unsecured	23.83%	Abstain
3.	HDFC Bank		0.90%	Reject
4.	IIFL		0.32%	Approve
	<b>Total</b>		<b>100</b>	

4. The CoC decided to appoint valuers. The Resolution Professional accordingly appointed two set of Registered Valuers - Shailendra S. Mourya, Ankit Gupta and Charudutt Marathe (collectively, hereinafter referred to as “**Valuer 1**”) and Abhishek Shrikant Joshi, Pranav Ambaselkar, Vaishali (“**Valuer 2**”) for conducting valuation across three different asset classes, namely Land & Building, Plant & Machinery and Securities and Financial Assets to determine its fair value and liquidation value, as required under Regulation 27 of the IBBI (IRP for Corporate Persons) Regulations, 2016. Further, a third valuer was appointed for asset in the class Securities and Financial Assets.
5. **The Liquidation and fair value** of the Corporate Debtor is stated as under:

ASSET CLASS: Plant and Machinery		
Name of Valuer	Fair Value	Liquidation Value
Ankit Gupta	1,63,56,029	1,29,94,771
PRANAV AMBASELKAR	1,58,03,000	1,22,67,000
<b>Average</b>	<b>1,60,79,515</b>	<b>1,26,30,886</b>

ASSET CLASS: Securities and Financial Assets		
Name of Valuer	Fair Value	Liquidation Value
Charudutt Marathe	1,80,00,000	60,00,000
Vaishali	6,68,51,619	6,65,67,690
Nikhil Chandak	1,94,57,995	64,41,679
<b>Average</b>	<b>1,87,28,998</b>	<b>62,20,840</b>



ASSET CLASS: Land and Building		
Name of Valuer	Fair Value	Liquidation Value
Shailendra S. Mourya	5,57,64,000	3,90,34,800
Abhishek Shrikant Joshi	5,11,00,000	4,08,80,000
<b>Average</b>	<b>5,34,32,000</b>	<b>3,99,57,400</b>

Fair value	<b>8,82,40,512</b>
Liquidation Value	<b>5,88,09,125</b>

6. The Applicant submits that for inviting Expression of Interest (“**EOI**”) from Prospective Resolution Applicants as per section 25(2)(h) of the Code, Form G was published on 30.07.2022. **The last date for submission of Expression of Interest (EOI) from Prospective Resolution Applicants was 16.08.2022.**
7. The Applicant further submits that the COC approved with minimum eligibility criteria on 26.07.2022, further the Request for Resolution Plan (**RFRP**) along with evaluation matrix was approved on 19<sup>th</sup> August 2022 in the Fifth COC Meeting.
8. The Applicant submits that the last date for submission of the Resolution Plan was 30.09.2022 which was extended to 31.10.2022 and thereafter to 05.11.2022 with the consent of the COC.
9. On 05.11.2022, Resolution plan was received from One PRA being Consortium of Mr. Karan Misal, Mr. Ashish Kadam and Mr. Rushabh Ranawat (“**Resolution Applicant**”/ “**RA**”)
10. The Resolution Plan received from the PRA was deliberated in COC Meetings and finally approved by the COC Members in its 13<sup>th</sup> COC



Meeting dated 6<sup>th</sup> January 2023 vide e-voting ending on 10<sup>th</sup> January 2023.

11. The Applicant in the hearing held on 28<sup>th</sup> March 2024 apprised the Bench that, the Resolution Applicant through email dated 27<sup>th</sup> March 2024 proposed a revision in the payment under the Resolution Plan and considering all the facts of the case an opportunity was granted to seek approval on the revision of resolution plan from the COC.
12. The revised Resolution Plan was received from the Resolution Applicant and the same was placed before the COC Members for deliberations in the 18<sup>th</sup> COC Meeting held on 6<sup>th</sup> April, 2024. The revised Resolution Plan was put forth for voting through e-voting starting on 8<sup>th</sup> April, 2024 at 12:30 P.M. and ended on 3<sup>rd</sup> May, 2024 at 06:00 P.M. In the said E-voting, revised Resolution plan was approved by COC with 75.27% Voting share. **Thereafter, the Applicant has issued a compliance certificate in Form "H".**
13. **The Salient Features of the Resolution Plan are as under:**

**A. Brief Background of the Corporate debtor**

- i. Greatwall Corporate Services Private Limited (**'Corporate Debtor'**), a company incorporated under the Registrar of Companies Act, 2013 on 06.06.2003 and is a going concern entity having engaged in supply of manpower services including providing security and housekeeping services for various entities in Maharashtra.



<b>Registered Office</b>	Office No.2, S No.120, Mhada Commercial Complex, Near Phule Nagar Rto, Pune-Alandi Road, Yerawada, Pune MH 411006 In
<b>Date of Incorporation</b>	06 <sup>th</sup> June, 2003(as per MCA website)
<b>Nature of Establishment</b>	Unlisted company, limited by shares, within the meaning of such term under the Companies Act, 2013
<b>Listing status</b>	Unlisted
<b>Corporate Identification Number (C.I.N.)</b>	U74920PN2003PTC018006
<b>Major Business Operations</b>	Engaged in supply of manpower services including providing security and housekeeping services for various entities in Maharashtra.

- ii. The Corporate Insolvency Resolution Process (“**CIRP**”) of Greatwall Corporate Services Private Limited has been initiated as per the provisions of the Insolvency and Bankruptcy Code (“**IBC**”) under Section 7 of the Code. The Application was moved before the Hon’ble National Company Law Tribunal, Mumbai Bench (“**NCLT**”) and was admitted vide its order dated 15<sup>th</sup> March, 2022 (“**CIRP Order**”). Pursuant to which, Mr. Atul Rajwadkar, (having IP Registration no. IBBI/IPA-001/IP00152/2017-18/10321), Insolvency Professional, was appointed as the Interim Resolution Professional (**IRP**). Thereafter, as per the decision of the committee of creditors, Mr. Prashant Jain, Insolvency Professional having IBBI Regd. No.: IBBI/IPA-001/IP-P01368/2018-2019/12131 was



appointed as the Resolution Professional (**RP**) vide order dated 05.07.2022.

**B. Background of the Resolution Applicant**

**i. Introduction of Mr. Karan Misal**

<b>Address</b>	D- Building, Flat No. 3 to 6 Ramyanagari Housing Society Near Suhag Mangal Karyalay Bibwewadi Pune 411037
<b>Telephone No/ Mobile No.</b>	07507373737
<b>E-mail</b>	<a href="mailto:Karanmisal15@gmail.com">Karanmisal15@gmail.com</a>
<b>Date of Birth</b>	15.01.1995
<b>Permanent Account Number (PAN)</b>	CFTPM9760D
<b>Core Area of Expertise</b>	Construction Real Estate Trading

The resolution Applicant is engaged in area of construction business, real estate business and also in trading business.

**ii. Introduction of Rushabh Ranawat:**

<b>Address</b>	Laxmi Vilas, Near Ekbote Colony, Market Yard, Pune- 411037
<b>Telephone No/ Mobile No.</b>	09096071111



<b>E-mail</b>	<a href="mailto:rranwa@gmail.com">rranwa@gmail.com</a>
<b>Date of Birth</b>	<b>28.09.1994</b>
<b>Permanent Account Number (PAN)</b>	CFEPR8706P
<b>Core Area of Expertise</b>	Construction Real Estate Trading

**iii. Introduction of Ashish Kadam:**

<b>Address</b>	Harigandha Building, C1, Flat no.802, Survey no.129, Near Phule Nagar, RTO, Pune- 411006
<b>Telephone No/ Mobile No.</b>	976700777
<b>E-mail</b>	<a href="mailto:Aashish.kadam@yahoo.com">Aashish.kadam@yahoo.com</a>
<b>Date of Birth</b>	<b>11.03.1978</b>
<b>Permanent Account Number (PAN)</b>	ALEPK6841L
<b>Core Area of Expertise</b>	Construction Real Estate Trading

iv. Net worth of Consortium of Mr. Karan Misal, Mr. Rushabh Ranawat and Mr. Ashish Kadam.



<b>BREAK UP OF RESOLUTION APPLICANT AS ON 31.03.2021</b>		
<b>No</b>	<b>PARTICULAR</b>	<b>Amount (Rs. in Crore)</b>
1	Karan Misal	5,55,10,788
2	Rushabh Ranawat	2,66,65,968
3	Ashish Kadam	4,65,65,000
	<b>Total</b>	12,87,41,756

- v. The Corporate Debtor is an MSME enterprise as per revised criteria for classification of MSME as notified by Ministry of Micro, Small & Medium Enterprises published on 01.06.2020 in the Gazette of India. Accordingly, on 08.07.2020, Ministry of Micro, Small & Medium Enterprises was pleased to issue MSME Certificate to the Corporate Debtor bearing UDYAM Registration Number UDYAM-MH- 26-0018338. Mr. Ashish Kadam is the suspended board of director of the Corporate Debtor. **The Resolution Applicant is eligible to act as a Resolution Applicant of the Corporate Debtor and is not ineligible under section 29A of Insolvency and Bankruptcy Code and also satisfies the eligibility criterion as mentioned in clause (h) of sub-section (2) of section 25 of the Code.**



14. **Summary of Payments under the Resolution Plan**

<b>Sr. No.</b>	<b>Claimants</b>	<b>Claims Admitted</b>	<b>Proposed Payments as Per Resolution Plan</b>
<b>1</b>	CIRP Cost (At Actuals including Interim Finance cost)		₹ 50,00,000 or Actual CIRP Cost
<b>2</b>	Operational Creditor- Statutory Dues (except Regional Provident Fund Officer)	₹ 34,66,78,858	₹ 1,00,000
<b>3A</b>	Secured Financial Creditor	₹ 27,19,84,743	₹ 2,96,30,561
<b>3B</b>	Regional Provident Fund Officer	₹ 7,14,65,776	₹ 5,30,88,343
<b>4</b>	Unsecured Financial Creditor including dissenting financial creditor	₹ 8,97,29,466	₹ 1,00,000
<b>5</b>	Towards release of Personal Guarantee and Collateral Security (Ashish Kadam, Pratap Kadam and Trupti	to Bank of Maharashtra	₹ 3,35,00,000



	Kadam)		
	<b>Total Amount offered to Claimants who have filed claim</b>		<b>₹ 12,14,18,904</b>

<b>Suo motto payments to the Creditors who have not filed claimed before IRP/RP</b>			
<b>Sr. No.</b>	<b>Stakeholders</b>	<b>Amount o/s as per the Books of Accounts of Corporate Debtor</b>	<b>Proposed Payments as Per Resolution Plan</b>
<b>1</b>	Employee dues	94,42,076	944
<b>2</b>	Operational Creditors- Other than Workmen, Employees and Statutory Creditors	1,91,95,913	1,920
<b>3</b>	Secured Financial Creditors	5,62,770	56
<b>4</b>	Unsecured Financial Creditors	5,56,87,521	5,569
<b>5</b>	Regional Provident Fund Commissioner (New Order dated 06.03.2024)	1,14,48,323	1,14,48,323



<b>TOTAL</b>	9,63,36,603	1,14,56,812
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**TOTAL FUND OUTLAY UNDER THE RESOLUTION PLAN:**

Sr. No.	Particulars	Amount in ₹
1.	Total Amount offered to Claimants who have filed claim	12,14,18,904
2.	Suo motto payments to the Creditors who have not filed claimed before IRP/RP	1,14,56,812
3.	Start-up and Pending Capex to be contributed/arranged by the Resolution Applicant in the Corporate Debtor. Working Capital to be contributed/arranged by the Resolution Applicant in the Corporate Debtor	2,00,00,000
	<b>Total Fund Outlay in the Resolution Plan + Start-up and Working Capital Cost</b>	<b>15,28,75,716</b>

15. **Sources of Funds**

Source of funds	Amount
Infusion of Equity by the RA or/and monetizing asset of CD	11,00,00,000
Debt or Loan by the RA	2,28,75,715
Internal accruals/ debt	2,00,00,000
<b>Total</b>	<b>15,28,75,715</b>

16. **Tenure of Payment to creditors under the Resolution Plan:**

The payment under the Resolution Plan is proposed to be paid in Two Tranches:



- i. On the Trigger Date, the Resolution Applicant shall contribute an amount of ₹ **2,52,08,488/- (Rupees Two Crores Fifty-Two Lakh and Eight Thousand Four Hundred and Eighty-Eight only)** as First Tranche of Upfront Cash.
- ii. Further, 90 (Ninety) days after trigger date the Resolution Applicant shall contribute ₹ **8,50,00,000/- (Rupees Eight Crores and Fifty Lakhs Only)** as Second Tranche of Upfront Cash.
- iii. Further, the amount of ₹ **2,26,67,227 (Rupees Two Crores Twenty-Six Lakhs Sixty-Seven Thousand Two Hundred and Twenty-Seven Only)** in a duration of 36 Months starting after disbursement of First Tranche of Upfront Cash in 36 Equated Monthly instalments.
- iv. Trigger date shall mean the date on which the Upfront Cash payment is fully discharged and possession of the corporate debtor shall be handed over to Resolution Applicant, which will be 90<sup>th</sup> date from receiving the certified copy of the NCLT Approval Order from Hon'ble NCLT by the Resolution Applicant. The Trigger date is defined/termed as E in the Resolution Plan.

17. **Payment's proposals of the various stakeholders under the Resolution Plan:**

**A. CIRP Costs**

The Resolution Applicant proposes to pay an amount of **Rs. 50,00,000/- (Rupees Fifty Lakhs only)** or at actuals towards the CIRP cost including Interim finance, from the Upfront Cash, in priority to other payments. In the event that the CIRP Cost, exceeds to **Rs. 50,00,000/- (Rupees Fifty Lakhs only)**, in that case the Resolution Applicant shall bear the excess amount.



**B. Payment to Unsecured Financial Creditors**

The summary of Claims of Unsecured Financial Creditors is as under.

<b>Nature of Claim</b>	<b>Amount Claimed</b>	<b>Amount Admitted</b>	<b>Plan Proposes to Pay</b>	<b>Voting Share</b>
Unsecured Financial Creditors	9,34,73,398.95	9,09,08,153.59	1,00,000/-	25.05%

**C. Payment to Secured Financial Creditors**

Secured Financial Creditors as appearing in the Information memorandum is as under.

<b>Nature of Claim</b>	<b>Amount Claimed</b>	<b>Amount Admitted</b>	<b>Plan Proposes to Pay</b>	<b>Voting Share</b>
Secured Financial Creditor- Bank of Maharashtra	27,19,84,743	27,19,84,743	1 <sup>st</sup> tranche - ₹82,88,269  2 <sup>nd</sup> Tranche - ₹2,13,42,292  Release of Personal guarantee - ₹3,35,00,000  <b>TOTAL ₹ 6,31,30,561/-</b>	74.95%





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**D. Payment to Operational Creditors (Except Regional Provident Fund Association)**

The Summary of Operational Creditor Claims and the amount offered is as follows:

Amt in Rupees

S.No	Nature of Claim	Amount Claimed	Amount Admitted	Plan Proposes to Pay
1.	Operational Creditors except Regional Provident Fund organization	35,79,91,851.00	34,63,78,858.00	1,00,000.00
<b>Total</b>		<b>35,79,91,851.00</b>	34,63,78,858.00	

**E. Payment to Regional Provident Fund Association**

1.1.1 As per the Information Memorandum, the admitted claim of Regional Provident Fund Office for the amount claimed u/s. 7A of EPF Act, 1952 is ₹ 4,18,69,439/-, this amount shall be paid in full as follows:

- i. ₹ 1,17,11,731/- shall be paid in First Tranche of upfront cash.

- ii. ₹ 3,01,57,708/- shall be paid in Second Tranche of upfront cash.

1.1.2 As per the Information Memorandum, the admitted claim of Regional Provident Fund Office for the amount claimed u/s. 14B of EPF Act, 1952 is ₹ 1,83,76,433/-. In the matter of *Regional Provident Fund Commissioner vs Ms. Mamta Binani & Anr* the Hon'ble NCLAT held that "(ii) With regard to amount admitted under Section 14B of Rs.1,05,63,927/-, we grant liberty to the SRA to make an application to the Central Board to waive 100% damages levelled under Section 14B. SRA make an application under Section 14B 2<sup>nd</sup> proviso for waiver of the damages under Section 14B which application be filed within 30 days from today and the Central Board may consider and take appropriate decision regarding waiver of the damages under Section 14B expeditiously within the period of three months from the date copy of the application is submitted."

In accordance therewith, the RA prays that the Hon'ble NCLT grant liberty to RA to make an application to the Central Board to waive 100% damages levelled under Section 14B 2<sup>nd</sup> proviso for waiver of the damages under Section 14B which application be filed within 30 days from approval and the Central Board may consider and take appropriate decision regarding waiver of the damages under Section 14B expeditiously within the period of three months from the date copy of the application is submitted. In case this prayer of grant of waiver of 100% of damages is not granted by the Central Board.

1.1.3 As per the Information Memorandum, the admitted claim of Regional Provident Fund Office for the amount claimed u/s. 7Q of EPF Act, 1952 is ₹1,12,18,904, as per EPFO notification

dated 11<sup>th</sup> Feb, 2014 bearing no. RRC/28 (23) 06/BIFR, establishments are permitted to clear arrears in 36 months in 36 EMIs. Therefore, the CD shall pay the admitted dues under 7Q in 36 months in 36 EMIs. The RA shall also pay interest on Interest.

1.1.4 Further, there is a fresh order dated 6<sup>th</sup> March, 2024, for additional dues u/s. 7A of EPF Act, 1952, for additional dues u/s. 7A of ₹ 1,14,48,323. The Resolution Applicant shall make payment against this Order (although no claim has been filed) in duration of 36 months in 36 Equated Monthly Instalments. Any interest on this amount shall also be paid within the stipulated time period.

18. **Implementation Schedule:**

Sr. No.	Activity	Time Line (days)
<b>PHASE I – Approval process for the Proposed Resolution Plan</b>		
1.	On receipt of Certified copy of Hon'ble NCLT and possession of the CD.	E
2.	Notice on the Company's Website.	E+14
3.	Intimation to MCA, RBI, Tax authorities and various other statutory authorities (as applicable).	
4.	Intimation to all Creditors, and other stakeholders of the Company.	
<b>PHASE II – SETTLEMENT OF CREDITORS</b>		
5.	Payment of CIRP Costs as approved by CoC	E+90
6.	Payment to Operational Creditors	E+90
7.	Payment of the proportionate amount	E+90



<b>Sr. No.</b>	<b>Activity</b>	<b>Time Line (days)</b>
	to the Dissenting Financial Creditors from the Upfront Cash	
8.	Upfront Payment to Secured Financial Creditors & Regional Provident Fund Association	E+90
9.	Suo Motto payment to the creditors	E+90
10.	<ul style="list-style-type: none"> <li>• Payment of Second Tranche of upfront Payment;</li> <li>• Release of Existing Security and issuance of no dues/no objection certificate;</li> <li>• Release of Performance Security</li> </ul> <p>The timelines shall stand adjusted in case of prepayment of the Second Tranche of upfront Payment at the option of the Resolution Applicant in its sole discretion as per the terms of the Resolution Plan.</p>	E+180
11.	<ul style="list-style-type: none"> <li>• Equated Monthly Installments to Regional Provident Fund Office</li> </ul>	In 36 Months in 36 EMIs starting from E+ 90 days
12.	<ul style="list-style-type: none"> <li>• Decision by Central Board on waiver of damaged under 14B</li> </ul>	W/I 3 months from date of Application
<b>PHASE III – IMPLEMENTATION OF PROPOSED RESOLUTION PLAN</b>		



Sr. No.	Activity	Time Line (days)
13.	Management of Company <ul style="list-style-type: none"> <li>• Re-constitution of Board of Directors</li> <li>• Setting up of management team and control systems</li> <li>• Completion of Definitive Documents</li> <li>• Identification of contractors and execution of documents</li> </ul>	E+90
14.	Change in Memorandum and Articles of Association and other documentation as required under the proposed plan Obtaining requisite approvals, wherever required	E+120
15.	Streamline the operations of the Corporate Debtor	E+90
16.	Improvement in operations	At the earliest

19. **Performance Security**

In accordance with Regulation 36B (4A) of the CIRP Regulations, the Resolution Applicant, in case its Resolution Plan is approved under sub-section (4) of section 30 of the Code, shall provide performance security. The amount of performance security as envisaged under the RFRP of Rs. 2 Crore (Rupees Two Crore only) has been submitted.

20. **Structuring the Shareholding**

The Resolution Applicant and/or Affiliates or Nominees shall infuse and an amount upto Rs. 10,00,00,000 in the



corporate debtor equivalent to 100,00,000 **Shares at face value of Rs. 10 each.**

Requisite amendments shall be made to the Articles of Association in relation to the transactions contemplated herein (if required) subject to compliance with Applicable Law;

The Resolution Applicant shall subscribe to and the Corporate Debtor shall issue equity shares for Upfront Equity Infusion as mentioned herein above;

The Resolution Applicant and/or its Affiliates or Nominee shall infuse funds for an amount equal to Upfront payment in the Corporate Debtor which shall be used to repay the Creditors.

The Existing share capital of the company shall be extinguished by 100 %.

21. **Monitoring Committee**

The Monitoring Committee shall comprise of the Resolution Professional (Mr. Prashant Jain), One representative of the COC and one member nominated by the Resolution Applicant.

From the submission of this Resolution Plan up to the NCLT Approval Date, the Resolution Professional shall subject to the provisions of Paragraph 7.1 of this Resolution Plan, continue to manage the business and operation of the Corporate Debtor as per the requirement of Section 23(1) (proviso) of the IBC.



***From NCLT Approval Date up to Trigger Date***

During the period from the NCLT Approval Date and up to the Trigger Date, the Corporate Debtor shall be managed by the Monitoring Committee, as set out in this Resolution Plan, which shall be immediately appointed as per the terms hereof upon sanction of the Resolution Plan by the NCLT.

***On and after the Trigger Date***

On the Trigger Date, simultaneously with the infusion of the Upfront Cash, Resolution applicant shall subscribe to the shares of the Corporate Debtor. Thereafter, upon the issuance of the RA Equity Shares, pursuant to the implementation of the Resolution Plan, the Resolution Applicant and its Nominees shall hold the major share capital of the Corporate Debtor.

Immediately on the Trigger Date, the Resolution Professional/Monitoring Committee shall begin the process of delivering and handing over to the Resolution Applicant, the physical custody of all the dossiers, master files, technical files, computerised books and records and other storage media in whatever format (including any specialised or custom-made software required to access data, all passwords to any electronic media/storage, IT Systems etc.) and all records and documents in any and all forms - physical or electronic with respect to the business of the Corporate Debtor and within a period of 5 (Five) Business Days from the Trigger Date, the Resolution Professional/Monitoring Committee shall cause the actual delivery of the aforesaid to the Resolution Applicant.

The Monitoring Committee shall continue in force till the payment of Second Tranche of Upfront Payment is made



by the Resolution Applicant to the Creditors under this Resolution Plan for the sole purpose of monitoring the payments to stakeholders as enumerated in this Resolution Plan.

On and from the Trigger Date, the Corporate Debtor and its day-to-day operations shall be managed by the Reconstituted Board. After the Trigger Date, the Monitoring Committee shall be responsible only for monitoring the Second Tranche of upfront payments due under the Resolution Plan. Once the Second Tranche of upfront is paid by the Resolution Applicant, the Monitoring Committee shall cease to exist. It is hereby clarified that on and after the Trigger Date, the Corporate Debtor shall be managed by the Resolution Applicant.

22. **Avoidance Transactions**

As per the requirements of Regulation 38(2) (d) of the CIRP Regulations, avoidance transactions application filed by the Resolution Professional, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the approval of the resolution plan to its logical end by the Chairman of monitoring Committee and the proceeds shall be distributed to the Secured financial Creditors in the manner approved by the COC while approving this Resolution plan.

23. **The compliance of the Resolution Plan is as under:**

Section of the Code	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes/ No)
/			





Regulation 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?	Included in Expression of Interest document	Yes
Section29 A	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?		YES
Section30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	The Resolution Applicant had provided an affidavit under Section 29A	YES
Section 30(2)	Whether the Resolution Plan- (a) Provides for the payment of insolvency resolution process costs?  (b) Provides for the payment to the operational creditors?	(a) Yes. Clause No 4.7 (Payment of Outstanding CIRP Costs) Page No 42  (b) Yes.	YES



<p>Section 30(</p>	<p>Whether the Resolution Plan</p> <p>(c) provides for the payment to the financial creditors who did not vote in favor of the resolution plan?</p> <p>(d) Provides for the management of the affairs of the corporate debtor?</p> <p>(e) Provides for the implementation and supervision of the resolution plan?</p> <p>(f) Contravenes any of the provisions of the law for the time being in force?]</p>	<p>Clause No 4.8.3 (Payment of OC) page no 43</p> <p>(c) Yes. Clause no. 4.10, page no 45.</p> <p>(d) Yes, Clause no.6 page no .58</p> <p>(e) Please refer to Paragra phs 6 &amp; 7.2.1 of the Resoluti on Plan Page 65</p> <p>(f) Yes. Clause No. 8.8.1 (Page no.80)</p>	<p>(a) Clause YES</p>
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4)	(a) is feasible and viable, according to the CoC?  (b) Has been approved by the CoC with 66% voting share?	8.8.4, page 80  (b) The e-voting result is attached	
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?		YES
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?]	clause 4.8.3- page no 43	NO
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause 8.1 Page No 73.	YES
[Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code.  (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?]	(i) Clause 8.8.2, page no. 80  (ii) NA	YES
Regulation 38(2)	Whether the Resolution Plan provides:  (a) The term of the plan and its implementation schedule?  (b) For the management and control of	Please refer to clause 7.3 page no 70	YES



	<p>the business of the corporate debtor during its term?</p> <p>(c) Adequate means for supervising its implementation?</p>	<p>Please refer to clause 6 page no 58</p> <p>Please refer to clause 7.2 page no 65</p>	
38(3)	<p>Whether the resolution plan demonstrates that-</p> <p>(a) It addresses the cause of default?</p> <p>(b) It is feasible and viable?</p> <p>(c) It has provisions for its effective implementation?</p> <p>(d) It has provisions for approvals required and the timeline for the same?</p>	<p>(a) Please refer to clause 8.8.3 page no 80</p> <p>(b) Please refer to clause 8.8.4 page no 80</p> <p>(c) Please refer to clause 7 page no 63</p> <p>(d) Please refer to clause 8.8.6 page no 81</p>	YES



	(e) The resolution applicant has the capability to implement the resolution plan?	Requisite details/information/ documents pertaining to eligibility/ capability of Resolution Applicant has been provided by the Resolution Applicant as part of the Resolution plan/ Expression of Interest and/or as part of the supporting documents with the Resolution plan/ Expression of Interest	
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Yes	
[Regulation	Provide details of performance security	The members	YES



39(4)	received, as referred to in sub-regulation(4A) of regulation36B.]	of COC had approved Rs. 2cr as Performance Security to be paid by the successful Resolution Applicant once the plan is approved by the members of COC and before it is filed with NCLT, Mumbai.	
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24. **RELIEF SOUGHT IN RESPECT OF WAIVER OF DAMAGES:**

The Resolution Applicant prays that the Hon'ble NCLT grant liberty to RA to make an application to the Central Board to waive 100% damages leveled under Section 14B 2<sup>nd</sup> proviso for waiver of the damages under Section 14B which application be filed within 30 days from today and the Central Board may consider and take appropriate decision regarding waiver of the damages under Section 14B expeditiously within the period of three months from the date copy of the application is submitted.


The Liberty sought is granted. RA may make an application to the Central Board to waive 100% damages leveled under Section 14B 2<sup>nd</sup> proviso for waiver of the damages under Section 14B which application



be filed within 30 days from approval of the plan the Central Board may consider and take appropriate decision regarding waiver of the damages under Section 14B expeditiously within the period of three months.

25. **Observations and Findings:**

- i. As per IBC Code 30(2)(a) – A Resolution Plan 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.
- ii. As per Section 30(2)(b), the Respondent has agreed to pay Operational Creditors an amount which shall not be less than liquidation value or the amount that would have been paid to such creditors if the amount to be distributed under the Resolution Plan is distributed in accordance with priority under Section 53(1), whichever is higher.
- iii. The Resolution Applicant has also agreed that dissenting financial creditors shall be paid not less than the value they would have been paid in the event of liquidation of the Corporate Debtor.
- iv. The plan provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan. Section 30(2)(d).
- v. The Resolution Plan does not contravene any of the provisions of the law for the time being in force - Resolution Plan provides for the implementation and supervision of the resolution plan as per Section 30(2) (e)
- vi. The Resolution Applicant has given a declaration that the Resolution Plan does not contravene any provisions of the law for the time being in force as per Section 30(2)(f).
- vii. The resolution applicant or any of its related parties has not failed to implement or contributed to the failure of



implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.

viii. The Resolution Plan is in compliance of the Regulation 38 of the Regulations in terms of Section 30(2)(f) as under:

- a. The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors. Regulation 38(1).
- b. The Resolution Plan has all the adequate means of supervising of the implementation of the Plan as required under Regulation 38(2) (c), of the IBBI, Insolvency resolution process for corporate persons, Regulation 2016.
- c. Provides for the payment of CIRP Costs in priority to the repayment of any other debts of the Company (Regulation 38(1)(a)).
- d. Provides for the manner of implementation and supervision of the Resolution Plan and adequate means for implementation and supervision of the Resolution Plan.
- e. The Resolution Applicant confirms that to the best of the knowledge of the Resolution Applicant, the Resolution Plan is not in contravention of the provisions of Applicable Law and is in compliance with the Code and the CIRP Regulations.
- f. The Resolution Applicant confirms that the Resolution Applicant and its connected persons are not disqualified from submitting a resolution plan under Section 29A of the Code and other provisions of the Code and any other Applicable Law.
- g. The plan provides for the management and control of the business of the Corporate Debtor during its term.
- h. All the above factors demonstrate that the plan address as the cause of default and the Resolution Applicant has the capacity to implement the Resolution Plan.





- i. That the Resolution Applicant or any of its related parties has never failed to implement or contributed to the failure of implementation of any other Resolution Plan approved by the Adjudicating Authority at any time in the past. This is in compliance of Regulation 38(1)(b) of the Regulations.
  - j. The interests of all stakeholders (including Financial Creditors, Operational Creditors and other creditors, guarantors, members, employees and other stakeholders of the Company, keeping in view the objectives of the Code (Regulation 38(1A)).
26. The Resolution Plan has been approved in the in **18<sup>th</sup> COC Meeting held on 6th April, 2024 with 75.27%** Voting Majority through e-voting starting on 8th April, 2024 at 12:30 P.M. and ended on 3rd May, 2024 at 06:00 P.M. in accordance with the provisions of the Code.
27. In view of the above cited case law, the legislature has given paramount importance to the commercial wisdom of committee of creditors (CoC) and the scope of judicial review by the Adjudicating Authority (AA) is limited to the extent of scrutiny provided under section 31 of Code and the direction of the Appellate Authority is limited to the extent provided under sub-Section (3) of Section 61 of the Code.
28. In view of the discussions, this Bench is of the considered view that the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A) and 39(4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The Resolution Plan is feasible and viable. The Resolution Plan balances the interest of all the stakeholders and thus it deserves to be approved.



**ORDER**

- a) The Interlocutory Application No. 263 of 2023 is **allowed**. The Resolution Plan submitted by Consortium of Mr. Karan Misal, Mr. Rushabh Ranawat and Mr. Ashish Kadam, is hereby approved. **It shall become effective from this date and shall form part of this order.** It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of payment of dues arising under any law for the time being in force is due.
- b) The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. It is seen that the Resolution Applicant sought several dispensations, concessions and waivers. Any waiver sought in the Resolution plan shall be subject to approval by the Authority concerned in the light of the Judgment of Supreme Court in ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited***, the relevant para's of which are extracted herein below:

*“on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in, respect to a claim, which is not part of the resolution plan.”*

*“95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority,*



*guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;*

*(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;*

*(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.”*

- c) The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), concerned for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.
- d) The moratorium under Section 14 of the Code shall cease to have effect from this date.
- e) The Monitoring Committee shall supervise the implementation of the Resolution Plan and shall file status of its implementation before this Authority from time to time, preferably every quarter.
- f) The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.



- g) The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for necessary compliance.
- h) The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- i) The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.
- j) The Registry is directed to send copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- k) The Interlocutory Application No. 263 of 2023 is accordingly allowed.**

**SD/-**

**Madhu Sinha**

**Member (Technical)**

/Aakansha/

**SD/-**

**Reeta Kohli**

**Member (Judicial)**