

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

ITEM No.305  
IA(Plan)/48(AHM)2024  
in  
C.P.(IB)/247(AHM)2023

**Order under Section 30 IBC**

**IN THE MATTER OF:**

Sachin Dinkar Bhattbhatt RP M/s Star Line Leasing Limited .....Applicant

**Order delivered on: 30/06/2025**

**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 order. The order is pronounced in the open court, vide separate sheet.

-sd-

**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)48(AHM)2024  
In  
CP (IB) No.247/NCLT/AHM/2023**

**IA(Plan)48(AHM)2024**

*(An Application under Section 30 r/w Section 31 of the Insolvency and Bankruptcy Code, 2016 for approval of the Resolution Plan)*

In the matter of: **Star Line Leasing Limited**

**Mr. Sachin Dinkar Bhattbhatt,  
Resolution Professional of  
M/s. Star Line Leasing Limited,  
Having address at:  
506, Abhijit-1, Nr. Mithakhali Six roads,  
Ellisbridge, Ahmedabad-380006.**

... Resolution Professional/Applicant

**Order Pronounced On:30.06.2025**

**C O R A M:**

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

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

**A P P E A R A N C E:**

For the Applicant/RP : Mr. Jaimin Dave, Advocate  
: Ms. Hirva Dave, Advocate  
: Mr. Sachin Bhatt, Advocate

**ORDER**  
**(PER: BENCH)**

1. The present application, bearing IA(Plan)/48/(AHM)2024 has been filed on 18.11.2024 vide diary no. E3003 by the Applicant/Resolution Professional of M/s. Star Line Leasing Limited under Section 30 r.w. Section 31 of the Insolvency and Bankruptcy Code, 2016 (“IBC, 2016”) seeking relief as follows;
  - a. *YOUR LORDSHIPS' may be pleased to allow the present application;*
  - b. *YOUR LORDSHIPS' may be pleased to approve the Resolution Plan of Mr. Pratik Bose at ANNEXURE – X*
  - c. *YOUR LORDSHIPS' may be pleased to hold that in accordance with Section 31(1) of the Insolvency and Bankruptcy Code, 2016, the approved Resolution Plan 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;*
  - d. *YOUR LORDSHIPS' may be pleased to hold that since the resolution plan results in change in the management or control of the Corporate Debtor, according to Section 32A of the Insolvency and Bankruptcy Code, 2016, notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a Corporate Debtor for an offence committed prior to commencement of the CIRP shall cease, and the Corporate Debtor shall not be prosecuted for such an offence from the date the Resolution Plan has been approved by this Hon'ble Adjudicating Authority under Section 31 of the Insolvency and Bankruptcy Code, 2016;*
  - e. *YOUR LORDSHIPS' may be pleased to condone the delay caused, if any, in preferring the instant application, in the overall interest of justice;*

- f. *YOUR LORDSHIPS' may be pleased to grant any other relief as may deem fit in the interest of justice;*

## **FACTS**

2. The brief facts of this case, as available on the records and the application for the approval of the Resolution Plan, are as under:-

- I. The Financial Creditor, i.e., M/s. Zep Infratech Limited had filed a petition on 07.10.2023, being C.P. (I.B.) No. 247 of 2023 under Section 7 of the IBC, 2016 for initiating the Corporate Insolvency Resolution Process (“**CIRP**”) against the Corporate Debtor – Star Line Leasing Limited. This Tribunal vide its order dated 23.11.2023 admitted the Company Petition (I.B.) No. 247 of 2023 and appointed the Applicant herein as Interim Resolution Professional (“**IRP**”).
- II. Thereafter, the Applicant herein invited the claims by issuing the prescribed Form-A dated 25.11.2023. In pursuance to which, the Applicant received claims from the stakeholders and constituted the Committee of Creditors (“**CoC**”) comprising of the following members:

| Sr. No. | Name of Member | Nature of Debt | of | Amount of Claim Admitted | of Voting Share (in |
|---------|----------------|----------------|----|--------------------------|---------------------|
|---------|----------------|----------------|----|--------------------------|---------------------|

|       |                       |           | (in Rs.)      | (%)    |
|-------|-----------------------|-----------|---------------|--------|
| 1.    | Zep Infratech Limited | Unsecured | 8,40,00,000/- | 99.29% |
| 2.    | Damyanti Ventures     | Unsecured | 6,00,000/-    | 0.71   |
| TOTAL |                       |           | 8,46,00,000/- | 100    |

- III.** Thereafter, on 26.01.2024, the Applicant moved an application being I.A. No. 257 of 2024 for placing on record the report certifying the constitution of the CoC. This Adjudicating Authority vide its order dated 07.02.2024 allowed the said I.A. and taken on record the report certifying the constitution of CoC.
- IV.** Based on a show cause notice dated 31.12.2023 issued under Section 73 of the Goods and Services Tax Act, 2017, the Applicant *suo moto* admitted a claim of G.S.T. Department being Unsecured Operational Creditor (Govt. Dues) for an amount of Rs. 48,13,424/-.
- V.** The CoC of the Corporate Debtor i.e., M/s. Star Line Leasing Limited has duly approved the resolution plan, submitted by Mr. Pratik Bose on 21.03.2024 and amended on 23.04.2024. The said resolution plan submitted by Mr. Pratik Bose was approved unanimously i.e., by 100% voting share of the Committee of Creditors.

**VI.** Subsequent to the approval of the Resolution Plan by the CoC, one Operational Creditor, namely, M/s. Avenue Supermarts Limited filed an application being I.A. No. 1521 of 2024 before this Adjudicating *inter alia* seeking condonation of delay in filing claim before the Applicant. This this Adjudicating. Authority vide its order dated 14.10.2024, disposed of the said IA with direction to the Applicant herein to consider and collate the claim of M/s. Avenue Supermarts Limited within a period of 7 (seven) days.

**VII.** On account of the foregoing scenario, the Applicant herein had duly admitted the claim of M/s. Avenue Supermarts Limited as on 21.10.2024. The details whereof are as under:

| Sr. No.      | Name of Member            | Nature of Debt                 | Amount of Claim Admitted (in Rs.) |
|--------------|---------------------------|--------------------------------|-----------------------------------|
| 1.           | Avenue Supermarts Limited | Unsecured Operational Creditor | 21,00,000/-                       |
| <b>TOTAL</b> |                           |                                | <b>21,00,000/-</b>                |

**VIII.** In the interregnum, **the 1<sup>st</sup> meeting of CoC** was held on 22.12.2023, wherein the appointment of the Applicant was confirmed as RP. Thereafter, on 29.12.2023, the

Applicant had appointed the following registered valuers for determining the value of the different assets of the Corporate Debtor:

- (i) M/s. Maitri Valuation LLP for land and buildings as well as securities and financial assets;
- (ii) Mr. Bharatsinh R. Rajput for land and building; and
- (iii) Mr. Nilesh R. Barad for securities and financial assets.

The appointments of all the aforementioned registered valuers were ratified by the CoC in the 2<sup>nd</sup> meeting held on 18.01.2024.

**IX.** The **2<sup>nd</sup> meeting of the CoC** was held on 18.01.2024, wherein unanimous resolution with regards to approval of the eligibility criteria, evaluation matrix for Prospective Resolution Applicants ("**PRAs**"), Form-G and Request for Resolution Plan ("**RFRP**") was passed by the CoC. In view whereof, the Applicant herein had published Form G on 22.01.2024. As per the said Form-G dated 22.01.2024, the last date for submission of Expression of Interest ("**EoI**") for the PRAs was 07.02.2024. Till 07.02.2024, the Applicant herein had received EoI from only 1 (one) PRA i.e., Mr. Pratik Bose, who had also deposited the Earnest

Money Deposit (“**EMD**”). As per the said Form G dated 22.01.2024, the last date for submission of the Resolution Plan was 25.03.2024.

**X.** The **3<sup>rd</sup> meeting of CoC** was held on 12.03.2024, wherein a unanimous resolution was passed by the CoC for holding meetings of the CoC on a need basis, subject to at least 1 (one) meeting being held in every quarter.

**XI.** Thereafter, the Applicant herein had received the valuation reports from the aforementioned registered valuers and the Applicant herein had shared the same with the members of the CoC. The summary of the valuation of the assets of the Corporate Debtor made by the aforementioned registered valuers is as follows:-

(a) Land and Building:

| Particulars of Asset  | M/s. Maitri Valuation LLP<br>(Valuer - I) |                               | Mr. Bharatsinh R. Rajput<br>(Valuer - II) |                               |
|---|---|-------------------------------|---|-------------------------------|
|   | Fair Value<br>(in Rs.)                    | Liquidation<br>Value (in Rs.) | Fair Value (in<br>Rs.)                    | Liquidation<br>Value (in Rs.) |
| Plot No. 49, New Survey No. 690 (old Survey No. 255 part), Maharajpura - Pandharpur Village Road, Maharajpura, Taluka - Kadi, District - Ahmedabad - 382 210. | 9,07,000/-                                | 6,35,000/-                    | 9,33,000/-                                | 6,53,000/-                    |

(b) Securities and Financial Assets:

| Sr. No. | Particulars of Asset  | M/s. Maitri Valuation LLP<br>(Valuer - I) |                               | Mr. Nilesh R. Barad<br>(Valuer - II) |                               |
|---------|-----------------------|---|-------------------------------|--------------------------------------|-------------------------------|
|         |                       | Fair Value<br>(in Rs.)                    | Liquidation<br>Value (in Rs.) | Fair Value (in<br>Rs.)               | Liquidation<br>Value (in Rs.) |
| 1.      | Investments           | NIL                                       | NIL                           | NIL                                  | NIL                           |
| 2.      | Loan & Advances       | NIL                                       | NIL                           | NIL                                  | NIL                           |
| 3.      | Cash and Bank Balance | 23,76,818/-                               | 23,76,818/-                   | 23,76,700.25/-                       | 23,76,700.25/-                |
| TOTAL:  |                       | 23,76,818/-                               | 23,76,818/-                   | 23,76,700.25/-                       | 23,76,700.25/-                |

**XII.** Thereafter, the Applicant herein had duly received the Resolution Plan from Mr. Pratik Bose on 21.03.2024 i.e., prior to the last date for submission of Resolution Plan. The Applicant immediately evaluated the Resolution Plan received from Mr. Pratik Bose, ensuring the compliance thereof with the provisions of the Insolvency and Bankruptcy Code, 2016.

**XIII.** The **4<sup>th</sup> meeting of the CoC** came to be held on 08.04.2024, by which time, the Applicant had received Resolution Plan only from one Prospective Resolution

Applicant i.e., Resolution Plan of Mr. Pratik Bose. Therefore, a Resolution Plan of the sole Resolution Applicant left for consideration of the CoC. Thus, in the said meeting, the Resolution Plan of Mr. Pratik Bose was duly discussed and the members of the CoC were of the opinion that negotiations with the Prospective Resolution Applicant were required since the financial proposal under the Resolution Plan was below the expectations of the members of the CoC.

**XIV.** Thereafter, the members of the CoC instructed the Applicant herein to obtain a convenient date of the sole PRA and arrange for a CoC meeting inviting the sole PRA for further negotiation or discussion on the matter. There were minor lacunas in the Resolution Plan, which the Applicant herein had agreed to co-ordinate with the sole PRA and get it rectified.

**XV.** The **5<sup>th</sup> meeting of the CoC** was held on 16.04.2024 wherein the members of the CoC had deliberated about the Resolution Plan in great details with the PRA and had intimated that the financial proposal was below the expectations of the CoC and that he should consider

significant increase in the financial terms as well as reduction in timelines. Therefore, the PRA had sought time to reconsider and get back with revised financial terms to the Applicant herein latest by 22.04.2024. Thereafter, the Resolution Plan with revised financial proposal received from Mr. Pratik Bose was shared by the Applicant herein with the members of the CoC.

**XVI.** Subsequent to which, **in the 6<sup>th</sup> meeting of the CoC** held on 30.04.2024, a detailed discussion and deliberation took place on the revised financial proposal under the Resolution Plan submitted by Mr. Pratik Bose. In the said meeting, the CoC decided to put the final Resolution Plan received from Mr. Pratik Bose for e-voting from 06.05.2024 to 07.05.2024. In the said voting, the Resolution Plan submitted by Mr. Pratik Bose was approved by 100% majority of the members of the CoC.

**XVII.** Since the statutory period of 180 days was expiring on 21.05.2024 and the Resolution Plan provided for 15 days' time to the Successful Resolution Applicant ("**SRA**") to deposit the Performance Security from the

date of approval of Resolution Plan by the CoC and also the drafting and filing of the instant application was under process, a **7<sup>th</sup> meeting of the CoC** was called on 13.05.2024 by the Applicant herein, wherein it was unanimously resolved and approved by the CoC to seek an extension of 90 (ninety) days from 21.05.2024 for completion of CIRP of the Corporate Debtor from this Adjudicating Authority.

**XVIII.** Accordingly, on 17.05.2024, the Applicant filed an Interlocutory Application being No. 837 of 2024 seeking extension of 90 days for completion of CIRP. However, this Adjudicating Authority vide its order dated 04.06.2024 granted an extension of 30 days from the date of the order i.e., from 04.06.2024.

**XIX.** Thereafter, on 02.07.2024, the Applicant had preferred an application being I. A. (Plan) No. 31 of 2024 seeking approval of the Resolution Plan submitted by Mr. Pratik Bose under Section 30 read with Section 31 of the IBC, 2016.

**XX.** During the hearing on 23.08.2024, at the request of the learned counsel for the RP, the plan application had

been returned with liberty to hold another CoC meeting within a period of 10 days and file a fresh application, within a week thereafter.

**XXI.** Thereafter, the Applicant convened the **8<sup>th</sup> meeting of the CoC** on 02.09.2024. In the said meeting, the Applicant discussed and deliberated upon the following matters with the members of the CoC:

- (a) Feasibility and viability of the plan checked by the CoC;*
- (b) The names of person to be appointed in the Board of Directors and the respective 29A undertaking;*
- (c) Proof of deposit of performance security; and*
- (d) Deliberations of CoC on relief and concessions sought as per plan.*

**XXII.** With regards to checking of the feasibility and viability, the members of the CoC informed the Applicant that they have already considered the feasibility and viability of the Resolution Plan in their commercial wisdom at the time of its approval and after that only the same was approved by the CoC on 30.04.2024 by 100% majority. Further, the members of the CoC also explained that in their commercial wisdom, the Resolution Plan of Mr. Pratik Bose is feasible and viable considering the fact that the plan value is above the liquidation value and

further considering that the PRA has adequate net worth to implement the Resolution Plan. Also, the available cash and bank balance, if any, available in the account of the Corporate Debtor would be transferred to the Financial Creditors, after deduction of CIRP cost.

**XXIII.** In view whereof, the following resolution came to be passed by the members of the CoC by 100% majority in the said 8<sup>th</sup> meeting of the CoC held on 02.09.2024:

*"RESOLVED THAT the resolution plan submitted by Mr. Pratik Bose. which was approved by the COC on 30th April, 2024, is feasible and viable as per the commercial wisdom of the COC for the reasons as recorded in the earlier portion of these minutes."*

**XXIV.** Further, Mr. Pratik Bose has duly submitted a declaration by way of an Affidavit dated 05.02.2024 for eligibility criteria under Section 29A of the IBC, 2016 to the Applicant herein.

**XXV.** One Mrs. Kriti Bose, part of the Implementing Entity and a nominee shareholder of 0.01% has also submitted a declaration by way of an Affidavit dated 02.05.2024 under Section 29A of the IBC, 2016 to the Applicant. Be that as it may, it has been duly provided under the Resolution Plan that the shares in the name of Mrs. Kriti

Bose will otherwise be beneficially held by Mr. Pratik Bose, i.e., the SRA. The persons, namely (i) Mr. Pratik Bose; and (ii) Mrs. Kriti Bose would be appointed in the Board of Directors subsequent to the approval of Resolution Plan by this Adjudicating Authority and the same is duly recorded in the minutes of the 8<sup>th</sup> CoC meeting held on 02.09.2024. The DIN number of Mr. Pratik Bose is 07792266 and that of Mrs. Kriti Bose is 08803783.

**XXVI.** In terms of Regulation 36B(4A) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Resolution Plan provides that 25% of the Resolution Plan amount after deduction of the EMD amount deposited by the SRA to the tune of Rs. 15,00,000/- shall be provided in the form of Demand Draft towards performance security.

**XXVII.** Accordingly, the SRA had submitted a cheque dated 07.02.2024 bearing no. 234456 drawn on Axis Bank Limited for an amount of Rs. 5,00,000/-, a cheque dated

25.03.2024 bearing no. 288986 drawn on Axis Bank Limited for an amount of Rs. 10,00,000/- and a cheque dated 11.05.2024 bearing no. 278610 drawn on Axis Bank Limited for an amount of Rs. 6,25,000/- to the Applicant. Thus, a total amount of Rs. 21,25,000/- is duly provided by the SRA towards Performance Security.

**XXVIII.** Furthermore, at Paragraph No. 6 of the Resolution Plan, the SRA had sought for following reliefs and concessions from this Adjudicating Authority:

- a. *Afford a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner in accordance with Section 79(2) of the IT Act and following such opportunity approve that all losses of the Corporate Debtor for any previous years (whether or not corporate tax return has been filed for respective financial years) shall be available to be carried forward and set off against the income of the Corporate Debtor;*
- b. *Waiver from payment of fees, charges, stamp duty (whether by Department of Registration and Stamps and Governmental Authorities of Gujarat and such other states and geographies where the Corporate Debtor or the Implementing Entity carries on its business and operations or where its assets are located), transfer fees (if any payable on land leased from Industrial Development Authority due to potential change of control), registration and/or filing fees (including fees payable to the jurisdictional Registrar of Companies) for various actions contemplated under this Resolution Plan (including issuance of Equity Shares, change in control, etc.) and that the fees payable to the Registrar of Companies in respect of the increase of authorised share capital and amendment of memorandum of association and articles of association of the Corporate Debtor for allotment of fresh shares to the Implementing Entity and/or its nominees (provided each such nominee is eligible under Section 29A of the Code to be resolution applicant) and other*

*relevant parties be waived and the Registrar of Companies be directed to approve the relevant forms under the Companies Act and rules thereto without payment of fees in respect thereof;*

- c. The Corporate Debtor and the Implementing Entity shall be granted an exemption from all Taxes, levies, surcharges, cess, fees, transfer premiums, and surcharges that arise from or relate to various actions contemplated under this Resolution Plan (including issuance of Equity Shares, change in control, etc.).*
- d. The RP and CoC members shall ensure that there are no restrictions from existing promoters/owners / creditors in the implementation of Resolution Plan as well as on the Assets of the Corporate Debtor. The Resolution Applicant shall be provided adequate protection for the same.*
- e. Resolution Applicant shall be entitled for all GST credit, Goodwill, receivables and all other assets of the Corporate Debtor without any restrictions except otherwise as provided in this Resolution Plan.*
- f. The Resolution Plan shall be binding on all stakeholders and on and from the Effective Date, the Corporate Debtor shall start running the business and operations on a "fresh-slate" / "clean slate" without any risk or liabilities for past acts and omissions of the Corporate Debtor. The benefit of Section 32A of the Code shall be available to the Corporate Debtor and Implementing Entity*
- g. Adverse Actions during Standstill Period:*

*During the Standstill Period, the following adverse actions against the Corporate Debtor shall be prohibited:*

- i. the institution of any Proceedings or continuation of any Proceedings against the Corporate Debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other Governmental Authority;*
- ii. transferring, Encumbering, alienating or disposing off by the Corporate Debtor, any of its Assets or any legal right or beneficial interest therein save and except for any application of cash or monies of the Corporate Debtor in the ordinary course of business;*

- iii. any action to foreclose, recover or enforce any Security Interest or Encumbrance against the Corporate Debtor or any of its Assets including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
- iv. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*
- h. During Standstill Period, Resolution Professional and CoC shall safeguard the assets of the Corporate Debtor.*

**XXIX.** The members of the CoC had duly deliberated upon the aforementioned reliefs and concessions in the 8<sup>th</sup> CoC meeting held on 02.09.2024. Further, the Applicant has duly taken a confirmation letter from the SRA when the Resolution Plan was submitted, that all the aforementioned reliefs and concessions are not conditional in nature and that the same does not affect the implementation of the Resolution Plan.

**XXX.** Accordingly, the members of the CoC were of the opinion that the relief and concessions asked for by the SRA were routine in nature and are not conditions which affect the implementation of Resolution Plan. Hence, this Adjudicating Authority may be pleased to grant

reliefs and concessions as requested by the Successful Resolution Applicant, as per its own discretion.

**XXXI.** Thus, the approved Resolution Plan meets with the requirements of Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 as well as Section 30 of the Insolvency and Bankruptcy Code, 2016. Further, that the Resolution Plan provides for payment to Financial Creditors as well as payment to Operational Creditor. A copy of the approved Resolution Plan submitted by Mr. Pratik Bose is annexed at ANNEXURE-X to this application.

**XXXII.** Subsequently, on 13.09.2024, the Applicant herein preferred an I.A. being (Plan) No. 40 of 2024, which was listed for hearing before this Adjudicating Authority on 24.09.2024. On the said date, this Adjudicating Authority passed the following order:

*"After considering the brief consideration of the silent features of the Resolution Plan, the learned Counsel for the applicant / RP seeks indulgence to place on record the original copy of the 29A compliance as well as fresh affidavit with verification from both the proposed Board of Directors along with DIN Number within a period of one week, time which is granted.*

*Re-list on 14.10.2024."*

**XXXIII.** In compliance of the order dated 24.09.2024 passed by this Hon'ble Adjudicating Authority, the Applicant filed an additional affidavit dated 10.10.2024 placing on record the original copies of the compliance affidavits under Section 29A of the IBC, 2016 as well as original copies of the fresh affidavits of the proposed Board of Directors along with their DIN numbers.

**XXXIV.** Thereafter, on 14.10.2024, the I.A. (Plan) No. 40 of 2024 was remitted back to the Applicant herein in view of the order passed in I.A. No. 1521 of 2024, wherein the Applicant was granted liberty to hold one more CoC meeting to deal with the claim of M/s. Avenue Supermarts Limited and file a fresh application subsequent thereto.

**XXXV.** Further, vide the same order dated 14.10.2024 passed in I.A. (Plan) No. 40 of 2024, the Applicant was also directed to file a fresh compliance affidavit under Section 29A of the IBC, 2016 with respect to Mr. Pratik Bose along with the present fresh application. Accordingly, the Applicant states along with the present application, the fresh affidavits dated 19.10.2024 of both the proposed Board of Directors,

namely, Mr. Pratik Bose and Mrs. Kriti Bose, wherein the DIN numbers are also specifically mentioned. Also that the DIN number of Mr. Pratik Bose is 07792266 and that of Mrs. Kriti Bose is 08803783.

**XXXVI.** In terms of the liberty granted by this Adjudicating Authority vide order dated 14.10.2024 passed in I.A. No. 1521 of 2024 and I.A. (Plan) No. 40 of 2024, the Applicant duly convened **9<sup>th</sup> meeting of the CoC** on 23.10.2024. In the said meeting, the Applicant duly informed the members of the CoC with regards to admission of the claim of M/s. Avenue Supermarts Limited to the tune of Rs. 21,00,000/-. Further, the Applicant also drawn attention of the members of the CoC to Clause 3.1.7.6 (b) under the Resolution Plan submitted by Mr. Pratik Bose, which reads thus:

*"b) For the avoidance of doubt, it is clarified that if any such Claims or amounts are admitted after the submission of this Resolution Plan for any reason whatsoever, then the same treatment provided to such class of Creditor shall be provided to the new Claim without any increase in the over financial liability undertaken by the Implementing Entity and/or the Corporate Debtor under the Resolution Plan. In the event such Claims, or amounts are admitted after the submission of this Resolution Plan for any reason whatsoever, the payments proposed to the existing Creditors in such class of Creditors shall be proportionately reduced."*

**XXXVII.** Thus, the Applicant informed the members of the CoC that based on the foregoing paragraph under the approved Resolution Plan, M/s. Avenue Supermarts Limited would receive a pro-rata amount as being received by other Unsecured Operational Creditors under the approved Resolution Plan and that there was no requirement to make any modifications in the approved Resolution Plan. Accordingly, in the said 9<sup>th</sup> meeting of the CoC, a fresh resolution approving the same Resolution Plan submitted by Mr. Pratik Bose was once again, unanimously passed by the members of the CoC.

**XXXVIII.** That under the approved Resolution Plan, the Resolution Applicant shall pay, an aggregate amount of Rs. 85,00,000/-. The tabular summary of the payments to the creditors contemplated to be made under the approved Resolution Plan is as follows:

| Sr. No. | Category of stakeholder         | Amount Admitted (in Rupees) | Amount provided under the Plan (in Rupees) |
|---------|---------------------------------|-----------------------------|--|
| 1.      | CIRP Costs (Refer Note 1 below] | NIL                         | NIL  |
| 2.      | Workmen/Employees               | NIL                         | NIL  |

|    |  |               |             |
|----|--|---------------|-------------|
| 3. | Secured Financial Creditors  | NIL           | NIL         |
| 4. | Unsecured Financial Creditors  | 8,46,00,000/- | 84,50,000/- |
| 5. | Dissenting Financial Creditors   | NIL           | NIL         |
| 6. | Operational Creditors (excluding workmen/Employees)                                      | 21,00,000/-   | 50,000/-    |
| 7. | Government/Statutory Dues (as Operational Creditors)                                     | 48,13,424/-   |             |
| 8. | Other Stakeholders/ Creditors (other than Financial Creditors and Operational Creditors) | NIL           | NIL         |
|    | TOTAL  | 8,94,13,424/- | 85,00,000/- |

Note 1: As on date of Approval of the Resolution Plan, the unpaid CIRP Cost is NIL. Further, the Corporate Debtor has a bank balance of more than Rs. 9,00,000/- i.e., after deducting the amount of performance security deposited by the Successful Resolution Applicant. It is pertinent to submit that the entire CIRP cost till filing of the present application has already been paid and the future CIRP costs till the approval of the Resolution Plan are expected to be below Rs. 7,00,000/-. Hence, the CIRP costs shall be paid from the existing bank balance. Further, the Resolution Plan provides that the Successful Resolution Applicant shall have no right over the existing cash and bank balance including bank term deposit balance, if any available with the Corporate Debtor and the Financial Creditors are entitled to have a right over the same. In view whereof, the Applicant

herein had informed the Resolution Applicant that the unpaid CIRP costs are estimated to be NIL.

Be that as it may, Clauses 3.1.1 and 3.1.2 under the Resolution Plan duly provides that "Any unpaid Insolvency Resolution Process Costs and Standstill Period Costs shall be paid by way of Upfront Fund Infusion made by the Resolution Applicant and shall be adjusted from the Upfront Cash Recovery." and that "The Insolvency Resolution Process Costs will be paid in priority to any payment to any Creditors."

**XXXIX.** Till the filing of the present application, a total amount of Rs. 10,86,230/- is incurred towards the CIRP cost and the same has been duly approved or ratified by the members of the CoC and has also been paid off.

**XL.** The proposed distribution to the various stakeholders of the Corporate Debtor under the Resolution Plan is as follows:

| Sr. No.       | Name of the Creditor      | Nature of Debt                              | Amount of Claim Admitted (in Rs.) | Amount Proposed to be Distributed (in Rs.) |
|---------------|---------------------------|---|-----------------------------------|--|
| 1             | Zep Infratech Limited     | Un-secured Financial Creditor               | 8,40,00,000/-                     | 83,90,071/-                                |
| 2             | Dampanti Ventures         | Un-secured Financial Creditor               | 6,00,000/-                        | 59,929/-                                   |
| 3             | G S T Department          | Unsecured Operational Creditor (Govt. Dues) | 48,13,424/-                       | 34,812/-                                   |
| 4             | Avenue Supermart- Limited | Unsecured Operational Creditor              | 21,00,000/-                       | 15,188/-                                   |
| <b>TOTAL:</b> |                           |   | <b>9,15,13,424/-</b>              | <b>85,00,000/-</b>                         |

**XLI.** Further, the Approved Resolution Plan of Mr. Pratik Bose provides for Implementation Steps and Schedule. The implementation plan proposed by the Resolution Applicant is as under:

| Sr. No. | Key Steps  |  |  |  |
|---------|--|--|--|--|
| 1.      | <b>Identification of the implementing Entity</b>   |  |  |  |
|         | Implementing entity of the Resolution Plan and shareholding pattern of the Corporate Debtor on implementation of Resolution Plan shall be as follows:  |  |  |  |
|         | Sr. No.  | Name of implementing entity/shareholders | % of Equity Shareholding on approval and implementation of Resolution plan |  |
|         | 1.   | Mr. Pratik Bose                          | 99.99%   |  |
| 2.      | Mrs. Kriti Bose (Shares Beneficially held by Mr. Pratik Bose)  | 0.01%                                    |  |  |
| 2.      | <b>Approval of the CoC and Adjudicating Authority or any relevant appellate body</b>   |  |  |  |
|         | The Resolution Plan will have to be approved by the CoC. Following receipt of the approval of the CoC, the Resolution Plan will have to be filed with the Adjudicating Authority for its approval. |  |  |  |
| 3.      | <b>Approval of the Resolution Plan by the Adjudicating Authority</b>   |  |  |  |

|    |  |
|----|--|
|    | The Resolution Plan will have to be approved by a Plan Approval Order.   |
| 4. | <p><b>Appointment of Monitoring Agent and Constitution of Monitoring Committee.</b></p> <p>During the period between the Plan Approval Date and the Effective Date (“Standstill Period”), the following actions shall be taken:</p> <p><b>Monitoring Committee:</b> A Monitoring Committee shall be constituted comprising of two representatives of the CoC, one representative of the Resolution Applicant and one Resolution Professional;</p> <p><b>Board of Directors:</b> The powers of the board of directors of the Corporate Debtor shall continue to remain suspended and all powers of the board of directors shall be exercised by the Monitoring Committee; and</p> <p>The Monitoring Agent and the Monitoring Committee shall oversee the business of the Corporate Debtor. All officers of the Corporate Debtor shall perform their functions and give effect to the directions of the Monitoring Committee and the Monitoring Agent.</p> |
| 5. | <p><b>Application for seeking approvals for implementation of the Resolution plan.</b></p> <p>Necessary applications will be filed by the Implementing Entity or the Corporate Debtor, as the case may be, with the relevant Governmental Authorities to obtain the approvals necessary or desirable to commence the implementation of the Resolution plan.</p> <p>The Corporate Debtor, Monitoring Agent and Monitoring Committee shall provide such assistance as may be required for the purposes of obtaining such approvals.</p> <p>The Resolution Applicant does not envisage requirement of any approvals from Governmental Authorities for implementation of the Resolution Plan other than as may be required in terms of Clause 3.3.2.1. of the Resolution Plan (Applications and Approvals).</p>  |
| 6. | <p><b>Effective Date</b></p> <p>On the Effective Date, the implementing Entity shall assume Control of the management and affairs including the assets of the Corporate Debtor.</p> <p>All necessary corporate actions for undertaking the actions on the Effective Date shall have been undertaken in consultation with the Resolution Applicant.</p>   |
| 7. | <p><b>Upfront Fund Infusion in Star Line Leasing Limited (SLLL)</b></p> <p>The Upfront Fund Infusion shall be infused and/or cause to be infused by the Implementing Entity in the manner and form as specified in this clause 3.3 (Implementation steps and schedule), The plan Approval order shall have deemed to approve the simultaneous issue and allotment of Securities by the Corporate Debtor for such Upfront Fund Infusion.</p> <p>The Upfront Fund Infusion may be infused in the Corporate Debtor through equity or equity linked instruments and, if necessary, other financial instruments (including equity shares, preference shares, debentures and loans).</p>   |
| 8. | <b>Capital Reduction</b>   |

After the completion of actions listed out in Step 7 (infusion of Upfront Fund Infusion in SLLL), the issued equity and preference share capital of SLLL held by the existing shareholders of SLLL (including any part of the Financial creditor Debt which has been converted to equity) and any right to subscribe to, or be allocated such equity shares, including any employee stock options, pre-emptive subscription rights or convertible instruments held by any person; but other than the securities that are issued to the Implementing Entity pursuant to the terms of this Resolution Plan above shall be reduced to NIL and extinguished and cancelled ("Capital Reduction"), without payment of any price to the shareholders. For avoidance of any doubt, the Securities held by the Implementing Entity pursuant to Step 7 (Equity Contribution in SLLL) above shall not be cancelled and extinguished as part of the Capital Reduction.

The share capital of SLLL shall stand cancelled / extinguished and the resultant amount on such cancellation / extinguishment to be credited to capital reserve in the financial statements of SLLL.

The Capital Reduction shall not require the consents of any of the creditors of SLLL or approval of any of the shareholders of SLLL, or any other person having security interest over such shares and the approval of the NCLT (pursuant to Section 31. of the IBC) to the Resolution Plan shall constitute approval of the reduction of share capital and shall be binding on SLLL and its stakeholders (including its creditors and shareholders).

SLLL shall record reduction in the issued equity share capital of SLLL by way of cancellation of all of its existing issued share capital (which, for the avoidance of any doubt, shall not include shares which have been issued to the Resolution Applicant pursuant to Step 7 (Infusion of Equity Contribution in SLLL) above).

The shareholding pattern of SLLL after completion of Step 8 (Capital Reduction) shall be:

| Sr. No. | Shareholder   | Shareholding Percentage |
|---------|---|-------------------------|
| 1.      | Mr. Pratik Bose   | 99.99%                  |
| 2.      | Mrs. Kriti Bose (shares beneficially held by Mr. Pratik Bose) | 0.01%                   |

The plan Approval Order shall have deemed to approve the increase in authorized share capital, amendment of the charter documents of the Corporate Debtor.

**9. Repayment of Priority Dues**

The following amounts shall be paid in priority to payments to the Financial Creditors in accordance with Clause 3(Financial Proposal):

- a. Unpaid Insolvency Resolution Process Costs and the Standstill Period; and
- b. Payment of Upfront OC Discharge Amount, if any.

**10. Payment of the FC Discharge Amount**

The FC Discharge Amount shall be paid to the respective Financial Creditors as specified in this Resolution Plan;

|     |   |
|-----|---|
|     | <p>Simultaneously with such payment, the Financial Creditors shall undertake the following actions:</p> <ol style="list-style-type: none"> <li>a. Each of the Financial Creditors shall issue a no dues certificate to the Corporate Debtor/ Implementing Entity;</li> <li>b. Each of the Financial Creditors shall file or cause to be filed all relevant forms with the Registrar of Companies, CERSAI, Sub Registrar of Assurances, if applicable, for evidencing the satisfaction of such Encumbrance.</li> </ol> |
| 11. | <p><b>Constitution of the new board of directors</b></p> <p>The existing board of directors of the Corporate Debtor shall on the Effective date be replaced and a new board comprising of such Persons as nominated or selected by the Implementing Entity (provided each person nominated or selected is eligible under Section 29A of the Code to be resolution applicant) shall come into force and the control of the Corporate Debtor, its management and assets would move to the Implementing Entity.</p>      |

The Resolution Plan shall be deemed to be implemented on payment of the FC Discharge Amount to the Unsecured Financial Creditors (*who are last in line to receive from the resolution amount*).

**XLII.** Furthermore, the Clause 3.4 of the said Resolution Plan provides that implementation of the Resolution Plan shall commence immediately from the receipt of an order of this Adjudicating Authority approving the Resolution Plan and the SRA intends to implement the entire Resolution Plan not later than period of days of receipt of a Plan Approval Order.

**XLIII.** Clause 4 of the Resolution Plan provides thus:

*"The Resolution Applicant is keenly aware that completion of the CIRP expeditiously is key to achieving the best possible outcome for the Corporate Debtor and its various Stakeholders. In light of the above, the Resolution Applicant has proposed a straightforward implementation plan involving the acquisition of 100% of the shareholding of the Corporate Debtor. This Resolution Plan is capable of immediate implementation upon receipt of the Plan Approval Order. The steps involved in the implementation of the Resolution Plan are detailed in Section 3."*

**XLIV.** The Resolution Plan also provides for Performance Security as per sub-regulation (4A) of Regulation 36B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

**XLV.** The SRA has undertaken in the Resolution Plan that the Financial Creditors shall be entitled for all cash and bank balance including bank term deposit balance, if any available with the Corporate Debtor and the Successful Resolution Applicant shall not have any right over them.

**XLVI.** That Clause 3.1.6 of the Resolution Plan provides for Source of Funds and mechanics of payment of funds to various creditors. It is provided that the RA has sufficient net worth to implement the Resolution Plan, in so far as the net worth certificate of the SRA duly provides that Mr.

Pratik Bose has a net worth above Rs. 3,00,00,000/- A copy of the net worth certificate of the Successful Resolution Applicant is annexed at ANNEXURE – AD.

**XLVII.** Further, following the best practices as laid down by the recent guidelines issued by the Insolvency and Bankruptcy Board of India, the details of the Business Loss, Unabsorbed Depreciation, Long-Term Capital Loss and Short-Term Capital Loss as per the books of accounts and income-tax returns of the Corporate Debtor are as under:

Summary of Income Tax Losses as per latest Income-Tax Return ("ITR") (Rs. In crores)

| Assessment Year | Business Loss          |                                  | Unabsorbed Depreciation |                                  | Long-Term Capital Loss |                                  | Short-Term Capital Loss |                                  |
|-----------------|------------------------|----------------------------------|-------------------------|----------------------------------|------------------------|----------------------------------|-------------------------|----------------------------------|
|                 | Loss as per latest ITR | Expiry of loss (Assessment Year) | Loss as per latest ITR  | Expiry of loss (Assessment Year) | Loss as per latest ITR | Expiry of loss (Assessment Year) | Loss as per latest ITR  | Expiry of loss (Assessment Year) |
| 2020-21         | -                      | -                                | 0.014                   | Indefinite Period                | -                      | -                                | -                       | -                                |
| 2022-23         | -                      | -                                | 0.125                   | Indefinite period                | -                      | -                                | -                       | -                                |
| 2023-24         | -                      | -                                | -                       | -                                | 325.93                 | 2031-32                          | 0.003                   | 2031-32                          |
| 2024-25         | 0.08                   | 2032-33                          | -                       | -                                | -                      | -                                | 1.21                    | 2032-33                          |
|                 | 0.08                   |                                  | 0.14                    |                                  | 325.93                 |                                  | 1.21                    |                                  |

**XLVIII.** Furthermore, the Applicant has also produced a copy of the latest detailed Income-tax Return for the A.Y.: 2024-25 along with the present application A copy of the detailed Income-tax Return for the A.Y.: 2024-25 is annexed at ANNEXURE - AG.

**XLIX.** That, on account of festival of Diwali, the Applicant was able to collate and send the requisite documents to the advocate for preparing a draft of the instant application only on 04.11.2024. Thereafter, due to other prior commitments, the concerned advocate had shared a draft of the instant application to the Applicant herein on 11.11.2024. That after vetting the draft of the instant application and subsequent to making minor corrections therein, the Applicant has now been able to affirm the instant application for filing the same before this Adjudicating Authority. The delay occurred in preferring the instant application is genuine and bona fide and this Hon'ble Adjudicating Authority may be pleased to condone the same in the overall interest of justice.

**L.** Thus, the present application is filed before this Adjudicating Authority to seek approval of the Resolution Plan submitted by Mr. Pratik Bose for revival of the Corporate Debtor.

**LI.** In accordance with Section 31(1) of the IBC, 2016 the approved Resolution Plan 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. It is clarified that neither the Corporate Debtor nor the Resolution Applicant shall be required to make any payments over and above the amount provided for under the said Resolution Plan on and from the date of approval of the Resolution Plan.

**LII.** Since the Resolution Plan results in the change in the management or control of the Corporate Debtor, according to Section 32A of the IBC, 2016, notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a Corporate Debtor for an offence committed prior to the commencement of CIRP shall cease, and the Corporate Debtor shall not be prosecuted for such an offence from the date the Resolution Plan has been approved by the Adjudicating Authority under Section 31 of the Insolvency and Bankruptcy Code, 2016 and any instrument executed by the Corporate Debtor

under the Negotiable Instrument Act, 1881 including but not limited to post-dated cheques, demand promissory notes, etc. prior to the approval order passed by the Adjudicating Authority shall in no manner be the liability of the Resolution Applicant and all such instruments to be treated as null and void *ab-initio*.

**LIII.** Furthermore, with the subscription of the Equity Shares by the Resolution Applicant and its Affiliates/ Nominees, the entire Equity Shares held by the Existing Shareholders shall stand fully extinguished as a part of this Resolution Plan.

**LIV.** That, nothing contained in this Resolution Plan shall affect the rights of the Corporate Debtor to recover any amounts due to the Corporate Debtor from any third party including any Related Parties of the Corporate Debtor, under proceedings initiated by the Corporate Debtor and there shall be no set-off of any such amounts recoverable by the Corporate Debtor against any amount paid/ payable by the Corporate Debtor or any liability discharged, satisfied or extinguished pursuant to this Resolution Plan.

**LV.** The Applicant not filed any other application concerning the subject matter of this application before any other Court including the Supreme Court of India.

**3.** In compliance of the order dated 29.11.2024 wherein this Adjudicating Authority had directed the RP to seek clarification from the valuer and place his reply by way of an additional affidavit, an additional affidavit was filed by the RP on 16.01.2025 vide diary no. D285.

**4.** During the course of hearing on 28.04.2025, this Adjudicating Authority had raised the following queries/clarifications:-

- *Information on the business carried out by the CD for the previous two years prior to the admission in the CIRP and during the CIRP and what business is proposed by the Resolution Applicant;*
- *Audited financial accounts for two years prior to the admission of the CD in the CIRP and after that till 31.03.2025;*
- *List of assets on which the IRP/RP had taken control and custody thereof;*
- *Action taken by the RP regarding collection of debt due to the corporate debtor;*
- *The number of workers and employees of the CD for each year (two years prior to the CIRP and till date afterward);*
- *Reasons for default in payment committed by the CD and how the same is dealt in the plan submitted by the RA;*
- *Whether the Resolution Plan provide for any restructuring of CD by way of merger, amalgamation and demerger;*
- *Whether the CD has any plant and machinery, if yes, details of major machinery.*
- *What is the business of the SRA and what are the plans of the SRA regarding the business of the CD;*

- What is the year-wise business loss/brought forward depreciation of the CD as per last filed income tax return.
- Date of filing income tax returns of the CD for FYs 2019-2020 to 2023-2024.
- Sources of funds of the SRA.

5. Accordingly, in compliance of the order dated 28.04.2025, the Applicant filed an additional affidavit on 06.05.2025 vide Inward No. D-3020, categorically dealing with the queries raised by this Adjudicating Authority and the response thereto herein:

| Sr. No. | Query  | Response   |
|---------|--|--|
| 1.      | Information on the business carried on by the CD for the previous two years prior to the admission in the CIRP and during the CIRP and what business is proposed by the Resolution Applicant | <p>It is submitted that the CIRP against the CD was admitted by this Hon'ble Adjudicating Authority vide an order dated 23.11.2023 passed in C. P. (I.B.) No. 247 of 2023.</p> <p><b><u>Business of CD for previous 2 (two) years prior to CIRP:</u></b></p> <p>It is submitted that initially the CD was registered as a Non-Banking Finance Company ("NBFC") with the Reserve Bank of India ("RBI"). However, with effect from 05.10.2016, the certificate of registration of the CD as a NBFC was surrendered and cancelled by the RBI. (A copy of the press release dated 23.11.2016 issued by the RBI is marked and annexed ANNEXURE - R2). hereto as</p> <p>Further, it is submitted that the CD was a part of the erstwhile promoter group of M/s. Sintex Industries Limited; M/s. Sintex Plastic</p> |

|  |  |   |
|--|--|---|
|  |  | <p>Technology Limited and its subsidiary M/s. Limited</p> <p>That M/s. Sintex Industries Limited was engaged in the business of spinning and textiles. Whereas, M/s. Sintex Plastic Technology Limited, through its subsidiary company M/s. Sintex-BAPL Limited was engaged in the business of manufacturing of water tanks under the name of well-known brand "SINTEX" as well as in the business of auto sector.</p> <p>During the F.Y.: 2021-22 and F.Y. 2022-23, all the aforementioned companies viz. M/s. Sintex Industries Limited, M/s. Sintex-BAPL Limited and M/s. Sintex Plastic Technology Limited were admitted under CIRP. It is relevant to submit that M/s. Sintex Industries Limited was taken over by M/s. Reliance Industries. Limited and M/s. Sintex-BAPL Limited was taken over by the Welspun Group of Companies by way of a Resolution Plan. Whereas, M/s. Sintex Plastic Technology Limited went into Liquidation and during the Liquidation Process, M/s. Sintex Plastic Technology Limited was taken over by the Durgesh Infrastructure group.</p> <p>On account of the foregoing scenario, the CD did not have any business operations during the F.Y.: 2021-22 and F.Y.: 2022-23 and the annual revenue from the business activities was NIL.</p> <p><b><u>Business of CD during the CIRP:</u></b><br/>It is further submitted that during the CIRP, the CD had no business activities.</p> <p><b><u>Business proposed by the SRA:</u></b></p> |
|--|--|---|

|    |  |  |
|----|--|--|
|    |  | <p>It is submitted that as per the directions Adjudicating of this Hon'ble Authority, the Applicant herein had duly sought an affidavit from the SRA and in response to the query under consideration, the SRA, in its affidavit, had responded thus:</p> <p><i>"Apropos to the query of this Hon'ble Adjudicating Authority as to what business of proposed by the Successful Resolution Applicant, it is submitted that the Successful Resolution Applicant was given to understand that the Corporate Debtor i.e., Star Line Leasing Limited had no business operations in the F.Y.: 2022-23 and F.Y.: 2021-22 and even during the CIRP. However, the Corporate Debtor being erstwhile promoter entity of Sintex Group as well as being erstwhile NBFC, have extensive network and presence in the market. In view whereof, the Successful Resolution Applicant intends to revive the Corporate Debtor through his entrepreneurship skills and further intends to expand the business of management and financial consultancy by using the extensive network and presence of the Corporate Debtor in the market.</i></p> <p>(An original copy of the Affidavit submitted by the SRA is marked and annexed hereto as ANNEXURE R3).</p> |
| 2. | Audited financial accounts for two years prior to the admission of the CD in the CIRP and after that till 31.03.2025 | The copies of the audited financial accounts for 2 (two) years prior to the admission of the CD in the CIRP i.e., for F.Y.: 2021-22 and F.Y.: 2022-23 are duly filed by the Applicant herein before this Hon'ble Adjudicating Authority by way of <b>Additional Affidavit dated 13.01.2025</b> as a  |

|                  |   | <p>part of the Information Memorandum.</p> <p>However, with regards to audited financial accounts for F.Y.: 2023-24 and F.Y.: 2024-25, it is submitted that the same are under the process of finalization with the statutory auditors of the CD.</p>   |      |                        |                  |   |                  |   |                  |     |                  |     |
|------------------|---|---|------|------------------------|------------------|---|------------------|---|------------------|-----|------------------|-----|
| 3.               | List of assets on which the IRP/ RP had taken control and custody thereof   | <p>The Applicant herein has taken the control and custody of one small plot of land at Maharajpura.</p> <p>It is submitted that apart from the aforementioned asset, there are no other fixed assets in the books of accounts of the CD.</p>  |      |                        |                  |   |                  |   |                  |     |                  |     |
| 4.               | Action taken by the RP regarding collection of debt due to the corporate debtor                                   | <p>It is submitted that the only asset in the form of debt standing in the books of account of the CD was loan advanced to 2 (two) individuals. That the Applicant herein had duly sent recovery letters to both the individuals for recovering the outstanding debt and had also made regular follow ups. However, there has been no response from the end of the debtors.</p>                             |      |                        |                  |   |                  |   |                  |     |                  |     |
| 5.               | The number of workers and employees of the CD for each year (two years prior to the CIRP and till date afterward) | <p>The number of workers and employees of the CD for each year are as under:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>No of workers/employee</th> </tr> </thead> <tbody> <tr> <td>As on 31.03.2022</td> <td>1</td> </tr> <tr> <td>As on 31.03.2023</td> <td>1</td> </tr> <tr> <td>As on 31.07.2024</td> <td>NIL</td> </tr> <tr> <td>As on 31.03.2025</td> <td>NIL</td> </tr> </tbody> </table> | Year | No of workers/employee | As on 31.03.2022 | 1 | As on 31.03.2023 | 1 | As on 31.07.2024 | NIL | As on 31.03.2025 | NIL |
| Year             | No of workers/employee  |   |      |                        |                  |   |                  |   |                  |     |                  |     |
| As on 31.03.2022 | 1   |   |      |                        |                  |   |                  |   |                  |     |                  |     |
| As on 31.03.2023 | 1   |   |      |                        |                  |   |                  |   |                  |     |                  |     |
| As on 31.07.2024 | NIL   |   |      |                        |                  |   |                  |   |                  |     |                  |     |
| As on 31.03.2025 | NIL   |   |      |                        |                  |   |                  |   |                  |     |                  |     |
| 6.               | Reasons for default in payment committed by the CD and how the same is dealt in the plan submitted by the RA      | <p>It is submitted that sub-clause (n) of Clause 3.1.7.10 of the Resolution Plan duly provides as under:</p> <p><i>"n) The Resolution Plan is feasible and viable including addressed to cause of default and Resolution Applicant and their partners having sufficient net worth to implement the Resolution Plan."</i></p> <p>Further, in the Affidavit submitted by</p>                                  |      |                        |                  |   |                  |   |                  |     |                  |     |

the SRA which is annexed hereto and marked as ANNEXURE R3, it has been stated thus:

"4. Further, with regards to the reasons for default in payment committed by the Corporate Debtor and as to how the same is being dealt with by the Successful Resolution Applicant, it is submitted that the Successful Resolution Applicant was given to understand that Star Line Leasing Limited i.e., the Corporate Debtor was erstwhile promoter entity of Sintex Industries Limited and Sintex Plastic Technology Limited.

5. That Sintex Industries Limited was a company engaged in the business of spinning and textiles having capacity of 6.6 lacs+ spindles. Whereas, Sintex Plastic Technology Limited was a company engaged in the business of manufacturing of water tanks under the name of well-known brand "SINTEX" as well as in the business of auto sector, through its subsidiary.

6. It is submitted that Sintex Industries Limited was admitted under CIRP and was taken over by Reliance Industries Limited by way of a Resolution Plan which was approved by this Hon'ble Adjudicating Authority vide 10.02.2023.

7. Further, Sintex Plastic Technology Limited was conducting its business of manufacturing of water tanks and auto sector through its subsidiary company, namely Limited. That even Sintex-BAPL Sintex-BAPL Limited was admitted under CIRP and was taken over by the Welspun Group by way of a Resolution Plan which was approved by this Hon'ble

|  |  |   |
|--|--|---|
|  |  | <p>Adjudicating Authority vide an order dated 17.03.2023. Thereafter, Sintex Plastic Technology Limited was also taken over by Durgesh Infrastructure group during liquidation process and this Hon'ble Adjudicating Authority had granted various reliefs and concessions to Durgesh Infrastructure group vide an order dated 08.11.2024.</p> <p>8. Subsequent to which, all the investments held by the Corporate Debtor in Sintex Industries Limited and Sintex Plastic Technology Limited were extinguished and hence, the Corporate Debtor had also started incurring losses. That on account of such losses, the Corporate Debtor was not able to survive/ cope up and was eventually admitted under CIRP by this Hon'ble Adjudicating Authority vide an order dated 23.11.2023.</p> <p>9. It is submitted that the Successful Resolution Applicant is engaged in the business of providing management and financial consultancy. That the Corporate Debtor being erstwhile promoter entity of Sintex Group as well as being erstwhile NBFC, have extensive network and presence in the market. In view whereof, the Successful Resolution Applicant intends to revive the Corporate Debtor through his entrepreneurship skills and further intends to expand the business of management and financial consultancy by using the extensive network and presence of the Corporate Debtor in the market.</p> <p>10. At this juncture it is pertinent to submit that sub-clause (n) of Clause 3.1.7.10 of the Resolution Plan duly provides as under:</p> <p>"n) The Resolution Plan is</p> |
|--|--|---|

|    |   |   |
|----|---|---|
|    |   | <p><i>feasible and viable including addressed to cause of default and Resolution Applicant and its partners having sufficient net worth to implement Resolution Plan."</i></p> <p><i>11. In addition to the above, the Successful Resolution Applicant had duly addressed A letter dated 05.05.2025 to the Applicant Resolution Professional in order to specifically deal with the queries raised by this Hon'ble Adjudicating Authority. That the said letter dated 05.05.2025 may be treated as a part and parcel of the Resolution Plan. (A copy of the letter dated 05.05.2025 is annexed herewith as ANNEXURE-A)."</i></p>                    |
| 7. | Whether the Resolution Plan provide for any restructuring of CD by way of merger, amalgamation and demerger | No, the Resolution Plan does not provide for any restructuring of the CD by way of merger, amalgamation or demerger and the same is confirmed by the SRA in its Affidavit which is annexed hereto and marked as ANNEXURE – R3.  |
| 8. | Whether the CD has any plant and machinery, if yes, details machinery of major                              | No, the CD does not have any plant and machinery in the books of account.   |
| 9. | What is the business of the SRA and what are the plans of the SRA regarding the business of the CD          | <p>The said query has been addressed by the SRA in its Affidavit, which is annexed hereto and marked as ANNEXURE R3, as under:</p> <p><i>"13. With regards to the query of this Hon'ble Adjudicating Authority as to what is the business of the Successful Resolution Applicant and what are the plans of the Successful Resolution Applicant regarding the business of the Corporate Debtor, it is submitted that the Successful Resolution Applicant is a highly educated and high net worth individual having extensive experience of business activities in the field of management consultancy, international investments and Venture</i></p> |

|                |   | <p>Capitalist. The Successful Resolution Applicant is also a co-founder of SEBI registered Alternate Investment Funds ("AIF"). Moreover, the Successful Resolution Applicant is also engaged in the business of providing management and financial consultancy.</p> <p>14. It is further reiterated that the Corporate Debtor being erstwhile promoter entity of Sintex Group as well as being erstwhile NBFC, have extensive network and presence in the market. In view whereof, the Successful Resolution Applicant intends to revive the Corporate Debtor through his entrepreneurship skills and further intends to expand the business of management and financial consultancy by using the extensive network and presence of the Corporate Debtor in the market."</p> |                |                |         |            |         |            |         |            |         |            |         |            |
|----------------|---|--|----------------|----------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|------------|
| 10.            | What is the year-wise business loss/ brought forward depreciation of the CD as per last filed income tax return | The details of the year-wise business loss/ brought forward depreciation of the CD as per last filed income tax return have been duly filed by the Applicant herein before this Hon'ble Adjudicating Authority along with the captioned application at <b>ANNEXURE AF (Page No. 328) and ANNEXURE AG (Page Nos. 329 to 436).</b>   |                |                |         |            |         |            |         |            |         |            |         |            |
| 11.            | Date of filing income tax returns of the CD for F.Y.: 2019-20 to 2023-24  | <p>The date of filing of Income-tax Returns of the CD are as under:</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Date of filing</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td>10.01.2021</td> </tr> <tr> <td>2020-21</td> <td>10.03.2022</td> </tr> <tr> <td>2021-22</td> <td>22.10.2022</td> </tr> <tr> <td>2022-23</td> <td>30.10.2023</td> </tr> <tr> <td>2023-24</td> <td>23.10.2024</td> </tr> </tbody> </table>   | Financial Year | Date of filing | 2019-20 | 10.01.2021 | 2020-21 | 10.03.2022 | 2021-22 | 22.10.2022 | 2022-23 | 30.10.2023 | 2023-24 | 23.10.2024 |
| Financial Year | Date of filing  |  |                |                |         |            |         |            |         |            |         |            |         |            |
| 2019-20        | 10.01.2021  |  |                |                |         |            |         |            |         |            |         |            |         |            |
| 2020-21        | 10.03.2022  |  |                |                |         |            |         |            |         |            |         |            |         |            |
| 2021-22        | 22.10.2022  |  |                |                |         |            |         |            |         |            |         |            |         |            |
| 2022-23        | 30.10.2023  |  |                |                |         |            |         |            |         |            |         |            |         |            |
| 2023-24        | 23.10.2024  |  |                |                |         |            |         |            |         |            |         |            |         |            |
| 12.            | Sources of funds of the SRA   | <p>It is submitted that the SRA had informed the Applicant herein that they will be utilizing their own funds and not the borrowed funds for reviving the CD.</p> <p>In addition to the above, the said query has also been dealt with by the SRA in its Affidavit, which is annexed hereto and marked as <b>ANNEXURE R3, as follows:</b></p>  |                |                |         |            |         |            |         |            |         |            |         |            |

|  |  |  |
|--|--|--|
|  |  | <p>"15. Apropos to the query qua the sources of funds of the Successful Resolution Applicant, it is submitted that Clause 3.1.6 of the Resolution Plan provides for source of funds and mechanics of payment of funds to various creditors. It is provided that the partners of the Successful Resolution Applicant have sufficient net worth to implement the Resolution Plan.</p> <p>16. Thus, it is submitted that the Successful Resolution Applicant is having sufficient net worth to infuse adequate funds in the Corporate Debtor for reviving the business of the Corporate Debtor.</p> <p>17. Moreover, the Successful Resolution Applicant undertakes that he will be utilizing his own funds and not borrowed funds in revival of the Corporate Debtor. It is pertinent to submit that 25% of the Resolution Plan amount has already been deposited by the Successful Resolution Applicant in the form of performance security deposit from its own funds. The details qua the deposit of performance security are already placed on record by the Applicant Resolution Professional before this Hon'ble Adjudicating Authority.</p> <p>18. That the Successful Resolution Applicant has a net worth of more than Rs. 3 Crores and a copy of the net worth certificate of the Successful Resolution Applicant is duly produced at ANNEXURE AD (Page No. 320) along with the captioned application by the Applicant Resolution Professional."</p> |
|--|--|--|

6. Further, in compliance of order dated 07.05.2025, a revised Form-H has been filed by way of additional Affidavit through Inward No. D-3129 on 13.05.2025, in the revised Format prescribed by the IBBI. Information, other than discussed

above and other important information, as available in this Form, is summarized below:-

- I. The RA, namely Mr. Pratik Bose is engaged in the business activities in the field of management consultancy, international investments and Venture Capitalist as well as engaged in the business of providing management and financial consultancy.
- II. The Members of CoC are Zep Infratech Limited (99.30% voting rights), and Damyanti Ventures (0.70% voting rights).
- III. The total admitted claims other than corporate guarantee are Rs.9,15,13,000/-. The Corporate Guarantee Claims is NIL. The Plan value results into realization of 9.15% of the Principal Amount and 9.15% of the total admitted claims.
- IV. The Resolution Plan value is Rs.85,00,000/-, against a fair value of Rs.32,96,759/- and a liquidation value of Rs 30,20,759/-.
- V. The Plan amount of Rs.85,00,000/- will be distributed between unsecured financial creditors ( Rs 84,50,000/- and operational creditors, including the GST Department

(Rs. 35,000/-) .

- VI. The Plan results into realization of 9.99% of the unsecured financial creditors (members of CoC) claims of Rs 8,46,00,000/-.
- VII. The government claims are of Rs 48,13,424/-, and the Plan provides for recovery of only Rs 35,000/-, which is 0.72%. After payment of these, the Plan does not leave anything for the Corporate Debtor
- VIII. The RP has not identified any Preferential, Undervalued, Fraudulent and Extortionate transactions.
- IX. The CD has a business loss of Rs 0.08 crores for the assessment year 2024-25 and the expiry year is 2032-33. The CD has long-term capital loss of Rs 325.93 crores for the assessment year 2023-2024, and the expiry year is 2031-2032.
- 7.** In compliance of the order dated 29.11.2024, the applicant had filed an additional affidavit vide Diary No. D-285 on 16.01.2025 and the same had been taken on record.
- 8.** As per clause 3.1.1 of the Resolution Plan, the summary of proposal is as under:-

| <i>Particulars</i>  | <i>Amount (INR)</i>  |
|---|--|
| <i>Insolvency Resolution Process Costs and Standstill Period Costs</i>  | <p><i>Any unpaid Insolvency Resolution Process Costs and Standstill Period Costs shall be paid by way of Upfront Fund Infusion made by the Resolution Applicant and shall be adjusted from the Upfront Cash Recovery.</i></p> <p><i>Standstill period cost means the cost which is required to be incurred after approval of Resolution Plan by Hon'ble Adjudicating Authority till the date the Resolution Plan is fully implemented and Implementing entity take over the control of Corporate Debtor.</i></p> |
| <i>Operational Debt to be permanently settled, discharged and extinguished in full and reduced to NIL by payment of:</i>                            | <p><i>INR 50,000 against the claims of Operational Creditors verified and admitted by the RP shall be paid by way of Upfront Fund Infusion made by the Resolution Applicant and shall be adjusted from the Upfront Cash Recovery ("Upfront OC Discharge Amount").</i></p> <p><i>Upfront OC Discharge Amount means upfront amount to be paid to the Operational Creditors (claim of which admitted by RP) within 45 days from the date of approval of Resolution Plan by Adjudicating Authority.</i></p>          |
| <i>Financial Creditor Debt to be permanently settled, discharged and extinguished in full in accordance with the terms of this Resolution Plan:</i> | <p><i>Balance of Upfront Cash Recovery i.e. Upfront Cash Recovery - unpaid Insolvency Resolution Process Costs and Standstill Period Costs - Upfront OC Discharge Amount available to the Financial Creditor verified and admitted by the RP shall be paid by way of Upfront Fund Infusion made by the Resolution Applicant ("<b>Upfront FC Discharge Amount / FC Discharge Amount</b>").</i></p> <p><i>Upfront Cash Recovery means total</i></p>  |

|   |   |
|---|---|
|   | <p>upfront payment proposed by Resolution Applicant to be paid to financial creditors and operational creditors in term of this Resolution Plan, which is INR 85,00,000/-.</p> <p>Upfront FC Discharge Amount means upfront amount to be paid to the Financial Creditors (claim of which admitted by RP) within 45 days from the date of approval of Resolution Plan by Adjudicating Authority.</p> <p>For example, in case unpaid Insolvency Resolution Process Costs and Standstill Period Costs is NIL (i.e. Insolvency Resolution Process Costs and Standstill Period Costs paid from the cash and bank available with Corporate Debtor) then following amount available for Financial Creditors, INR 85,00,000 (Upfront Cash Recovery) - NIL (unpaid Insolvency Resolution Process Costs and Standstill Period Costs) INR 50,000 (Upfront OC Discharge Amount) = INR 84,50,000 (Balance amount available for Financial Creditors).</p> |
| <p>Any residual Debt, Claims or liabilities to be permanently settled, discharged, and extinguished in full and reduced to NIL by payment of:</p> | <p>NIL</p>  |

*In any case, the Resolution Applicant shall not be liable to pay any amount more than Total Financial Proposal i.e. INR 85,00,000 (Rupees Eighty-Five Lakhs Only).*

In order to provide more clarity following payment proposed by Resolution Applicant to each class of creditors against their admitted amount of claim;

| Sr. No. | Class of Creditors  | Amount of claim admitted by RP (IN Rs.) | Amount proposed to be paid under Resolution plan (in Rs)   |
|---------|---|---|--|
| 1.      | Unpaid CIRP Cost and Standstill Period costs                                | NA                                      | NIL<br><br>(As information per provided by RP, corporate debtor is not having any unpaid CIRP cost considering the same is paid off from the amount of bank balance available with the Corporate Debtor. Further as per information provided by RP, for standstill period cost also corporate debtor having sufficient bank balance) |
| 2.      | Operational Creditors (including workmen and employees and Government Dues) | 48,13,424                               | 50,000   |
| 3.      | Financial Creditors   | 8,46,00,000                             | 84,50,000  |
|         | <b>Total</b>  | <b>8,94,13,424</b>                      | <b>85,00,000</b>   |

In addition to above as per Process Document, we undertake that Financial Creditors also entitle for all cash and bank balance after deduction of CIRP Cost including bank term deposit balance in any available with Corporate Debtor and we as Resolution Applicant would not have right over them.

9. As per clause 3.1.3. of the Resolution Plan, the **Proposal for Outstanding Debt** is as under:-

### 3.1.3.1. Summary of Outstanding Debt

As per the Information Memorandum and List of Creditors provided by the RP,

following are the details of the Outstanding Debt of the Corporate Debtor as of the Insolvency Commencement Date:

- a) The RP has received Claims from Financial Creditors for an amount of INR 8,46,00,000 (Unsecured financial creditors) of which entire amount of INR 8,46,00,000 has been verified and admitted as Financial Debt by the RP ("Financial Creditors Debt").
- b) The RP has received Claims from Unsecured Operational Creditors (including workmen and employees and Government Dues) for an amount of INR 48,13,424 of which entire amount INR 48,13,424 has been verified and admitted by the RP ("Operational Debt");
- c) We note that other than the Claims specified in (a) and (b) above, the RP has not admitted any other Claims.
- d) As per information provided by the RP, we note that there are no contingent obligations to any Person owed by the Corporate Debtor in relation to any Financial Debt of such Person including in the form of corporate guarantees, letter of comfort, hold harmless arrangements, indemnities, put options, co-obligor arrangements, etc.

### **3.1.3.2. Proposal for Financial Creditors**

- a) The Financial Creditors (including Dissenting Financial Creditors) shall be permanently settled, discharged and extinguished upon payment of FC Discharge Amount by the Resolution Applicant.
- b) As per Section 30 of the Code, the Dissenting Financial Creditors are required to be paid an amount which shall not be less than the amount to be paid to such Dissenting Financial Creditor in accordance with sub-section (1) of Section 53 in the event of a liquidation of the Corporate Debtor.
- c) The Dissenting Financial Creditors, if any, shall receive the Liquidation Value payable to such Creditors from the FC Discharge Amount in full and final settlement of their claim. It is hereby clarified that the Liquidation Value proposed to the Dissenting Financial Creditors in Clause 3.1.3.2 (b) (Proposal for Financial Creditors) shall be paid, in priority to the Financial Creditors who have voted in favour of the Resolution Plan, on the Effective Date.

d) *With effect from the Effective Date, all Claims of Financial Creditors shall stand discharged, settled, extinguished in full and reduced to NIL.*

### **3.1.3. Proposal for Operational Creditors**

*The RP has received Claims from Unsecured Operational Creditors (including workmen and employees and Government Dues) for an amount of INR 48,13,424 of which entire amount INR 48,13,424 has been verified and admitted by the RP.*

*In accordance with Section 30(2)(b) of the Code, the Resolution Applicant is required to make payment to the Operational Creditors an amount equal to the higher of (i) the amount to be paid to Operational Creditors in the event of liquidation of the Corporate Debtor under Section 53 of the Code and (ii) the amount that would have been paid to Operational Creditors if the amount to be distributed under the Resolution Plan had been distributed in accordance with the order of priority in Section 53(1) of the Code.*

*With effect from the Effective Date, all Claims of Operational Creditors shall stand discharged, settled, extinguished in full and reduced to NIL.*

**3.1.4.** *The payments contemplated in this Resolution Plan shall be Resolution Applicant and the Corporate Debtor's full and final performance and satisfaction of all Claims, Debt, liabilities including contingent liabilities against it, in each case, whether or not such Claim, Debt, liabilities including contingent liabilities is reduced to judgment, fixed, equitable, matured, unmatured, disputed, undisputed, secured, unsecured, contingent, crystallised, admitted, rejected, under verification, recognized in the financial statements or not and including in relation to or pertaining to Tax whether or not contingent, recorded, assessed, unassessed, disputed, undisputed, whether or not in relation to or on account of assessment, reassessment, notice, proceedings, compounding, non-compliance, non-filing, non-preparation of documents, reports including but not limited to pursuant to any surveys or summons. No other payments or settlement (of any kind) will be made to any other person in respect of the Claims, Debt and liabilities in relation to the period prior to the Effective Date (whether arising prior or post the Effective Date) against the Corporate Debtor and all such Claims, Debt and liabilities shall stand extinguished.*

### **3.1.5. Proposal for Shareholders**

*No payment is proposed to be made to the existing shareholders of Corporate Debtor and the existing paid up share capital of the Corporate Debtor, whether as equity or preference shares, along with any share application monies shall be reduced to NIL and extinguished and cancelled pursuant to the Capital Reduction contained herein.*

*Upon cancellation of the existing equity capital and any share application monies, the Implementing Entity shall infuse capital into the Corporate Debtor as described in Clause 3.3.1 (implementation Plan) of the Resolution Plan and become the 100% shareholder of the Corporate Debtor enjoying 100% of the voting rights and rights over distributable surplus, from time to time, of the Corporate Debtor. The capital Instruments issued shall not be subject to any restrictions, encumbrances or agreement to create the same which were agreed by any person, other than the Resolution Applicant, prior to the Effective Date.*

*All rights of any person, whether such right is in any agreement, contracts, charter documents, confirmations, terms and conditions, letters, commitments, guarantees, Indemnities, power(s) of attorneys, acceptances, promises, notes hypothecations, pledges, mortgages, charges, trusts and/or any other deed or document or attached to any security, to acquire or hold shares or any securities in the Corporate Debtor which may at any time and/or for any reason be converted or exchanged into shares or convertible securities, whether optionally or mandatorily or in part or in whole, or to participate in any decision making or governance of the Corporate Debtor, including by having voting rights, veto or affirmative rights or by nominating or appointing or causing the nomination and/or appointment of any director, executive, principal officer or any employee or observer in the Corporate Debtor, or to have any right to participate in the revenue or profits or any other earnings of the Corporate Debtor shall terminate and not be effective and binding any more, and all shareholder agreements, voting covenants etc. shall immediately terminate and the Corporate Debtor and the implementing Entity be released from all obligations thereto, whether express or implied.*

### **3.1.6. Source of Funds and mechanics of payment of funds to various Creditors**

*The payments proposed in this Resolution Plan will be funded by the Resolution Applicant / Implementing Entity or its affiliates, associates or group entities in accordance with the terms of this Resolution Plan.*

*The Implementing Entity proposes to infuse the Upfront Fund Infusion into the Corporate Debtor on the Effective Date in the manner and form as specified in Clause 3.3.1 (implementation Plan) for the payment of the amount to the Creditors in the manner as specified in the Resolution Plan.*

*The Resolution Applicant having sufficient net worth (net worth certificate provided to Resolution Professional) to implement the Resolution Plan.*

- 10.** As per Clause 3.3.2.2 of the Resolution Plan, **the Upfront Fund Infusion in Corporate Debtor and Reduction of Current Share Capital** are as under:

*Upon the receipt of the Plan Approval Order and on the Effective Date, the Implementing Entity will infuse and/or cause the infusion of funds of an amount equal to the Upfront Fund Infusion in the Corporate Debtor in the manner as specified in this Resolution Plan within the period of 45 days from the date of approval of Resolution Plan by Adjudicating Authority such that the Implementing Entity holds 100% of the entire shareholding of the Corporate Debtor on the Effective Date.*

*Upon the receipt of the Plan Approval Order and with effect from the Effective Date, the entire share capital of the Corporate Debtor shall stand reduced to NIL and permanently discharged, extinguished and settled, such that the Implementing Entity remains the sole shareholder on the Effective Date.*

- 11.** As per Clause 3.3.4.1 of the Resolution Plan, the **Monitoring Agent** is as under:-

- a) *With effect from the Plan Approval Date or any earlier date as directed by any relevant judicial authority and till the Effective Date (the "Standstill Period"), the Monitoring Agent shall be appointed in order to oversee the operations and management of the Corporate Debtor.*
- b) *Subject to the provisions of this Resolution Plan, the Monitoring Agent shall carry out the day-to-day operations of the Corporate Debtor with the support of the management team of the Corporate Debtor during the Standstill Period; and any actions which require the Corporate Debtor to obtain shareholders' approval or the approval of its board of directors would be*

*undertaken solely with consent of the Monitoring Committee, which consent would be deemed to be the approval of the shareholders or the board of directors, as the case may be.*

- c) Unless otherwise required by the Implementing Entity, the term of the Monitoring Agent shall automatically terminate upon the earlier of (1) occurrence of the Effective Date; and (2) termination of the Resolution Plan in terms of this Resolution Plan.*
- d) The fee payable to the Monitoring Agent shall form part of the Standstill Period Costs. The fees of the Monitoring Agent shall be mutually agreed between the Resolution Applicant and the Monitoring Agent on or prior to the Plan Approval Date.*
- e) The Monitoring Agent shall perform its obligations under the supervision of the Monitoring Committee.*
- f) The Monitoring Agent shall perform the following obligations and shall be vested with all authority for the same:*
  - I. Continue with the operations and business of the Corporate Debtor;*
  - II. Ensure filing of relevant e-forms with the Registrar of Companies in relation to all actions required to be taken for the purpose of completion of the acquisition of the Corporate Debtor by the Implementing Entity;*
  - III. Pay all dues of the Corporate Debtor (including but not limited to Tax dues, dues to Operational Creditor, dues to workmen and employees, if any) in a timely manner and in accordance with the policies of the Corporate Debtor and provisions of applicable Law;*
  - IV. Take steps to rectify non-compliances of the Corporate Debtor with applicable Law;*
  - V. Cause the Corporate Debtor to take such steps as is necessary in the opinion of the Resolution Applicant to enable the implementing Entity to implement the Resolution Plan.*

**12.** As per Clause 3.3.4.2 of the Resolution Plan, **the Board of Directors** is as under:-

- a) From the Plan Approval Date, the powers of the board of directors of the Corporate Debtor shall continue to remain suspended and all powers of the*

board of directors of the Corporate Debtor shall be exercised by the Monitoring Committee.

- b) *With effect from the Effective Date, the board of directors of the Corporate Debtor shall be reconstituted in the manner specified by the Implementing Entity (such reconstitution would be with persons who are eligible under Section 29A of the Code to be resolution applicant) and on appointment such new directors the term of existing directors of the Corporate Debtor shall automatically terminate/expire on the Effective Date, without requiring any further actions on the part of the Corporate Debtor.*
- c) *The existing Board of Directors of the Corporate Debtor shall provide all cooperation necessary for undertaking all actions for implementation of the Resolution Plan including affixing their digital signature on forms to be filed with the Registrar of Companies on the Effective Date.*

**13.** As per Clause 3.3.4.3 of the Resolution Plan, the **Monitoring Committee** is as under:-

- a) *With effect from the Plan Approval Date and till the Effective date (the "Standstill Period"), the supervision of the management of the affairs of the Corporate Debtor and duty to oversee the implementation of the Resolution Plan shall inter alia vest with a steering committee ("Monitoring Committee").*
- b) *Unless otherwise required by the Implementing Entity, the term of the Monitoring Committee shall automatically terminate upon the occurrence of the Effective Date following the reconstitution of the board of directors of the Corporate Debtor by persons identified by the Implementing Entity (provided each such person identified shall be eligible under Section 29A of the Code to be resolution applicant).*
- c) *The Monitoring Committee shall comprise: (i) 2 representatives of the CoC (i.e. Financial Creditors); and (ii) 1 representative of the Resolution Applicant and (iii) 1 Resolution Professional. The decision-making powers of Monitoring Committee should be vest with CoC members and Resolution Applicant including Resolution Professional would not have any decision-making powers.*

- d) *The Monitoring Committee shall also have the same role and rights as board of directors.*
- e) *The quorum for a meeting of the Monitoring Committee would require the presence of at least 1 member representing the CoC and 1 member representing Implementing Entity.*
- f) *The meeting of the Monitoring Committee may be conducted by way of physical, audio or audio-visual means or any combination thereof. Unless otherwise agreed by the Implementing Entity and all representatives of the Financial Creditors who are members of the Monitoring Committee, each meeting of the Monitoring Committee shall require prior notice of 3 Business Days. Meeting may be conducted at shorter notice with the consent of members of monitoring.*

**14.** As per Clause 3.3.4.4 of the Resolution Plan, the **Supervision of Implementation** of the Resolution Plan is as under:-

- a) *During the Standstill Period, the Implementing Entity shall be responsible for taking the steps for the implementation of the Resolution Plan. The Monitoring Agent, the Monitoring Committee and the Creditors shall provide such information and cooperation on the implementation of the Resolution Plan as may be requested by the Implementing Entity from time to time.*
- b) *The mechanism for supervision of the payments to Stakeholders of the Corporate Debtor with effect from the Effective Date, in the manner contemplated hereunder, shall be supervised by the Implementing Entity with the co-operation of the Monitoring Agent.*

**15. SOME ADDITIONAL FACTS**

Information relevant to the present proceedings, as available in the audited accounts of the CD for the financial years 2021-2022 and 2022-2023, is given below (The RP provided the

information based on the directions issued by this Tribunal):

- The share capital of the company as on 31.03.2022 and 31.03.2021 was Rs 383.45 Lakhs. The shareholders are: Anal A. Patel (42.42%), Luv Amit Patel (17.14%), Kush Amit Patel (19.38%), and Chandan Infratech LLP (20.72%). The Company belongs to Sintex Group and audited accounts are signed by Shri Luv A Patel and Shri Jabal C. Lashkari, both directors of the company. The share capital remained the same as on 31.03.2023.
- Reserves and surplus of the company as on 31.03.201 and 31.03.2022 were Rs (10,944.06) Lakhs and Rs (19,947.02 ) Lakhs respectively. The figure for 31.03.2023 was (Rs 1267.89 Lakhs). The figures indicate that the company has negative reserves and surplus due to the deficit in the profit and loss account.
- Long-term borrowings as on 31.03.2022 and 31.03.2021 were Rs 38,473.75 Lakhs and Rs 38,933.63 Lakhs respectively. These borrowings were reduced to Rs 1,377.52 lakhs as of 31.03.2023. No reasons are given for reduction in the intercorporate deposits. None of these lenders has filed claims before the RP.

- Trades payable were Rs 93.91 Lakhs and 93.20 Lakhs respectively as on 31.03.2022 and 31.03.2021. Trades payable reduced to Rs 1.12 Lakhs as on 31.03.2023.
- Property, plant and equipment were of Rs 5.66 Lakhs as on 31.03.2022, and it was a freehold land. The company continued to hold freehold land as on 31.03.2023.
- Non-current investments were of Rs 8171.95 Lakhs and Rs 8049.34 Lakhs respectively as on 31.03.2021 and 31.03.2022. These were reduced to Rs 101.03 Lakhs. The investments in the shares of Sintex Plastic Technology Ltd shares was reduced to Zero as against 33529.41 Lakhs as on 31.03.2022.
- Long-term loans and advances were of Rs 19572.44 Lakhs and Rs 19908.95 Lakhs, respectively, as on 31.03.2022 and 31.03.2021. The amount was reduced to Rs 359.90 Lakhs.
- Current assets comprising of cash and cash equivalents, and other current assets were of Rs 63.25 Lakhs and Rs 63.25 Lakhs, respectively, as on 31.03.2022 and 31.03.2021.
- During the year 2020-2021, the company had total revenue

of Rs 1.02 Lakhs, other expenses of Rs 111.69 Lakhs and a loss of Rs 142.41 Lakhs.

- During the year 2021-2022, the Company had a total revenue of Rs 17.05 (mostly on profit on sale of investments) and a loss of Rs 2.96 Lakhs.
- Cash flow statement for the year 2021-2022 shows that the Company sold investments for Rs 135.05 Lakhs.
- The audited accounts for the year 2022-2023 show that the Company had an income tax demand of Rs 38,16,64,311, but the same is not taken into account by the RP in the claims.
- During the year 2022-2023, the company had other income of Rs 174.87 Lakhs and included interest on Income Tax Refunds of Rs 44.82 Lakhs. The Company had a loss of Rs 6703.55 Lakhs on the sale of investments in the year 2022-2023.
- Trial balance as on 23.11.2023 shows that the Company had made loans and advances of Rs 40,50,000 and Rs 10,36,000 to Shri Mukesh R Shah (HUF) and Shri Rashesh M Shah.
- The company sold a vehicle in the period 1.4.2023 to

23.11.2023 and earned a profit of Rs 787.

- 16.** Sintex Power Limited extended a loan of Rs 7,00,00,000 to the Corporate Debtor. The name of Sintex Power Limited was changed to Sixvents Power and Engineering Limited. This company was amalgamated with Zep Infratech Limited, and therefore, the loan receivable from the Corporate Debtor stood transferred in favour and name of Zep Infratech Limited (the Financial Creditor). Zep Infratech and CD entered into an MOU on 01.07.2018 that provided that the loan amount of Rs 7.0 crores, along with a premium of 20%, would be payable on or before 30.06.2022.

As the loan was not repaid, the FC filed an application under section 7 of the IBC, and the CD replied that, **“We hereby acknowledge and admit the default in repaying the aforesaid loan of Rs 8,40,00,000 to Zep Infratech Limited. Currently, we are facing a financial crunch, and it would not be possible for us to repay the debts of Zep Infratech Limited.”**

- 17.** The Valuation Report of one valuer, namely Bharat Singh R. Rajput, had valued the land at Rs 9,33,000 fair value and Rs 6,53,000 as liquidation value. Other assets were valued as given below:

- Maitri Valuation LLP provided a valuation report for financial assets. The cash and bank balance was Rs 23,76,818 (fair and liquidation value). The investments of book value of Rs 1,43,32,236 were valued at NIL.
- Shri Nilesh R Barad, another valuer, valued all investments in quoted shares with a book value of Rs 1,43,32,236 at Rs ZERO. Cash and cash equivalents were valued at Rs 23,76,700.
- The above shows that the Company had only two types of assets: One land with a fair value of Rs 9,33,000 and cash and bank balance of Rs 23,76,700. The total value of assets was about Rs 33 lakhs. Then there were loans receivable of Rs 50,86,000 from Shri Mukesh R Shah and Shri Rashesh M Shah,

**18.** The RP issued Form G “Invitation for Expression of Interest for Star Line Leasing Limited **not having any business activities at Present**”. The Form states that the fixed assets are located in Gujarat. The Company has no manufacturing operations. The Company has no material business operations in the last financial year.

**19.** This Tribunal sought some clarifications vide order dated 19.06.2025. The information provided by the RP through the additional affidavit filed on 26.06.2025, to the extent helpful in taking a decision about the approval/rejection of the Plan, is given below:

- The Resolution Applicant of the case, Mr. Pratik Bose, has also submitted a resolution plan for Rs 90,00,000 in the matter of Kolon Investment Private Limited being C.P. (I.B.) No. 259 of 2023.
- The RP submitted that none of the financial creditors, who made claims, are related to CD as per provisions of Section 5 (24) of the IBC, 2016.
- The RP has submitted that it had not issued any communication to the creditors as required by Regulation 6A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The RP has submitted that the trial balance drawn as of the date of CIRP did not show any material creditors, except for the unsecured FC, as well as the auditors of the company/CD. Both the unsecured creditors (M/s Zep Infratech Limited and M/s Damyanti Ventures had already submitted their claims. The auditor did not submit any claims. The RP has further submitted that there was regular

verbal communication with the auditors of the CD, who had been duly informed of the initiation of the CIRP against the CD, and their services were also kept ongoing. The RP had also made communication with the Income Tax Department, TDS Department, GST Department vide emails dated 27.11.2023. The RP has additionally submitted that there were no material creditors as per the last books of account of the CD, which needed to be communicated in terms of Regulation 6A. However, as discussed above, the CD has assets and liabilities of hundreds of crores and even the audit report for the year 2022-2023 had income tax claims/demand but that is not included in the claims prepared by the RP.

- As directed by this Tribunal, the RP has also provided a copy of the Information Memorandum (IM). The IM states that the last audited accounts of the CD have been prepared for FY 2022-2023. Up-to-date books of accounts

are being maintained on a regular basis. The IM notes that the provisional trial balance of the current year as on the CIRP commencement date is given in Annexure. A list of creditors is given in the Annexure. As per the trial balance as on 23.11.2023, the CD has no dues payable to the related party. The CD has investments in the shares of Kolon Investment Private Limited of Rs 16.61 Lakhs. The CD has NIL permanent employees or workmen as on 23.11.2023.

- The Company was incorporated on 26.03.1984 under the name of Star Line Leasing Limited. The primary activity of the company consisted of investing in shares of Sintex Industries Limited and Sintex Plastics Technology Limited, as both companies are under CIRP. Consequently, the investment in these shares has been written off in the books of Star line Leasing Limited.
- The primary source of income of the Company consisted of interest income and miscellaneous

income.

- Major assets of the company as on 23.11.2023 consist of loan receivable of Rs 51 lakhs and investment in the equity shares and real estate funds. Apart from this, the CD has a bank balance aggregating to Rs9 lakhs in a few current accounts.
- A copy of the trial balance as on 23.11.2023 is provided. According to this, the company has reserves and a surplus of Rs 254,59,89,282.
- A copy of the claim forms received from M/s Zep Infratech Limited and M/s Damyanti Enterprises is filed. M/s Damyanti Ventures, 105, Ist Floor, Jangid Lake View, Bhiwandi Thane. The loan of Rs 6,00,000 was given on 10.09.2023. This loan has similar characteristics as loans received in the month of September 2023 from Rajendra M. Thakkar and Sons Private Limited, having the address of 101, House of Grace, Padwal H, Bagle Estate Thane, 400604, by three other companies for which Zep Infratech Limited has filed application under section 7.

## **20. ANALYSIS AND FINDINGS OF THIS TRIBUNAL**

**20.1** Before advertng to the Application filed by the RP and the submitted Resolution Plan, we consider it appropriate to highlight essential facts about the case as available in the records.

- The Corporate Debtor and the Financial Creditor, M/s Zep Infratech Limited belong to the Sintex Group of cases. Major Sintex Group companies have undergone CIRP.
- The Financial Creditor, namely Zep Infratech Limited, a Group company, had filed the application under section 7 of the IBC, 2016, against the CD.
- M/s Zep Infratech Limited has filed applications under section 7 in at least three other cases (namely M/s Kolon Investments Private Limited, M/s Opel Securities Limited, and M/s Gabriel Ventures India Private Limited), and all the cases are being adjudicated by this Authority.
- The above facts show that Sintex Group entities are undergoing/undergone CIRP.
- The information on various assets and liabilities as noted in the balance sheet of the CD as on 31.03.2021, 31.03.2022, and 31.03.2023 is noted in this order. Huge liabilities are running in crores, and surprisingly, none have made any claims against the CD.
- The CD has no business for the two years prior to the admission to the CIRP, and also not during the period of the CIRP.
- The CD has no tangible assets other than a land valued at about Rs 7 lakhs, and it has only financial assets, and those are valued at about Rs 23,76,818. Fair value and Liquidation value is the same. Coincidentally, two independent

valuers valued the financial assets at the same value.

- The CD had no employees for two years prior to the admission of the CD in the CIRP, and also during the CIRP and at present, the CD has no employees.
- The CD was an NBFC, but its license was cancelled by the RBI on 23.11.2016. It was later a part of the promoter investment company of the Sintex Group.
- The CD has a business loss of Rs 0.08 crores, long-term capital loss of Rs 325.93 crores and short-term capital loss of Rs 1.21 crores. The Resolution Plan seeks confirmation from the Principal Commissioner of Income Tax and direction from this AA that the business loss will be allowed as set off against income under section 79 of the Income Tax Act. We also see the availability of business loss or long-term capital loss, which can potentially be considered an asset and could be utilised for tax planning by entities to reduce their tax liability. However, this asset is not valued and is not considered by the RP/CoC.
- The RA is seeking various relief and concessions, most of which do not apply to the facts of the case. For example, it is seeking a waiver of transfer fees on land leased from the Industrial Development Authority. Indicating that the RA does not have information that the CD has no land. The CoC also did not examine the relief and concessions sought in the Plan and their relevance to the actual facts of the CD but simply agreed with the claims of the RA by terming them as routine.
- The RA filed a response regarding various queries raised in the form of an Affidavit, and such information was not available in the submitted

Plan. Shri Pratik Bose has also filed an Affidavit on 05.05.2025 which states that we shall infuse adequate working capital funds in the Corporate Debtor and intends to revive the Corporate Debtor through our entrepreneurship skill and further intends to expand the business of management and consultancy by using the extensive network and presence of the Corporate Debtor in the market. This business plan has no link with the CD as CD does not have any employees and it does not have any extensive network. We have observed that the RAs have filed similar affidavits in three other cases in which M/s Zep Infratech Limited had filed applications under section 7 of the IBC, 2016. The claims of the Resolution Applicant are not supported by reality on the ground and lack substance. The CoC did not examine these aspects and continued to approve the resolutions with a 100% majority. It is noted that CoC comprises of M/s Zep Infratech Limited, which did not file its claim for a loan of hundreds of crores.

- The reasons for default by the CD, as stated in the additional affidavit filed by the RA, are based on the queries raised by this Tribunal to the RP.
- The RA has submitted that it will use its own funds for meeting the Plan requirements and not the borrowed funds for reviving the CD. However, it has not made any provision for equity capital or working capital. The amount of Rs 85,00,000 proposed in the Plan is earmarked for payment to two financial creditors and a small portion for payment to the GST Department. Shri Pratik Bose has also filed a Resolution Plan in the case of Kolon Investment Private Limited, another company in which a CIRP was initiated based on an application filed by M/S Zep Infratech Limited.

**20.2** The CD had assets and liabilities in hundreds of

crores as on 31.03.2021, 31.03.2022, and 31.03.2023. The CoC apparently lacked sufficient knowledge of the CD's business, and it never asked any questions or raised any doubts about the transactions undertaken by the CD.

**20.3** The CD was neither subjected to a forensic audit nor a transaction audit, nor were the transactions referred to an auditor for identifying preferential transactions under Section 43, undervalued transactions under Section 45, extortionate transactions under Section 50, and fraudulent transactions under Section 66 of the IBC, 2016. And on being directed by this Adjudicating Authority, an Affidavit to reply to the queries raised has been filed, and relevant information has been discussed in this order and summarised again below:

- The RP submitted that the audited financial statements for FY 2023-2024 and 2024-2025 are under the process of finalisation with the statutory auditors of the CD.
- The RP states that the Resolution Plan is feasible and viable, but it has not demonstrated the basis thereof, nor has the CoC deliberated it. What is feasible and viable in the circumstances that the CD has no business operations, no employees, no offices or other tangible assets. Only financial assets are considered assets, which can be easily sold or liquidated in a short process, such as liquidation. The business of CD was to invest in the Sintex Group companies (which are group companies). There are no employees of the CD, and therefore, no knowledge of the business, customer information, or any other intangibles, except for tax losses, is available with the CD.

**20.4** The RP has filed an affidavit and revised Form-H, based on the IBBI Notification No. IBBI/2025-26/GN/REG 124, dated 03.04.2025, in this Tribunal on 10.05.2025 (Inward Diary No. 3558).

Additional information provided is extracted below:

- Date of initiation of CIRP- 23.11.2023
- Date of expiry of 180 days of CIRP: 21.05.2024
- The extended period of CIRP expired on 03.07.2024
- Fair value of CD is Rs 32,96,759
- Liquidation Value is Rs 30,20,759
- Resolution Plan Value Rs 85,00,000.
- A total of 9 CoC meetings were held.
- Form H shows that CD was part of the erstwhile promoter group entities of Sintex Industries Limited and Sintex Plastic Technology Limited.
- No PUFÉ applications are made or pending.

**21.** 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 confirm 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.”

**22.** 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.

**23.** 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.”*

Furthermore, Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, requires the CoC to evaluate the resolution plan based on its feasibility and viability, a responsibility that appears to have been inadequately discharged in this case, as evidenced by the lack of scrutiny over the plan’s business projections and financial provisions.

- 24.** As far as effective implementation is concerned, the Plan only provides for payment to the CoC members to be made within 45 days of the NCLT's approval of the Plan. As discussed in detail in this order, the CD was part of the promoters of Sintex Group (a group investment company). Most of the Group entities have undergone CIRP and some have been liquidated. The value of the assets of the CD is about Rs 33 lakhs. With no tangible assets and no employees, the CD has become a hollow shell, except for some financial assets and a piece of land. There is nothing in the plan regarding the RA running

the Corporate Debtor, except for referring to its business and utilising the network of the CD, which does not exist. Therefore, the plan does not deal with the effective implementation of the Plan. In fact, the plan does not provide for the insolvency resolution of the CD or its revival. It is obvious because there is nothing in the CD except its name, business losses, and financial assets having a liquidation value of about Rs 30 lakhs. The case has the potential of misuse of the business losses and long-term capital loss for income tax purposes.

- 25.** 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 v. Indian Overseas Bank [2019] 102 taxmann.com / 12 SCC 150, Committee of Creditors of Essar Steel Ltd. V. Satish Kumar Gupta 8 SCC 531, Ebix Singapore (P) Ltd v. Committee of Creditors of Educomp Solutions Ltd [2021] 130 taxmann.com 208, Vallal RCK v. Siva Industries & Holding Ltd ((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.

**26.** Hon'ble Madras High Court in the matter of Writ Petition No. 29845 of 2022 has observed in para 52.3 as under:

“ 52.3 While the legislative intent to save the corporate debtor as a going concern may be appreciable, should it be at the cost of others, more so when the IBC offers adequate space for engineering manipulation? The larger question therefore, is why should the Parliament bend backwards to protect one corporate debtor at the risk of exposing the public interest to peril? The present case, a case study merely, illustrates how IBC could be manipulated to defeat the interests of the undisclosed creditors of the corporate debtor. Some points for the Parliament to ponder, and some legislative correction for it to make, lest the long term impact of the IBC could be disastrous, if not counter productive. Incidentally, has the Parliament taken note of the percentage of recovery generally achieved out of a successful resolution process of the Corporate Debtor?”.

**27.** The relevant facts as discussed in this order are again summarised below:

- The Corporate Debtor had hundreds of crores of

assets and liabilities as on 31.03.2021, 31.03.2022, and 31.03.2023 in the balance sheet. Still, all are on paper because none filed a claim before the RP, and the RP and CoC do not adequately evaluate the assets and liabilities.

- The filing of a petition under section 7 by M/s Zep Infratech Limited, coupled with the absence of claims from other significant creditors and lack of forensic audits to identify potential avoidance transactions, raises concerns about the transparency and purpose of the CIRP process, particularly in light of the immunities available under section 32A of the IBC, 2016.
- Neither the RP nor CoC recommended a forensic audit of the CD or an audit for identifying the PUFEE transactions in the circumstances that the CD had transactions in hundreds of crores, including with related parties.
- RP did not follow the requirements of Regulation 6A of the IBBI Regulations for CIRP as discussed above and did not identify the real creditors.
- The RP has not demonstrated that it has taken steps to provide correct information along with full details of assets. The facts indicate that it was a very closed group that was aware of the CIRP proceedings. There are no IAs by the third parties.

- The CD has carried forward business losses, long-term capital losses, and short-term capital losses in hundreds of crores. Though the SRA has asked for a prayer from this Adjudicating Authority to approve affording a reasonable opportunity of being heard by the jurisdictional principal commissioner of income tax in accordance with section 79 (2) of the Income Tax Act, 1961, to allow carry forward of losses of the previous year. However, these intangible assets have not been considered while valuing the CD or while submitting the Resolution Plan.
- The CD had advanced loans to various parties, and it had huge trade receivables, but the same were not taken into account by the CoC while approving the Resolution Plan amount quoted by the SRAs.
- The Resolution Plan only provide for payments to the two unsecured financial creditors.
- Whole money provided in the Plan will go the creditors and there is no provision for the working capital, equity capital, and for running the expenses of the CD.
- There is no provision for CIRP cost as it will be met by the cash available with the CD.
- The financial capacity of the RA is not convincing. He has filed a Resolution Plan in

another case of M/s Kolon Investments Private Limited.

- The above facts raise serious doubts about the whole CIRP process initiated based on the application of Zep Infratech Limited. The entire exercise suggests an accommodation or collusive arrangement with the sole purpose of helping the CD obtain benefits, reliefs, and concessions under Section 32A of the IBC, 2016. It raises concerns about its alignment with the IBC's objective of genuine insolvency resolution.
- There is no material in the Plan underpinning the feasibility and viability of the Resolution Plan. The plan does not address the cause of default, demonstrate feasibility and viability, provide for effective implementation, or establish the RA's capability to implement it.

**28.** The Corporate Debtor has no business assets and no employees. Currently, CD is not conducting any business and is not a going concern or in operation. None will benefit,

other than the two unsecured financial creditors, who constitute the CoC, from the approval of the Plan.

**29.** The RP has not filed any IA before this Tribunal regarding non-co-operation from the CD. The records indicate that the CD's management provided the necessary documents and information to the RP, and no specific instances of non-cooperation were reported during the CIRP. The RP has neither proposed nor has an initiative been taken by the CoC for identifying the avoidance transaction. There are no accounts of the CD after 01.04.2023 and this indicates that the RP did not have the full information to be provided in the Information Memorandum. Therefore, in absence of the same, the Resolution Plan submitted by the RA cannot be considered to have taken into account the full picture of the CD as on the date of submission of the Plan.

**30.** 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.

**31.** Commercial wisdom of the CoC: The CoC's role is questionable, as its 100% approval of the Resolution Plan without questioning significant unclaimed liabilities, the absence of audited accounts for FY 2023-24 and 2024-25, or the plan's lack of revival strategy violates Section 30(4) of the IBC, which mandates a diligent evaluation of the plan's feasibility and viability. This arbitrary conduct, lacking prudent decision-making at arm's length, undermines the IBC's objective of maximizing value for stakeholders. The facts indicate that their decisions were motivated with the sole intention of getting the approval of this Tribunal and getting 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, as the CD has no ongoing business and no party is interested other than the two CoC members.

**32.** In the case of ***Vallal RCK v. Shiva Industries (supra)*** 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.”*

- 33.** 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 and the Regulations. 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. It does not lead to value maximisation from the assets of the CD.
- 34.** Therefore, we are of the view that the resolution plan has no provisions for its effective implementation or resolution of the insolvency as required by Section 31 (1) of the IBC, as there is nothing in the plan except payment to CoC members and others out of plan value of Rs 85 lakhs. The entire amount goes to the stakeholders, and nothing remains for the CD, not even for the equity capital contribution.

**35.** 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, outlines key parameters that every resolution plan must comply with. 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.”

**36.** In the present case, upon a detailed consideration of the material on record, it is evident that the resolution plan fails to satisfy the criteria laid down in the above regulation. Further, section 30 (2) of the IBC, 2016 requires that the plan provide for the implementation and resolution of the Plan. The RA has no plans to provide a resolution to the corporate insolvency. As discussed

in detail with cogent reasons, the Plan fails to meet the requirements of clauses (c), (d), (e), and (f) of Section 30(2) of the IBC, 2016.

- 37.** The plan lacks financial depth and strategic clarity to justify its feasibility and viability, as it provides no working capital, equity infusion, or business projections to revive the Corporate Debtor, which has no ongoing operations, and no employees. Moreover, there is no demonstrable vision to restart the business of the CD and no capability is shown on the part of the Resolution Applicant to implement the plan. In fact, it does not provide any information on the business projections of the CD and how will it be achieved.
- 38.** Thus, in substance and spirit, the resolution plan does not comply with the provisions of section 30 and 31 of the IBC, 2016 and the Regulation 38(3), and the manner in which the CoC has approved it without these essential elements being satisfied raises serious questions about the integrity of the resolution process as a whole.
- 39.** The Hon'ble Supreme Court in the case of Pratap Technocrats (P) Ltd. v. Monitoring Committee of Reliance Infratel Ltd. 10 SCC 623,

under the Heading: Balancing the goals and key objectives of insolvency law in paragraph 46 of the order noted that, “ since an insolvency regime cannot fully protect the interests of all parties, some of the key policy choices to be made while designing the insolvency law relate to the broad goals of the law (rescuing businesses in financial difficulty, protecting employment, protecting the interest of creditors. Encouraging the development of an entrepreneurial class) and achieving the desired balance between the specific objectives identified above.

The Hon'ble Court in paragraph 47 further notes that, “Hence, once the requirements of IBC have been fulfilled, the adjudicating authority and the appellate authority are duty-bound to abide by the discipline of the statutory provisions. It needs to be emphasised that neither the adjudicating authority nor the appellate authority have an unchartered jurisdiction in equity. The jurisdiction arises within and as a product of a statutory framework.

- 40.** As discussed in this order, currently there is no business in the CD; the CD has no employees, and the creditors, other than the unsecured security creditors, have not even filed any claim, all pointing to the conclusion that the plan submitted by the RA does not meet the goals of the IBC law.
- 41.** Accordingly, and in view of the discussion above, the relying on

the provisions of Sections 30 and 31 (2) of IBC, 2016 and Regulation 38 as referred above, the Resolution Plan in question is hereby rejected by this Adjudicating Authority for non-compliance with Regulation 38(3)(a), (b), (c), and (e) of the CIRP Regulations, 2016, as it fails to address the cause of default, demonstrate feasibility and viability, provide for effective implementation, and establish the resolution applicant's capability to implement the plan.

- 42.** 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.*

- 43.** The Hon'ble Supreme Court in the case of Ramkrishna Forging Ltd (supra), in paragraph 29 referred to the decisions in the cases of Innoventive Industries Ltd. v. ICICI Bank Ltd. [2017] 84

taxmann.com 320/ 1 SCC 407 and Swiss Ribbons (P) Ltd. v. Union of India [2019] 101 taxmann.com 389/4 SCC 17 in which it was explained that the Code was introduced explicitly by the Parliament for ensuring quick and time bound resolution of insolvency of corporate entities in financial trouble, by first attempting to revive the Corporate Debtor, failure whereof would entail liquidation of the corporate debtor's assets.

**44.** As a consequence, following the rejection of the resolution plan under Section 31(2) for non-compliance with statutory requirements, and given the expiry of the extended CIRP period on 03.07.2024, the Tribunal, pursuant to Section 33(1)(b), orders the liquidation of the Corporate Debtor to maximize creditor value and conclude the insolvency process. The Corporate Debtor's lack of business operations, absence of employees, and minimal tangible assets, coupled with the resolution plan's failure to propose a viable revival strategy, render liquidation the only feasible course to maximize creditor value and achieve the IBC's objective of efficient insolvency resolution.

**45.** 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.

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

- a) The Corporate Debtor **Star Line Leasing 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, Mr. Suhas Dinkar Bhattbhatt, having Reg. No. IBBI/IPA-002/IP-N00571/2017-2018/11738, E-mail ID [cssuhasb@gmail.com](mailto:cssuhasb@gmail.com) ; Mobile No. 98242-50787 is hereby appointed as a Liquidator of the Corporate Debtor i.e. **Star Line Leasing 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 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 further directed to issue a public announcement inviting claims from all potential creditors, including those who did not file claims during the CIRP, within 30 days of this order, to ensure maximum creditor participation in the liquidation process.
- o) 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.
- p) The Liquidator is further directed to consider commissioning a forensic audit to identify any preferential, undervalued, fraudulent, or extortionate transactions under Sections 43, 45, 50, and 66 of the IBC, given the significant asset sales and financial

discrepancies noted during the CIRP.

- q) The Liquidator is directed to prioritize these investigations to ensure transparency and protect creditor interests, addressing all the deficiencies noted in this order during the CIRP. The Liquidator shall coordinate with the Adjudicating Authority to obtain any necessary approvals for instituting legal proceedings, as provided under Section 33(5) of the IBC.
- r) As has been discussed in this order, the CD is not carrying out any business operation and there are no employees. The Liquidator in consultation with the Stakeholder Consultation Committee, as constituted under the provisions of Regulation 31A, may consider the sale of financial assets and a piece of land with priority.
- 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

**47.** Accordingly, **IA (Plan) No. 48 of 2024** in CP(IB) No. 247 of 2023 stands **dismissed** and disposed of.

**48.** The Registry is also directed to send e-mail copies of the order forthwith 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)**

-Sd-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

RAJEEV SEN