IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH- I

IA(IBC)(Plan)/21/MB/2026

IN

CP (IB) No. 1158 of 2022

Under Section 30(6) read with Section 31(1) of the Insolvency and Bankruptcy Code, 2016

In the matter of and in IA(IBC)(Plan)/21/MB/2026

Aegis Resolution Services Private Limited through its Authorised Signatory Mr. Avil Menezes Resolution Professional of Central Departmental Stores Private Limited

…Applicant

In the matter of

Central Bank of India

…Financial Creditor

Versus

Central Departmental Stores Private Limited

…Corporate Debtor

Order Delivered On : 02.07.2026

Coram:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Shri Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)

Appearances:

For the Applicant	:	Adv. Ryan D. Souza a/w Adv. Rakesh Gupta
For the SRA	:	Adv. Dheeraj Garg

ORDER

Per: Coram

Brief Background

1. The present Application is filed by Aegis Resolution Services Private Limited through its Authorised signatory Mr. Avil Menezes**,** ("**Applicant/Resolution Professional**") of **Central Departmental Stores Private Limited** ("**Corporate Debtor**") under Section 30(6), 31 and 60(5) of the Insolvency and Bankruptcy Code, 2016 ("**Code**") for seeking approval of the Resolution Plan dated 14.08.2025 submitted by M/s. Fincare Enterprises ("**Successful Resolution Applicant/SRA**") and for passing order/appropriate direction that this Tribunal may deem fit in the present matter. The Resolution Plan has been approved by 100% majority in the 11th CoC meeting held on 06.09.2025.
2. The Corporate Debtor is a Private Limited Company under the Companies Act, 1956 incorporated on 31.12.2006 bearing CIN U51909MH2006PTC164209. Its registered office is at Knowledge House, Shyam Nagar Off J V Link Road, Nr Talav, Jogeshwari East, Maharashtra, India - 400060.
3. The Corporate Insolvency Resolution Process ("**CIRP**") of the Corporate Debtor commenced upon admission of CP (IB) / 1158 (MB) 2022, filed under Section 7 of the Code, by this Tribunal on 24.09.2024, wherein Mr. Avil Jerome Menezes was appointed as the Interim Resolution Professional ("**IRP**").
4. Pursuant thereto, the IRP issued the public announcement in prescribed 'Form A' on 26.09.2024, in Free Press Journal - English and Navakal

(Aurangabad Edition - Marathi) inviting claims from creditors. The Applicant, after verifying the claims of creditors received by him, constituted the Committee of Creditors ("CoC") of the Corporate Debtor in accordance with Section 21 of the Code. The CoC comprised solely of one Unsecured Financial Creditor, namely Central Bank of India.

5. The first meeting of the CoC was convened on 24.10.2024 wherein the CoC resolved to replace the IRP and appoint Aegis Resolution Services Private Limited as the Resolution Professional of the Corporate Debtor.

6. In furtherance of the CIRP, the Applicant published Form G inviting Expressions of Interest on 24.11.2024 in Free Press Journal - English and Navakal - Marathi. Thereafter, the final list of Prospective Resolution Applicants ("PRAs") was issued on 08.01.2025, comprising 02 PRAs. The Information Memorandum, Evaluation Matrix, and Request for Resolution Plan ("RFRP") were issued to the PRAs on 11.01.2025. The last date for submission of Resolution Plans was fixed as 09.02.2025, which was extended from time to time till 30.08.2025.

7. Two PRAs, namely: (i) Consortium of Resurgent India Limited and Mr. Sanjay Lodha; and (ii) Consortium of M/s Fincare Enterprise and Mrs. Sonal Sumit Mehta, submitted their respective Resolution Plans.

8. The Resolution Plans were placed before the members and deliberated upon in the 5th CoC Meeting held on 15.03.2025, wherein both the Prospective Resolution Applicants expressed willingness to negotiate an upward revision of the Plan amount. In the 7th CoC Meeting, after discussion on the commercial aspects of the Plans, the CoC granted further time for submission of revised proposals. In the 8th CoC Meeting, the Applicant informed the members that Consortium of Resurgent India Limited and Mr. Sanjay Lodha was not responsive and was not keen on revisiting their offer.

9. In the 10th CoC Meeting held on 06.08.2025, the Applicant informed the members of the receipt of a revised Resolution Plan submitted by M/s

Fincare Enterprise. Subsequently, in the 11th CoC Meeting held on 06.09.2025, the Applicant further apprised the CoC of revised Resolution Plan received from M/s Fincare Enterprise on 14.08.2025.

10. The Resolution Plan submitted by M/s Fincare Enterprise was kept for voting in the 11th CoC meeting of the corporate debtor held on 06.09.2025, however the voting concluded on 10.02.2026 wherein the CoC approved the resolution plan with 100% majority.
11. Consequent to the approval of the Resolution Plan by the CoC, the Applicant issued a Letter of Intent dated 11.02.2026 ("LoI") in favour of the Successful Resolution Applicant ("SRA"). The SRA accepted the LoI in terms of the RFRP and, vide email dated 20.02.2026, requested the Applicant to adjust the Performance Security amount of ₹12,73,500/- (Rupees Twelve Lakhs Seventy-three Thousand Five Hundred only) against the Earnest Money Deposit of ₹25,00,000/- (Rupees Twenty-five Lakhs only) already deposited.
12. In view of the approval of the Resolution Plan by the CoC, the Applicant has filed the present Interlocutory Application seeking approval of the Resolution Plan submitted by M/s. Fincare Enterprises under the provisions of the Insolvency and Bankruptcy Code, 2016.

Limitation:

The CIRP period of 180 days of the Corporate Debtor expired on 23.03.2025, the Applicant sought an extension of 90 days beyond the initial period of 180 days, which expired on 21.06.2025. Thereafter, a further extension of 60 days beyond 270 was sought and allowed, which expired on 20.08.2025. A further extension of 60 days was sought and allowed, which expired on 19.10.2025. Subsequently, as the Resolution Plan was under voting, this Tribunal granted several additional extensions of 30 days, i.e., up to 12.03.2026. The present Application is filed on 06.02.2026 and thus is filed within the period of limitation.

Salient Features of the Resolution Plan

a. **Financial Proposal:**

Sr. No.	Name of Creditor	Amount Admitted	Amount proposed in Plan	% Recovery for creditors
1	CIRP Cost	Will be paid at actuals		
2	Employees and Workmen	0.00	0.00	-
3	Statutory Authorities	10,18,71,340	25,000	0.02%
4	Other Operational Creditors (being other than Statutory Authorities, workmen and employees)	16,67,472	25,000	1.50%
5	Unsecured Financial Creditor	560,57,81,528	1,23,75,000 plus recoveries* (Refer Note)	0.22%
6.	Secured Financial Creditor	0.00	0.00	-
Total		**570,93,20,340**	**1,24,25,000 plus recoveries (Refer Note)**	

The Plan value allocated to Central Bank of India (Unsecured Financial Creditor) is:

a) Upfront Payment: INR 1,23,75,000/-(CIRP cost at Actual adjusted from this amount including any priority payment under the Code) i.e. such payment shall be made within period of 60 days.

b) Rs. 6,18,52,830/- (Rupees Six Crores Eighteen Lakhs Fifty-two Thousand Eight Hundred Thirty only), receivable from the sale of shares of Niyman Mall Management Pvt. Ltd. (at actuals), together with any recoveries made from Niyman Mall Management Pvt. Ltd. (net of costs/expenses). Only recoveries received within 30 months from the date of NCLT approval shall be distributed to unsecured financial creditors.

c) Full recovery from proceeds of any avoidance transactions under the Code.

b. Sources of Funds:

It is submitted that the Resolution Amount shall be infused by the Resolution Applicant from its internal accruals, through subscription and allotment of fresh equity shares of the Corporate Debtor.

The Resolution Plan further provides for the constitution of a Monitoring Committee to oversees and supervise the implementation of the Plan. The said Committee shall comprise the Applicant (Resolution Professional), authorized representative of the Resolution Applicant, and member of the Financial creditor, i.e. Central Bank of India. The management and control of the Corporate Debtor shall, upon approval of the Plan, vest in the Monitoring Committee, which shall monitor and facilitate the implementation of the approved Plan. Upon completion of the implementation and final payment of the last tranche, the Monitoring Committee shall stand dissolved, and the management of the Corporate Debtor shall be formally handed over to the Resolution Applicant.

<u>Statutory Compliance:</u>

13. In compliance of Section 30(2) of IBC, 2016, the Resolution Professional has examined the Resolution plan of the Successful Resolution Applicant and confirms that this Resolution Plan:

    a) Provides for payment of Insolvency Resolution Process cost in a manner specified by the Board in the priority to the payment of other debts of the corporate debtor;
    b) Provides for payment of debts of Operational Creditor 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 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 sub-section (1) of Section 53 in the event of liquidation of the corporate debtor.

c) Provides for management of the affairs of the Corporate Debtor after approval of Resolution Plan;

d) The implementation and supervision of Resolution Plan;

e) Does not contravene any of the provisions of the law for time being in force,

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

g) As per the Affidavit, the Resolution Applicant is not covered under Section 29A.

14. In compliance of Regulation 38 of CIRP Regulations, the Resolution Professional confirms that the Resolution plan provides that -

a) The amount due to the Operational Creditors under Resolution Plan shall be given priority in payment over Financial Creditors.

b) It has dealt with the interest of all Stakeholders including Financial Creditors and Operational Creditors of the Corporate Debtor.

c) A statement that neither the Resolution Applicants nor any related parties have failed to implement nor have contributed to the failure of implementation of any other Resolution Plan approved by the Adjudicating Authority in the past.

d) The terms of the plan and its implementation schedule.

e) The management and control of the business of the Corporate Debtor during its term.

f) Adequate means of Supervising its implementation.

g) The Resolution Plan Demonstrates that it addresses

i. The cause of the Default

ii. It is feasible and viable

iii. Provision for effective implementation

iv. Provisions for approvals required and the time lines for the same.

v. Capability to Implement the Resolution Plan

15. The Resolution Professional has submitted Form-H under Regulation 39(4) of the CIRP Regulations to certify that the Resolution Plan as approved by the CoC meets all the requirements of the IBC and its Regulations. The Resolution Applicant has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order. The relevant parts of the Form H are reproduced below:

FORM H

1A. The details of the CIRP are as under:

Sr. No.	Particulars	Description
1.	Name of the CD	Central Departmental Stores Private Limited
2.	Date of Initiation of CIRP	24 September 2024
3.	Date of Appointment of IRP	24 September 2024
4.	Date of Publication of Public Announcement	26 September 2024
5.	Date of Constitution of CoC	17 October 2024
6.	Date of First Meeting of CoC	24 October 2024
7.	Date of Appointment of RP	23 January 2025 (order received on 13 May 2025)

8.	Date of Appointment of Registered Valuers	IBBI empaneled Valuers namely Kanassure Valuation Services Private Limited & RNC Valuecon LLP were appointed on 16 December 2024 for conducting valuation of the corporate debtor.
9.	Date of Issue of Invitation for EoI (in case of multiple issuance of EoI, please specify all such dates)	24 November 2024
10.	Date of Final List of Eligible Prospective Resolution Applicants	08 January 2025
11.	Date of Invitation of Resolution Plan	11 January 2025
12.	Last Date of Submission of Resolution Plan	Last date for submission of resolution plan was 09 February 2025 which was extended from time to time till 30 August 2025
13.	Date of submission of Resolution Plan to RP	30 August 2025
14.	Date of placing the Resolution Plan before the CoC	06 September 2025
15.	Date of Approval of Resolution Plan by CoC	10 February 2026
16.	Date of Filing of Resolution Plan with Adjudicating Authority	6 February 2026
17.	Date of Expiry of 180 days of CIRP	23 March 2025
18.	Date of Order extending the period of CIRP	Application for extension of CIRP period by 90 days was filed with the Hon'ble NCLT; which vide order dated 25 April 2025 allowed the extension application extending the last date of CIRP to 21 June 2025. Further an application for extension of CIRP period by 60 days was filed with the Hon'ble NCLT; which vide order dated 16 July 2025 allowed the said extension application extending the last date of CIRP to 20 August 2025. Further an application for extension of CIRP period by 60 days was filed with the Hon'ble NCLT; which vide order dated 11 September 2025 allowed the said extension application extending the last date of CIRP to 19 October 2025. Further an application for extension of CIRP period by 30 days was filed with the

		Hon'ble NCLT; which vide order dated 04 November 2025 allowed the said extension application extending the last date of CIRP to 18 November 2025. Further an application for extension of CIRP period by 30 days was filed with the Hon'ble NCLT; which vide order dated 26 November 2025 allowed the said extension application extending the last date of CIRP to 18 December 2025. Further an application for extension of CIRP period by 30 days was filed with the Hon'ble NCLT; which vide order dated 06 January 2026 allowed the said extension application extending the last date of CIRP to 17 January 2026. Further an application for extension of CIRP period by 30 days was filed with the Hon'ble NCLT; which vide order dated 28 January 2026 allowed the said extension application extending the last date of CIRP to 10 February 2026. Further an application for extension of CIRP period by 30 days was filed with the Hon'ble NCLT; which vide order dated 16 February 2026 allowed the said extension application extending the last date of CIRP to 12 March 2026.
19.	Date of Expiry of Extended Period of CIRP	12 March 2026
20.	Fair Value	RNC Valuecon LLP - INR 18,39,69,000/- Kanassure Valuation Services Pvt Ltd - INR 23,21,03,000/- Average INR 20,80,36,000/-

21.	Liquidation value	RNC Valuecon LLP - INR 14,17,51,000/- Kanassure Valuation Services Pvt Ltd - INR 18,56,87,000/- Average INR 16,37,19,000/-
22.	Number of Meetings of CoC held	16 (Sixteen) CoC meetings were conducted till the date of filing plan approval application.

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3.The details and documents related to the successful resolution applicant are as under:

Sr. No.	Particulars	Description
1.	Name of the Successful Resolution Applicant (SRA)	M/s. Fincare Enterprises
2.	Nature of business of SRA	M/s. Fincare Enterprises is a partnership firm between Mrs. Sonal Sumit Mehta and Mr. Sumit Mehta. Mrs. Sonal Sumit Mehta is a dynamic entrepreneur and having business expertise in the sector of Education, Finance and other allied business activities.
3.	Relationship status of SRA with CD, if any	None
4.	Whether SRA is eligible to submit plan u/s 240A of IBC in case of MSME CD	NA. The SRA is not related with the Corporate Debtor.
5.	Due Diligence Certificate of the RP u/s 29A of IBC for the SRA (pls. attach copy of certificate)	RP Compliance Certificate is attached Annexure 1 of the Form H.

4.The details of CIRP, and resolution plan are as under:

Sr. No.	Particulars	Description
1.	Whether the Corporate Debtor is an MSME, if so, date of obtaining MSME Registration (please attach copy of registration certificate)	No
2.	Business of CD	The business of the CD was leasing of movable/immovable assets.

3.	Total admitted claims (Amount in Rs.)					
	Sr. No.	**Description**	**Principal**	**Interest and penalty if any**	**Total**	
	1.	Corporate Guarantee claims	381,62,84,471	178,94,97,057	560,57,81,528	
	2.	Other than Corporate Guarantee Claims				
	a.	Secured Financial Creditors (other than financial creditors belonging to any class of creditors)	NIL	NIL	NIL	
	b.	Operational Creditors (Workmen)	NIL	NIL	NIL	
	c.	Operational Creditors (government dues)	1	NIL	1	
	d.	Operational creditors (other than workmen and employees and government dues)	16,67,472	NIL	16,67,472	
	e.	Other creditors, if any, (other than financial creditors and operational creditors)	NIL	NIL	NIL	
	f.	Secured financial creditors belonging to any class of creditors	NIL	NIL	NIL	
	g.	Unsecured financial creditors belonging to any class of creditors	NIL	NIL	NIL	
	h.	Unsecured financial creditors (other than financial creditors belonging to any class of creditors)	NIL	NIL	NIL	

4.	Resolution Plan Value (including insolvency resolution process cost, infusion of funds, etc.) (In the case of real estate CDs, provide the monetary value of flats etc. given to allottees) (please attach copy of Resolution Plan)	As per the approved resolution plan, the total Resolution Plan Value is INR 7,42,77,830/- (Indian Rupees Seven Crores Forty-Two Lakhs Seventy-Seven Thousand Eight Hundred Thirty Only) bifurcated into upfront cash consideration and deferred consideration on recovery basis, at actuals, as per Note below.
5.	Voting percentage (%) of CoC in favour of Resolution Plan (please attach copy of minutes approving resolution plan)	100%

5.Details of implementation of resolution plan:

Sr. No.	Particulars	Description
a.	Amount of Performance Guarantee furnished by SRA (in Rs.) and its validity (attached document)	In accordance with clause 1.15.3.1 of the Request for Resolution Plan ("**RFRP**"), SRA is required to furnish a Performance Security of an amount equal to 10% of the resolution applicant contribution. However, in view of the resolution plan's proposed realisation from the investments, the Performance Security has been determined as INR 12,37,500 (Rupees Twelve Lakhs Thirty-Seven Thousand Five Hundred Only). The Performance Security shall be valid from the date of issuance of the letter of intent by the CoC for a period of 12 (twelve) months and shall be subject to re-issuance or extension by the Resolution Applicant as may be required by the RP/CoC/Beneficiary Bank till the relevant Resolution Plan is implemented in full to the satisfaction of the CoC. The SRA has deposited INR 25,00,000 as Earnest Money Deposit at the time of submission of resolution plan and the same shall be retained as Performance

		Security on the basis of the email dated 20 February 2026 by the SRA.
b.	Source of funds (in brief)	The payments proposed in the Resolution Plan, as detailed in the payment schedule table, shall be made by the SRA through a combination of issuance of fresh equity shares and loans. *(Ref. Clause 3 of the Resolution Plan)* The net worth of the SRA as per the net worth certificate as on 31st March 2024 is INR 15.96 Crores.
c.	Capital restructuring and management of CD post approval of resolution plan (**in brief including shareholding proposed to be transferred in favour of SRA**)	The company has authorized equity share capital of Rs. 5,00,000/- divided into 50,000 Nos. shares of Rs. 10/- each and has issued, subscribed and equity paid-up capital of Rs. 1,08,980/- divided into 10,989 Nos. of equity shares of Rs. 10/- each as per Master Data available on MCA website and latest available audited financial statement i.e., for the period 2023-24 shall be cancelled as part of the resolution plan without any further action being required to be taken by the Corporate Debtor. Post Extinguishment of entire outstanding equity shares of the Company, Resolution Applicant shall subscribe to the new equity shares of the Corporate Debtor to meet the fund requirements for the Resolution Plan. The Resolution Applicant / Associates SPVs / Nominees / Affiliates / Persons acting in concert intends to subscribe to 10,00,000 Nos. of equity shares of Rs. 10/- each aggregating to Rs. 1,00,00,000/- only. *(Ref. Clause 3.2.6 of the Resolution Plan)*
d.	Term and implementation of plan (in brief)	*Please see Note below the table.*
e.	Details of monitoring committee (in brief)	
f.	Effective date of resolution plan implementation	The SRA has defined the terms and implementation of the resolution plan as follows – The term of the Resolution Plan shall commence on Approval of Resolution Plan by Adjudicating Authority in accordance with the Section - 31 of the Code. Notwithstanding anything contained in this Resolution

		Plan, no part of the Resolution Plan shall become effective and enforceable until either: i. The Resolution Plan is approved by NCLT in the manner proposed by the Resolution Applicant and approved by Committee of Creditors; or *ii.* If approved by NCLT with any variance, then in the form and substance acceptable to Committee of Creditors and the Resolution Applicant. Upon approving of the Resolution Plan by NCLT, this Resolution Plan shall *ipso facto* form part of NCLT order approving the Resolution Plan.

6.The list of financial creditors of the CD being members of the CoC and distribution of voting share among them is as under:

Sr. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for / Dissented / Abstained)
1.	Central Bank of India	100	Voted For

7A. Realisable amount:

Sr. No.	Particulars	Description
1.	Total Realisable amount under the plan (in case of real estate CDs, provide the monetary value of flats etc., given to allottees)	INR 1,23,75,000
2.	Fair Value	INR 20,80,36,000
3.	Liquidation Value	INR 16,37,19,000
4.	Percentage (%) of realisable amount to Fair Value	5.95% The percentage of the realisable amount to the fair value is computed only on the basis of visibility of realization i.e. cash components offered under the resolution plan. The realisable value shall also include the net proceeds from realisation of investments and proceeds from avoidance applications which is contingent and not considered as a part

		of realisable value at present since it is subject to its outcome.
5.	Percentage (%) of realisable amount to Liquidation Value	7.56% The percentage of the realisable amount to the liquidation value is computed only on the basis of visibility of realization i.e. cash components offered under the resolution plan. The realisable value shall also include the net proceeds from realisation of investments and proceeds from avoidance applications which is contingent and not considered as a part of realisable value at present since it is subject to its outcome.
6.	Percentage (%) of realisable amount to Principal amount	0.32% The percentage of the realisable amount to the principal amount is computed only on the basis of visibility of realization i.e. cash components offered under the resolution plan. The realisable value shall also include the net proceeds from realisation of investments and proceeds from avoidance applications which is contingent and not considered as a part of realisable value at present since it is subject to its outcome.
7.	Percentage (%) of realisable amount to Total admitted claims	0.22% The percentage of the realisable amount to the total admitted claims is computed only on the basis of visibility of realization i.e. cash components offered under the resolution plan. The realisable value shall also include the net proceeds from realisation of investments and proceeds from avoidance applications which is contingent and not considered as a part of realisable value at present since it is subject to its outcome.

7B. Details of Realisable amount:

(Amount in Rupees)

Stakeholder Type	**Amount Claimed**	**Amount Admitted**	**Realisable Amount Under The Plan**	**% Realizable in Plan to Amount Claimed**	**Payment Schedule**
UNSECURED FINANCIAL CREDITORS	NIL	NIL	NIL	-	-
– Dissenting	-	-	-	-	-
– Assenting	-	-	-	-	-
Central Bank of India	560,57,81,528	560,57,81,528	1,23,75,000 plus recoveries (Refer Note)	0.22%*	Upfront payment (CIRP cost at Actual adjusted from this amount including any priority payment under the Code) within a period of 60 days from the Approval Date of the Resolution Plan And net of proceeds from recoveries within 30 months
OPERATIONAL CREDITORS					
(i) Government Dues					
– GST (Govt. of Maharashtra, Ahilyanagar)	10,18,71,340	1	25,000	0.02%	Upfront payment within a period of 60 days from the Approval Date of the Resolution Plan.
(ii) Other Operational Creditors (Trade/Business)					
– National Securities Depository Limited	6,87,282	6,87,282	10,304	1.50%	T+60 days
- Vistra ITCL (India) Limited	10,27,208	9,80,190	14,696	1.43%	T+60 days
– Subtotal (Other OCs)	17,14,490	16,67,472	25,000	1.46%	T+60 days
CIRP COST (Priority claim)	-	-	In Full	-	Upfront payment within a period of 60 days from the Approval Date of the Resolution Plan.
TOTAL	**570,93,67,358**	**560,74,49,001**	**1,24,00,000**	**0.22%***	

** The resolution plan as per the Resolution Applicant is for an amount of INR 7,42,77,830 comprising of a cash component of INR 1,24,25,000 plus recoveries at actuals. However, percentage of the Realisable amount to the amount claimed is computed only on the basis of visibility of realization i.e. cash components offered under the resolution plan. The realisable value shall also include the net proceeds from recoveries and full recovery from proceeds of any avoidance transaction under the Code which is contingent and not considered as a part of realisable value at present since it is subject to the outcome.*

<u>Findings and Analysis:</u>

16. On perusal of the Resolution Plan, we find that the Resolution Plan provides for the following:
    a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
    b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
    c) For management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified u/s 30(2)(c) of the Code.
    d) The implementation and supervision of Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.
17. The RP has complied with the requirement of the Code in terms of Section 30(2)(a) to 30(2)(f) and Regulations 38(1), 38(1)(a), 38(2)(a), 38(2)(b), 38(2)(c) & 38(3) of the CIRP Regulations.
18. The RP has filed Compliance Certificate in Form-H along with the Resolution Plan. On perusal, the same is found to be in order. The Resolution Plan has been approved by the CoC by majority of 100%.
19. It was clarified by the Applicant that CIRP cost is to be paid on actual and same has to be met from the upfront payment for the Unsecured Financial Creditor in the plan. Accordingly, the Financial proposal set out at Para 37 of the Application be understood in this manner. For this purpose, attention was drawn to Page 5 of the Plan, which

states as under:

Consideration under this resolution plan will be discharge in following manner:

Particulars	Amount (in Rs.)	Time Line
Performance Security	**As per RFRP**	-
Payment Proposed	**7,42,77,830**	a. Upfront Payment: Rs. 1,23,75,000/-(CIRP cost at Actual adjusted from this amount including any priority payment under the Code) b. Rs. 6,18,52,830/- receivable from sale of shares of Niyman Mall Management Pvt Ltd (at actuals) including any recoveries made from Niyman Mall Management Pvt Ltd (at actuals and net of costs / expenses) c. Full recovery from proceeds of any avoidance transaction under the Code d. Payment to Operational Creditors of INR 50,000
Total	**7,42,77,830 plus** Full recovery from proceeds of any avoidance transaction under the Code	**(Rupees Seven Crores Forty- Two Lakhs Seventy-Seven Thousand Eight Hundred and Thirty Only)**

20. It was also observed that Clause 2.2(a)(ii) of Schedule 7 providing in relation to recovery from sale of shares in Niyman Mall Management Private Limited held by the Corporate Debtor stipulates that "…. *whatever amount of recovery received within the period of 30 months from the NCLT approval date, only those recovery will be shared to unsecured financial creditors. In the event, such recovery is not possible within the stipulated time period, the Corporate Debtor shall extinguish its claim against the Niyman Mall Management Private*

Limited and pass necessary entries in the books of accounts. Resolution Applicant further assure for providing necessary procedural support to Financial Creditor to facilitate for recovery of the said amount and shall provide necessary authority as and when required by Financial Creditor." A clarification was sought from the RP as well as SRA as to why the shares in Niyman Mall Management Private Limited, if not liquidated within 30 months, be not assigned in favour of the Financial creditor or their nominee, when the proceed thereof within 30 months are to accrue to the financial creditors. It was clarified by the RP as well as SRA that the needful shall be done and the period of 30 months in the said clause shall be construed as directory only.

21. The SRA has proposed that any recoveries arising out of avoidance transactions shall be applied for the benefit of the Unsecured Financial Creditors. SRA has assured for providing necessary procedural support to Financial Creditor to facilitate for recovery of the said amount and shall provide necessary authority as and when required by Financial Creditor.

22. It is noted that the SRA during the course of arguments offered to pay the upfront amount proposed under the plan and also brought cheque to pay the upfront amount. However, this tribunal asked the SRA to make the payment immediately, in case plan is approved. Accordingly it is expected that SRA shall pay the balance upfront money within 7 days from the date of communication of this order.

23. In Schedule 5 of the Resolution Plan, the SRA has sought the waivers/ reliefs/concessions. The stated effect of the Resolution Plan and reliefs & concessions as prayed for shall be available in accordance with the principle laid down by Hon'ble Supreme Court in case of ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited {(2021) 13 S.C.R 737}*** &

Municipal Corporation of Greater Mumbai vs. Abhilash Lal and Ors. (2019) ibclaw.in 480 NCLAT. Further, it is clarified and ordered that -

a. Any increase in the authorized capital shall be subject to payment of prescribed fee, if any applicable, and filing of prescribed forms with the Registrar of Companies.
b. The Income Tax Department shall be at liberty to examine the tax implications arising from the proposals contained in the plan, in terms of Section 2(24), Section 28 and Section 56 of the Income Tax Act, 1961 read with GAAR provisions thereunder.
c. The Applicant shall file necessary forms and pay prescribed fees, if any, in terms of provisions of the Companies Act, 2013 in relation to reduction in capital and issuance of fresh capital, however, the Registrar of Companies shall waive the additional fees, if any, payable on such filing.
d. The SRA may approach prescribed authorities for waiver/reduction in fees, charges, stamp duty, and registration fees, if any arising from actions contemplated under the Resolution Plan and such request shall be subject to the relevant law/statute and adherence to the procedure prescribed thereunder.
e. The SRA may file appropriate application, if required, for renewal of all Business Permits, rights, entitlements, benefits, subsidies and privileges whether under applicable Law, contract, lease or license granted in favour of the Corporate Applicant or to which the Corporate Applicant is entitled to or accustomed to, which have expired on the Effective Date, and follow the dues procedure prescribed for the purpose upon payment of prescribed fees. The contract with third parties shall be subject to consent of such parties. It is clarified that continuance of

approvals shall not be refused on account of extinguishment of any dues under Code and extension or renewal thereof shall not be denied on account of past insolvency of the Corporate Applicant. No action shall lie against the Corporate Applicant for any non-compliances arising prior to the date of approval of Resolution Plan, however, such non-compliances shall be cured, if necessitated to keep the approval in force, after acquisition by the Corporate Applicant within period stipulated in the Resolution Plan.

f. The secured and unsecured Financial Creditors shall upgrade the Account of the Corporate Debtor with Banks/Financial Institutions under the CIBIL Mechanism to "Standard Category" from NPA on the Completion Date, to the extent CIBIL Mechanism system allows. The Financial Creditors shall release all the charges on all assets of the Corporate Debtor (wherever registered) after the receipt of entire resolution amount.

g. No orders levying any tax, demand of interest/fine or penalty from the Corporate Applicant in relation to period up to approval of the Resolution Plan shall be passed by any authority and such demand, if created, shall not be enforceable as having extinguished in terms of approved Resolution Plan.

h. The carry forward of losses and unabsorbed depreciation shall be available in accordance with and subject to compliance with the provisions of Income Tax Act, and the Income Tax Department shall be at liberty to examine the same.

i. An application for compounding/condoning shall be filed in accordance with the procedure specified in respective law or concerned authority, however, no fine or penalty shall be imposed for non-compliances till the date of approval of this Plan or such further period as is permitted in terms of this Order.

j. ROC shall update the records and reflect the Corporate Applicant as 'Active' upon filing of pending returns/forms after payment of normal fees (not additional fee). In case such filing is not permitted by the e-filing portal, the ROC shall accept such forms/returns in physical format and manage to upload the same by back-end. The Corporate Applicant shall be exempted from using the words "and reduced".

k. The Compliances under the applicable law for all the statutory appointments by the Corporate Applicant shall be completed within 12 months, where after, the necessary consequence under respective law may follow.

l. The Resolution Applicant, the Corporate Debtor and the assets of the Corporate Debtor forming part of Resolution plan shall have immunity, privileges and protection as is available in the form and manner stated in Section 32A of the Insolvency and Bankruptcy Code, 2016.

m. The relief, concession or waiver contemplated in the approved Resolution Plan under any of its section and allowed herein shall be available to the Corporate Debtor only and such relief, concession or waiver shall not extend to its subsidiaries, joint-ventures or associates/affiliates, who have not been subjected to resolution in the present CIRP process of Corporate Debtor. However, it is clarified that no claim or action shall lie against the Corporate Debtor in relation to any financial or any kind of obligation of subsidiaries, joint-ventures or associates/affiliates, whether past or arising in future.

n. It is clarified that any relief, concession or waiver, not specifically dealt with in Paras (a) to (m) above, or not permissible in terms of decision in case of *Ghanshyam Mishra (supra)* and *Abhilash Lal (Supra)* or specific provisions of the

Code read with the Regulations, shall be deemed to be denied or rejected.

24. In ***K Sashidhar v. Indian Overseas Bank & Others*** (in Civil Appeal No.10673/2018 decided on 05.02.2019) the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per Section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2) of the Code. The Hon'ble Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 of the Code and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) of the Code when the Resolution Plan does not conform to the stated requirements.

25. In view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38 and 38 (1A) of the CIRP Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same deserves to be approved. Hence, ordered.

<u>Order:</u>

26. The Resolution Plan is hereby **approved**. It shall become effective from this date and shall form part of this order with the following directions:

i. It shall be binding on the Corporate Applicant, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.

ii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/liabilities of the Corporate Applicant and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of Supreme Court in ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited***, the relevant paragraphs of which are extracted herein below:

"95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be

effective from the date on which the Code has come into effect;

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

iii. The Memorandum of Association ("**MoA**") and Articles of Association ("**AoA**") shall accordingly be amended and filed with the Registrar of Companies ("**RoC**"), Mumbai, Maharashtra for information and record.

iv. The Successful Resolution Applicant, for effective implementation of the Resolution Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed. It is clarified that the authorities shall not withhold the approval/consent/extension for the reason of insolvency of the Corporate Applicant or extinguishment of their dues upto approval of Resolution plan in terms of the approved plan. Any relief or concession as sought on the plan shall be subject to the provisions of the relevant Act.

v. The moratorium under Section 14 of the Code shall cease to have effect from this date.

vi. The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.

vii. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.

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

Sd/-	**Sd/-**
Prabhat Kumar	**Sushil Mahadeorao Kochey**
Member (Technical)	Member (Judicial)

/AJ/