

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No. 304- IA/77(AHM)2025
in
TP/9(AHM)2022
in
CP 174 of 2012

Under Section 30(6) & 31 of IBC r.w. Reg. 39(4) IBBI

IN THE MATTER OF:

Parag Sheth, RP of Desh Cam
Technological Resources Pvt. Ltd.

.....Applicant

Order delivered on: 13/10/2025

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV 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 SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

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

IA/77(AHM)2025

IN

TP No. 9 of 2022 in CP No. 174 of 2012

[An application under Section 30 (6) of the Insolvency and Bankruptcy Code, 2016 r.w. Regulation 39(4) of IBBI (Insolvency Process for Corporate Persons) Regulations, 2016]

In the matter of: M/s. Desh Cam Technological Resources Private Limited.

Mr. Parag Sheth

Resolution Professional of

Desh Cam Technological Resources Private Limited
404, Sachet 2, Opp. GLS University,
Maradia Plaza Lane, C.G. Road,
Ahmedabad, Gujarat-380006.

Order Pronounced On: 13.10.2025

C O R A M:

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

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

A P P E A R A N C E:

For the Applicant/RP : Mr. Arjun Sheth, Adv.

O R D E R

[Per: Bench]

1. An application being **IA/77(AHM)2025** is filed on 26.06.2025 vide inward Diary no. E1559 by Mr. Nitin

Narang - Applicant/Resolution Professional of M/s. Desh Cam Technological Resources Private Limited under Sections 30(6) and 31 of the Insolvency and Bankruptcy Code, 2016 (hereinafter, “ **the Code**”) read with Regulation 39(4) of the IBBI (Insolvency Resolution Process of Corporate Debtor) Regulations, 2016 seeking the following prayers: -

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

FACTS of the Case:

1. The facts of the case, as available in the application, are summarized as under:-

- I. A company petition, being CP No. 174 of 2012 was filed before the Hon'ble High Court of Gujarat by Mr. Ashvinkumar Chandulal Shah (now deceased) against the

Respondent - M/s. Desh Cam Technological Resources Private Limited under Sections 433 & 434 of the Companies Act, 1956 seeking winding up of the Corporate Debtor. Subsequently, vide order dated 26.11.2021 case was transferred from the Hon'ble High Court to this Tribunal in view of change of jurisdiction in pursuance of establishment of National company law Tribunal. The case was re-numbered as T.P. No. 09/AHM/2022.

- II. Accordingly, T.P. No. 09/AHM/2022 was filed on 22.07.2022 by the legal heirs of original applicant and deceased Late Shri Ashvinkumar Chandulal Shah against the Corporate Debtor ("CD") under Section 433 Companies Act, 1956 read with rule 5 of the Companies (Transfer of pending proceedings) Second Amendment Rules, 2017 and read with the Insolvency and Bankruptcy Code, 2016, inter alia, for initiation of Corporate Insolvency Resolution Process ("**CIRP**") against the CD.
- III. This Adjudicating Authority vide order dated 04.06.2024 passed in TP/9(AHM)2022 in CP 174 of 2012 allowed the said application and initiated Corporate Insolvency Resolution Process ("CIRP") against the CD and appointed the Applicant herein as the Interim Resolution Professional ("**IRP**") of the CD. Copy of the CIRP admission order dt. 04.06.2024 is annexed at **Annexure- [A]**.
- IV. The Applicant submits that in compliance with Sections 13 and 15 and other relevant provisions, a public announcement dated 05.06.2024 was made on the IBBI

- portal and on 06.06.2024 in newspapers, namely, Times of India (in English) and Gujarat Samachar (in Gujarati) with the last date for submission of claims on 18.06.2024. Copy of the public announcement is annexed at **Annexure- [B]**.
- V. Based on the claims received by the Applicant, the Committee of Creditors ("**CoC**") with 1 (one) Financial Creditor was constituted.
- VI. The CoC in its 1st meeting held on 25.06.2024 resolved for the appointment of the Applicant as the Resolution Professional ("**RP**") of the CD. Copy of the minutes of the 1st CoC meeting is annexed at **Annexure- [C]**.
- VII. The discussion with regard to the publication of Form G was held in the 2nd and 3rd CoC meeting held on 02.08.2024 and 22.08.2024 respectively, however, the said agenda for publication of Form G was deferred since the required documents were not provided by the suspended management.
- VIII. The Applicant in the 4th CoC meeting held on 24.09.2024, apprised the CoC that suspended management has provided various documents on 19.09.2024. In view of the same, the Applicant expressed the view that CIRP should continue and efforts be made for obtaining the remaining documents. The Applicant further informed the CoC that the Information Memorandum and other relevant documents were prepared based on the information received from the Suspended Management. In view of this, the Applicant informed the CoC members that the CoC

must take necessary steps regarding the publication of Form G.

- IX. In view of the discussion held in the 4th CoC meeting on 24.09.2024, the CoC with 100% voting approved and passed the resolution for publication of Form G. Further, the eligibility criteria for Prospective Resolution Applicant ("**PRA**"), Evaluation Matrix, Request for Resolution Plan ("**RFRP**") and any other factors or parameters to be considered for invitation of EOI or approval of resolution plan was discussed in the said CoC meeting and the resolution regarding the same was also approved by the CoC in the 4th CoC meeting held on 24.09.2024. Copy of the minutes of the 4th CoC meeting held on 24.09.2024 is annexed at **Annexure- [F]** and copy of the RFRP and Evaluation Matrix as approved by the CoC is annexed at **Annexure- [G]. [Pages 146 to 218 of the Application]**.
- X. Pursuant to the discussion held in the 4th CoC meeting, the Applicant published Form G in both the newspapers, namely, Financial Express (English) and Financial Express (Gujarati) on 26.09.2024. Copy of the Form G dt. 26.09.2024 is annexed at **Annexure- [H]. [Pages 219 to 221]**.

Litigation before this Hon'ble NCLAT, New Delhi

- XI. The suspended management of the CD had filed an appeal bearing CA(AT)(Ins) No. 1290 of 2024 before the Hon'ble NCLAT, New Delhi challenging the initiation of CIRP against the CD, and the same was pending adjudication before the

Hon'ble NCLAT, New Delhi. That the Hon'ble NCLAT, New Delhi vide order dt. 15.07.2024 passed in the said appeal was pleased to pass an order that CIRP against the CD may proceed, however, no plan shall be placed for voting before the CoC. Copy of the order dt. 15.07.2024 passed by the Hon'ble NCLAT, New Delhi in CA(AT)(Ins) No. 1290 of 2024 is annexed hereto and marked as **Annexure-[I]. [Pages 222 to 223]**.

- XII. However, the said appeal was withdrawn by the appellant therein and the Hon'ble NCLAT, New Delhi vide order dated 16.05.2025 dismissed the said appeal as withdrawn. Copy of the final order dt. 16.05.2025 passed by the Hon'ble NCLAT, New Delhi in CA(AT)(Ins) No. 1290 of 2024 is annexed at **Annexure-[J]. [Page 224]**.

Extension of CIRP period by further 90 days beyond the period of 180 days

- XIII. The 5th CoC meeting of the CoC was held on 11.10.2024 wherein, discussion with regard to extension of CIRP period by further 90 days beyond 180 days was held. Further, the Applicant apprised the CoC members regarding the provisions of Section 12 of the Insolvency and Bankruptcy Code, 2016, which mandates that the Corporate Insolvency Resolution Process must be completed within 180 days from the date of admission of the application and the RP is required to file an application to the Adjudicating Authority to extend the CIRP period beyond 180 days, contingent

upon a resolution passed in a meeting of the CoC, and if the Adjudicating Authority finds the circumstances warrant an extension, it may grant an extension of up to 90 days. Further, it was also informed to the CoC that 180 days period for the CIRP concerning the Corporate Debtor would conclude on 30.11.2024.

XIV. The request for this extension was based on the following reasons:

- i. Ongoing Forensic/Transaction Audit;
- ii. Ongoing Pending Appeal in NCLAT; and
- iii. Awaiting Receipt of Resolution Plan from Resolution Applicants.

XV. That the CoC in the 5th CoC meeting held on 11.10.2024 approved the said resolution for extension of the CIRP period by further 90 days beyond 180 days by 100% of voting. Copy of the minutes of the 5th CoC meeting held on 11.10.2024 is annexed hereto and marked as **Annexure-[K]. [Pages 225 to 237].**

XVI. Thereafter, based on an application filed by the RP, this Tribunal vide its order dated 05.12.2024 allowed the said IA and thereby extended the CIRP period of 90 days from 01.12.2024. Copy of the extension order dt. 05.12.2024 passed by this Tribunal in IA No. 113 of 2024 is annexed at **Annexure- [L].**

XVII. In the meanwhile, Applicant had filed an IA bearing IA No. 1 of 2025 before this Adjudicating Authority against Flowman Metrix Private Limited and suspended

management of the CD seeking, inter alia, to direct Flowman Metrix Private Limited to hand over the possession of the asset of the Corporate Debtor being Plot No. 122/5/6 & 127 in Kalol Industrial Estate consisting of the Revenue Survey Nos. 251/6, 252/P, 253/7, 253/8, 253/9, 253/10, 254, 257/4, 257/43/1, 257/43/2 & 259, admeasuring 32112.36 sq. mtr. and building constructed thereupon, within the jurisdiction of GIDC Estate Kalol, Sub-Registrar of Assurance in Panchmahal District in order to conduct the resolution process of the Corporate Debtor.

XVIII. Since the Applicant was in the process of inviting resolution plans from the PRAs and had been receiving queries in relation to the said property and building of the CD and the possession of the same, it was important for the Applicant to file the said application before this Tribunal to carry the CIRP of the CD in effective manner. Copy of the memo of IA No. 1 of 2025 is annexed hereto and marked as **Annexure-[M]**.

XIX. The said IA No. 1 of 2025 could be listed before this Adjudicating Authority, the suspended management of the CD had filed an application before the Hon'ble NCLAT, New Delhi seeking, inter alia, to modify the order dt. 15.07.2024 passed by the Hon'ble NCLAT, New Delhi and to grant stay on further steps in the CIRP of the CD. The Hon'ble NCLAT, New Delhi vide order dt. 02.01.2025 was pleased to direct the parties to not to take any precipitative steps. Copy of the order dt. 02.01.2025 passed by the Hon'ble NCLAT,

New Delhi in IA No. 8964, 8965 of 2024 in CA(AT)(Ins) No. 1290 of 2024 is annexed at **Annexure- [N]. [Pages 262 and 263]**.

XX. In view of the order dt. 02.01.2025 passed by the Hon'ble NCLAT, New Delhi in IA No. 8964, 8965 of 2024 in CA (AT) (Ins) No. 1290 of 2024, the Applicant herein had withdrawn IA No. 1 of 2025 filed before this Tribunal with a liberty to file a fresh application. This Tribunal vide order dated 10.01.2025 passed in IA No. 1 of 2025 permitted the withdrawal and dismissed the said IA No. 1 of 2025. Copy of the order dt. 10.01.2025 passed by the Tribunal in IA No. 1 of 2025 is annexed at **Annexure-[O]**.

XXI. Meanwhile, 6th CoC meeting of the CD was held on 04.12.2024 wherein the Applicant updated the CoC members about the invitation of EOI and Final list of PRAS. The final list of PRAs was presented to the CoC members in the said CoC meeting. Further, other developments which had taken place in the CIRP were apprised to the CoC members. Copy of the provisional and final list of PRAs is annexed at **Annexure-[P]. [Pages 266 to 271]**.

XXII. The Applicant in the 7th CoC meeting held on 19.12.2024, inter alia, apprised the CoC about the status of ongoing litigations. The Applicant in the said CoC meeting informed that the sole agenda of the said meeting was to open for the submission of resolution plans.

XXIII. Initially the plan was provided only by CoC member (Mr. Jignesh Shah) so that the CD may not be pushed to

liquidation. However, since three additional resolution plans had been received, the representative of CoC members stated the plan of Mr. Jignesh Shah would be withdrawn. Further, it was decided in the said CoC meeting that the plan submitted by sole CoC member would not be opened and focus would be placed on the other three resolution plans, therefore, other three resolution plans were opened. The Applicant in the said CoC meeting further noted that post-opening, the plans would be subject to scrutiny for legality, and discussions would take place in subsequent meetings of the CoC. The Applicant in the said CoC meeting also reiterated that due to the stay order by Hon'ble NCLAT, voting on these plans would not be conducted at this time. Copy of the minutes of the 7th CoC meeting held on 19.12.2024 is annexed at **Annexure-[Q]. [Pages 272 to 277].**

XXIV. That 8th meeting of the CoC was held on 21.01.2025 wherein the CoC was apprised about the developments in the CIRP of the CD. Further, it was apprised to the CoC that as per the provisions of the IB Code and applicable regulations, the Applicant had vetted the Resolution Plan(s) submitted by the Prospective Resolution Applicants (PRAS). Following the vetting process, the Applicant sought clarifications from the SRA which were discussed in the said CoC meeting.

XXV. The Applicant in the 8th CoC meeting further informed the CoC that in compliance with the interim order dated

02.01.2025 issued by the Hon'ble NCALT in Company Appeal (AT) (Insolvency) No. 1290 of 2024, the Applicant had also informed the PRAs that no voting on the Resolution Plan shall take place until further orders. This step had been taken to protect the interests of all the stakeholders and to ensure that no adverse implications arise for the Applicant or the CoC. It was also decided that RAs will be called in the next meetings and discussion on their plans and the observation of the Applicant will be discussed with the revised financial proposal. Copy of the minutes of the 8th CoC meeting held on 21.01.2025 is annexed at **Annexure- [R]**.

2nd Application seeking extension of CIRP period by further 60 days from 02.03.2025

XXVI. The 9th CoC meeting of the CD was held on 21.02.2025 and was further adjourned to 24.02.2025. The resolution plans submitted by the PRAs were discussed in the said CoC meeting and it was decided that a maximum period of ten days would be provided to the PRAs for submission of the Revised Resolution Plan addressing the observations discussed in the meeting. The CoC members agreed to reconvene for the final evaluation after receipt of the revised plans. Further, it was resolved in the said CoC meeting that extension of further 60 days of the CIRP be taken and the Applicant was authorized to file the application seeking extension of CIRP period by further 60 days. Since there

was a typographical error in the minutes of the 9th CoC meeting and instead of extension, the term exclusion was inserted, hence, the Applicant had received an email dated 28.02.2025 from the CoC member to modify the minutes accordingly and to provide the corrected version. In view of the same, the addendum to the 9th CoC meeting was issued by the Applicant and was circulated to the CoC member. Copy of the minutes of the 9th CoC meeting held on 21.02.2025 and 24.02.2025 along with the email dated 28.02.2025 issued by the CoC member and copy of the Addendum in minutes of the 9th CoC meeting is annexed at **Annexure- [S]**.

XXVII. In view of the discussion held in the 9th CoC meeting, the Applicant filed an application bearing IA No. 21 of 2025 seeking extension of CIRP period by further 60 days from 02.03.2025. This Tribunal vide order dated 07.03.2025 passed in IA No. 21 of 2025 allowed the said application, thereby, extending the CIRP period by further 60 days to complete the CIRP process in accordance with law. Copy of the 2 CIRP extension order dated 07.03.2025 passed by this Tribunal in IA No. 21 of 2025 is annexed at **Annexure-[T]. [Pages 304 and 305]**.

Reconstitution of CoC

XXVIII. During the pendency of CIRP of the CD, the sole CoC member being legal heirs of Deceased Mr. Ashvin Kumar Chandulal Shah have assigned, inter alia, all rights, title,

Interest, claims and benefits with respect to the claimed financial debt of Rs. 15,61,47,805/- and admitted financial debt amounting to Rs. 6,65,03,926/- against the CD, to M/s Prospero Engitech, a partnership firm registered under the Partnership Act, 1932 vide Deed of Assignment dt. 25.03.2025.

XXIX. The Applicant had therefore reconstituted the CoC and list of creditors. The report certifying the reconstitution of the CoC dated 27.03.2025 and list of creditors was prepared by the Applicant.

XXX. The 10th CoC meeting of the CD was held on 29.03.2025. The activities undertaken by the Applicant to manage the affairs of the CD from the date of 9th CoC meeting till the date of 10th CoC meeting was discussed in the said CoC meeting, Further, the discussion with regard to the reconstitution of CoC was also held in the said CoC meeting. Copy of the minutes of the 10th CoC meeting held on 29.03.2025 is annexed at **Annexure- [U]**.

XXXI. The Applicant had thereafter filed an application bearing IA No. 30 of 2025 seeking to place on record copy of the report dated 27.03.2025 certifying the reconstitution of CoC and list of creditors. This Tribunal vide order dated 16.04.2025 passed in IA No. 30 of 2025 taken the said report dated 27.03.2025 on record, with all just exceptions.

Exclusion of certain period from CIRP period in view of the orders passed by Hon'ble NCLAT, New Delhi

XXXII. The 11th CoC meeting of the CD was held on 23.04.2025. The discussion with regard to the exclusion of period from CIRP period had taken place in the said CoC meeting. It was informed to the CoC that in view of the orders dated 15.07.2024 and 02.02.2025 passed by the Hon'ble NCLAT, New Delhi, the resolution plans cannot be kept for voting. The CoC in the 11th CoC meeting held on 23.04.2025 passed the resolution, inter alia, authorizing the Applicant to file an application before this Tribunal seeking exclusion of litigation period from the CIRP period as permitted under the applicable provisions of the Code.

XXXIII. Further, a certificate dated 27.04.2025 was also issued by the Applicant at the request of the CoC stating, inter alia, that the resolution plans submitted by the PRAs are in compliance with the provisions of IB Code and Rules and Regulations framed thereunder, and that in view of the orders passed in CA(AT) (Ins) No. 1290 of 2024, the resolution plans have not been placed before the CoC for voting. Copy of the minutes of the 11th CoC meeting held on 23.04.2025 along with a copy of the resolutions passed therein and copy of the certificate dt. 27.04.2025 issued by the Applicant herein is annexed at **Annexure- [X].[Pages 337 to 345]**.

XXXIV. That pursuant to the discussion held on the 11th CoC meeting held on 23.04.2025 and in the interest of justice and to achieve the main purpose of the IB Code, the Applicant had filed an application bearing IA No. 45 of 2025

before this Tribunal seeking appropriate orders for excluding the period from 23.04.2025 (date of holding of the 11th CoC meeting) till the Applicant is permitted to place the resolution plans on voting and continuing the CIRP of the CD. This Tribunal vide order dated 16.06.2025 passed in IA No. 45 of 2025 allowed to exclude the period w.e.f. 23.04.2025 till the date of the passing of the order i.e., 16.06.2025. Copy of the exclusion order dt. 16.06.2025 passed by this Tribunal in IA No. 45 of 2025 is annexed at **Annexure- [Z]**.

Approval of Resolution Plan by the CoC

XXXV. The 12th CoC meeting of the CD was held on 02.06.2025 wherein discussion on resolution plans submitted by (i) Flowman Metrix Private Limited, (ii) Resurgent Property Ventures Private Limited in consortium with Mr. Sanjay Lodha, and (iii) Sunrise Industries, was held. Each PRA was given an opportunity to submit their final resolution plan. The key aspects discussed by the Applicant and the CoC members during the evaluation of the resolution plans included:

- i. Evaluation and Comparison of Resolution Plans
- II. Resolution Applicant's Capabilities
- iii. Impact on Stakeholders
- iv. Legal and Regulatory Compliance
- v. Other Considerations

- XXXVI. Along with other resolutions, the resolution for approval of resolution plans submitted by PRAs were also kept for voting. Based on the suggestion of the Committee of Creditors during the meeting, it was noted that the members preferred to obtain internal approvals prior to voting and, accordingly, proposed to cast their votes through a Ballot Paper instead of voting during the meeting.
- XXXVII. In view of this, the Applicant had decided to circulate a Ballot Paper in accordance with the applicable provisions to facilitate the voting process for all agenda items requiring approval, Further, 48 hours' time from the time of circulation of ballot paper was given to the CoC member.
- XXXVIII. The resolution plan submitted by Flowman Metrix Private Limited ("**Successful Resolution Applicant**"/ "**SRA**") was approved by the CoC with 100% voting. Copy of the minutes of the 12th CoC meeting held on 02.06.2025 along with its voting result is annexed at **Annexure- [AA]**. [Pages 365 to 399]. Copy of the resolution plan submitted by Flowman Metrix Private Limited is annexed at **Annexure- [AB] [pages 400 to 483]**. Copy of the Affidavit and Declarations including Affidavit under section 29A of the IB Code submitted by Flowman Metrix Private Limited is annexed at **Annexure- [AC] [pages 484 to 498]** and copy of the Affidavit/Declaration under section 29A of the IB Code provided by proposed directors of the CD is annexed at **Annexure- [AD].[Pages 499 to 514]**. Copy of the Letter of

intent dated 09.06.2025 issued to Flowman Metrix Private Limited by Applicant herein is annexed at **Annexure-[AE].[Pages 515 to 517]**.

XXXIX. The following are the salient features of the Resolution Plan submitted by SRA and approved by the CoC of the CD (the clauses and page numbers, referred below are internal clauses and pg. no. of approved resolution plan):

i. The resolution plan is divided into 3 (three) parts, in the following manner:

Part A- Business Plan

- Profile of the Resolution Applicant along with the Business Experience, credit worthiness and group structure of the resolution applicant.
- Proposed Board structure with appointment of turnaround experts, key managerial personnel, proposed auditors and retention of employees.
- Cause behind the CD with turnaround strategy.
- Execution and operational plans.

Part B-Financial Proposal

- Detailed financial proposal with source of funds
- Implementation Provisions
- Term of the Plan & its implementation schedule
- Management and control of affairs of CD during the term of the plan and its supervision
- Monitoring Committee
- Extinguishment of Claims/entitlements
- Prayer for Reliefs and Concessions

Part C- Other Mandatory Contents of the Resolution Plan

- Confirmation to Mandatory Contents
 - Declaration
- ii. Overview of the Resolution Applicant (Clause 2-Pg. 25-27 of the resolution plan)
 - iii. Management and Governance (Clause 3-Pg. 27-29 of the resolution plan)
 - iv. Business Plan/Financial Projection including cause behind insolvency of CD, turnaround strategy, execution and operational plans (Clause 4-Pg. 30-35 of the resolution plan)
 - v. Detailed Financial Proposal (Clause 5-Pg. 37-49)
 - vi. The Resolution plan proposes to pay an amount of Rs. 14,49,00,000/- to all the stakeholders of the CD, including CIRP costs. The Resolution Applicant may infuse funds, up to an amount of Rs. 50,00,000/-, as and when required, for the purpose of carrying on operations of the CD
 - vii. On the upfront date - Rs. 3,56,32,385/- being the upfront payment amount. That the EMD of Rs. 25,00,000/- and Rs. 20,00,000/- paid by the Resolution Applicant shall be adjusted in the upfront payment amount, and balance of Rs. 10,92,67,615/- is payable in 3 unequal installments over period of 1 year from the Effective Date,
 - viii. Payment of CIRP cost (Clause 5.5-Pg. 38-39)
 - ix. Unsecured Financial Creditor (Clause 5.6-Pg. 39-43)
 - x. Infusion of Working Capital Funds (Clause 5.9-Pg. 43)
 - xi. Proposal for Shareholders (Clause 5.10-Pg. 43-45)
 - xii. Proposal for settlement of other liabilities appearing in books of the CD or otherwise (Clause 5.11-Pg. 45)

- xiii. Indicative %age recovery of each stakeholder (Clause 5.12-Pg. 45)
- xiv. Source of Funds (Clause 6-Pg. 49)-The Resolution Applicant has the required net worth and internal accruals, cash and cash equivalent, receivables and inventory to pay the Resolution Plan amount. The Resolution Applicant has a net worth of Rs. 24,15,59,724/- as on 31.03.2024.
- xv. Implementation Provisions (Clause 7 – Pg. 49-51)
- xvi. Term of the plan and its implementation schedule (Clause 8 – Pg. 51- 52)
- xvii. Management and control of affairs of the CORPORATE DEBTOR during the term of the plan (Clause 9 – Pg. 52-54)
- xviii. Monitoring Committee (Clause 10 – Pg. 54 – 55)
- xix. Extinguishment of Claims/ Settlements – (Pg. 55 – 63)
- xx. Prayers for Reliefs and Concessions (Clause 12 – Pg. 63-73)
- xxi. Confirmation and other contents of the resolution plan (Clause 13 – Pg. 75-80)
- xxii. Net worth Certificate (Annexure A of approved resolution plan)

XL. The Applicant believes that the approved Resolution Plan is compliant with the requirements of section 30(2) of the Code read with Regulation 38 of the CIRP Regulations, 2016 and the Resolution Applicant is eligible to submit resolution plan. The Compliance Certificate (Form-H) issued by the Applicant is annexed hereto and marked as **Annexure- [AF]**.

XLI. It is humbly submitted that the Resolution Plan submitted by the SRA has been duly considered by the CoC of the CD

in its commercial wisdom, and pursuant to detailed discussions, deliberations as well as negotiations, the CoC in its commercial wisdom has found the Successful Resolution Plan to be feasible and viable in terms of the requirements under the Code and the CIRP Regulations.

XLII. It is submitted that the object of the Code is resolution and maximization of value of stakeholders vis-à-vis liquidation and the Applicant is bound by the commercial wisdom of the members of the CoC. The Resolution Plan value is substantially higher than Liquidation value of the corporate debtor. The Applicant has therefore filed the present Application. The Applicant carves leave of this Hon'ble Adjudication Authority to add, alter or amend the contents of the present Application.

XLIII. The Applicant submits that according to Regulation 36B(4A), the request for resolution plans shall require the Resolution Applicant, in case its Resolution Plan is approved under Section 30(4), to provide a performance security within the time specified therein and such performance security shall stand forfeited if the Resolution Applicant of such Plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of the Plan in accordance with the terms of the Plan and its implementation schedule. Copy of the Proof of payment of Performance Bank Guarantee/ Security Deposit by the SRA is annexed hereto and marked as **Annexure-[AG]**.

18. The Applicant/RP filed an additional affidavit a.w. additional documents in support of the Resolution Plan approval on 04.08.2025 vide inward no. D5262. In the said affidavit, it is stated that:-

- I. That the present affidavit is being filed by the deponent to place on record certain documents.
- II. That a copy of the Information Memorandum of the CD (without annexures) is placed on record with the captioned application at Annexure E. That the deponent hereby places on record a copy of the Information Memorandum of the CD (with annexures thereto) which is annexed hereto and marked as **Annexure-A**.
- III. The list of assets of the CD and the valuation summary of the asset class of the CD is annexed hereto and marked as **Annexure-B**.
- IV. That the valuation of the Land and Building of the CD was done by Valuers Jayesh Bhavsar and Nimesh Raval. Copy of the valuation report dt.27.12.2024 issued by Mr. Jayesh Bhavsar and Mr. Nimesh Raval is annexed hereto and marked as **Annexure - C**.
- V. That the valuation of Plant and Machinery of the CD was done by Mr. Rakesh Shah and Mr. Vatsalraj Dabhi. Copy of the valuation report dt. 17.12.2024 issued by Mr. Vatsalraj Dabhi and copy of the valuation report dt. 18.12.2024 issued by Mr. Rakesh Shah is annexed hereto and marked as **Annexure -D**.
- VI. That the valuation of Securities and Financial Assets of the CD was done by Atharva Valuation (OPC) Private Limited and Den Valuation (OPC) Private Limited. Copy of the valuation report dt. 09.01.2025 issued by Den Valuation (OPC) Private Limited and copy of the valuation report dt. 18.01.2025 issued by Atharva Valuation (OPC) Private Limited is annexed hereto and marked as **Annexure-E**.

19. In Compliance with the order dated 25.08.2025, the applicant

filed an additional affidavit on 23.09.2025 vide inward no. D6366 stating that:

- I. Copy of the Lease Deed dated 06.04.2023 and supplementary lease deed dated 29.12.2023 entered between Corporate Debtor and Flowman Metrix Pvt. Ltd. i.e., the Successful Resolution Applicant (“SRA”) which is annexed hereto and marked as **Annexure- A**.
- II. Copy of the audited accounts of the CORPORATE DEBTOR, immediately before the indictment of the SRA as lessee viz. audited accounts of the CD for the FY 2021-22 is annexed hereto and marked as **Annexure- B**.
- III. Copy of the certificate provided by Pipariya & Associates, Company Secretaries with regard to capital structure of MSF Consulting Private Limited as on 26.08.2025 and its shareholding is annexed hereto and marked as **Annexure- C**, and copy of the Affidavit/Declaration for no disqualification under section 29A of the Insolvency and Bankruptcy Code, 2016 submitted by MSF Consulting Private Limited and its Directors to the deponent is annexed hereto and marked as **Annexure-D**.
- IV. Copies of the audited financials of the CD for the Financial year 2020-2021, 2021-22, 2022-23 along with year wise business of the CD from 2013 to 2023 are annexed hereto and marked as **Annexure- E**.
- V. That the audited financial statement of the CD as on 31.03.2024 are yet to be approved by CoC, hence, the bank statement of the CD, having Account No: 920020004424588 in Axis Bank, from 01.04.2023 to 10.06.2024 is annexed hereto and marked as **Annexure-F**.

20. The executive summary of the Resolution Plan is as under:-

1.1. EXECUTIVE SUMMARY

Sr. No.	Particulars	Details	References
1.	Profile of Resolution Applicant M/s Flowman Metrix Private Limited "FMPL"	FLOWMAN METRIX PRIVATE LIMITED (U29190GJ2021PTC127959), incorporated on 14-12-2021, is engaged in pipe manufacturing including HDPE Pipes and Mild Steel Spiral Pipes.	Refer Section 2.1 of Part A
2.	Total financial outlay as per the Plan	<p>Resolution Plan Amount of Rs. 14,49,00,000/- (Rupees Fourteen Crores Forty-Nine Lakhs Only) to be utilised towards settlement of CIRP Cost and subsequent payment to all Stakeholders, payable in the following manner:</p> <ul style="list-style-type: none"> • On the Upfront Payment Date – 3,56,32,385/- (Rupees Three Crore Forty-Fifty-Six-Nine Lakh Thirty-Two Thousand Three Hundred and Eighty-Five Only), being the Upfront Payment Amount. It is pertinent to mention that Earnest Money Deposit of Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) and Rs. 20,00,000/- (Rupees Twenty Lakhs Only) paid by the Resolution Applicant shall be adjusted in the Upfront Payment Amount. • Balance of Rs. 10,92,67,615 (Rupees Ten Crore Ninety-Two Lakh Sixty-Seven Thousand Six Hundred and Fifteen Only) payable in 3 unequal instalments over a period of 1 year from the Effective Date <p>Further, the Resolution Applicant may infuse funds, up to an amount of Rs. 50,00,000/- (Rupees Fifty Lakhs Only), as and when required, for carrying on operations of the Corporate Debtor.</p>	Refer Section 5 of Part B



RESOLUTION PLAN

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Sr. No.	Particulars	Details	References
3.	Source of Funds	Resolution Applicant shall utilise its Internal accruals, Cash and Cash Equivalents, Receivables, Inventory and if required shall raise funds through debt or support from its Holding Company or by any other means as deemed appropriate by the Resolution Applicant.	Refer Section 6 of Part B
4.	Distribution of Resolution Plan Amount and schedule of repayment	<p>Within 1 year from the Effective Date</p> <ol style="list-style-type: none"> 1. CIRP Cost: CIRP cost amounting to Rs. 23,80,422/- (Rupees Twenty-Three Lakh Eighty Thousand Four Hundred Twenty-Two Only) as informed by Resolution Professional. 2. Unsecured Financial creditors (not belonging to any class): Rs. 6,65,03,926/- (Rupees Six Crore Sixty-Five Lakh Three Thousand Nine Hundred Twenty-Six Only) 3. Shareholders: Rs. 7,60,15,652/- (Rupees Seven Crore Sixty Lakh Fifteen Thousand Six Hundred Fifty-Two Only) <p>Further, the Resolution Applicant may infuse funds, up to an amount of Rs. 50,00,000/- (Rupees Fifty Lakhs Only), as and when required, for the purpose of continuing the operations of the Corporate Debtor.</p>	Refer Section 5 of Part B
5.	Provisions made in respect of supervision and implementation of the Plan	From the Effective Date, Monitoring Committee (MC) will be constituted consisting of Resolution Professional, 1 (One) representative from Committee of Creditors and 1 (One) representative from Resolution Applicant. Monitoring Committee shall monitor the implementation of the Plan upto the Upfront Payment Date.	Refer Section 10 of Part B

RESOLUTION PLAN

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Sr. No.	Particulars	Details	References
		The MC shall be dissolved, without any further act or deed with effect from the Upfront Payment Date.	

21. As per Part B of the Resolution Plan, the Financial Proposal are as under:-

5. DETAILED FINANCIAL PROPOSAL OF THE RESOLUTION APPLICANT

5.1. LIQUIDATION VALUE

The liquidation value of the Corporate Debtor has not been provided by the Resolution Professional. The Resolution Applicant proposes to pay an amount equal to Rs. 14,49,00,000/- (Rupees Fourteen Crore Forty-Nine Lakh Only) to all Stakeholders of the Corporate Debtor, including CIRP Costs, in this Plan.

The amount so payable under this Resolution Plan to the Operational Creditors shall be paid in priority over the Financial Creditors.

5.2. RESOLUTION PLAN AMOUNT

The Resolution Applicant, under the present Resolution Plan, is offering an amount of Rs. 14,49,00,000/- (Rupees Fourteen Crore Forty-Nine Lakh, Only) in full and final settlement of all liabilities and equity of the Corporate Debtor ("Resolution Plan Amount"). The Resolution Applicant shall not be liable to pay anything over and above the Resolution Plan Amount. It is pertinent to mention that the Resolution Applicant may infuse funds, up to an amount of Rs. 50,00,000/- (Rupees Fifty Lakhs Only), as and when required, for the purpose of carrying on operations of the Corporate Debtor

5.3. TIMELINE FOR PAYMENT

On the Upfront Payment Date, the Resolution Applicant shall pay the Upfront Payment Amount

On and from the Closing Date, the liability of the Resolution Applicant under this Resolution Plan will come to an end. The Resolution Applicant shall not be liable for any other payment to any other stakeholder of the Corporate Debtor, whether such stakeholder has been identified or not, or whether such payment

has been crystallised or not.

5.4. GENERAL PROVISIONS

- 1) All liabilities of the Corporate Debtor whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, or any guarantee given by the Corporate Debtor in relation to any third party transaction of any nature in respect of which such third parties may have rights against the Corporate Debtor, which may have been provided or issued by any person in support of, for the benefit of, or at the behest of the Corporate Debtor or for any other reason whatsoever, in relation to any period till the Effective Date shall, as on that date, stand cancelled and terminated without any liabilities accruing to the Corporate Debtor and / or Resolution Applicant, and will be treated as extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan except as mentioned in clause 4.2.1(e).
- ii) This Resolution Plan is a full and comprehensive proposal for the resolution of the insolvency of the Corporate Debtor. For the removal of doubt, it is hereby clarified that all the rights, title and interest of the Corporate Debtor in all its Assets shall continue to vest with the Corporate Debtor, except as specifically set out in this Resolution Plan.
- iii) As per the Information Memorandum, no guarantees have been given by persons and/or entities, as mentioned before, on behalf of the Corporate Debtor. In any case, it is clarified that any such guarantee shall not stand extinguished upon the approval of this Resolution Plan and the concerned creditor shall be entitled to prosecute

the guarantor(s) to the full extent of law; provided, however, that no such creditor or guarantor shall have any recourse to the Corporate Debtor nor shall have any right of subrogation as against the Corporate Debtor.

- iv) Other than as expressly provided under this Resolution Plan, no other payment or settlement (of any nature or in kind) shall be made to any other person in respect of any other claim, whether agitated or not, whether admitted or not and any related suit, proceedings or other action shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity.
- v) This resolution plan satisfies all the mandatory conditions as laid out in Section 30(2) of the Code and also fulfills all the criterion as per Regulation 38(1) and Regulation 38(2) of the CIRP Regulations, as morefully provided under Part C.

5.5. PAYMENT OF CIRP COST

- 1) As informed by the Resolution Professional the estimated CIRP Costs is Rs. 23,80,422/- (Rupees Twenty-Three Lakh Eighty Thousand Four Hundred Twenty-Two Only). This Resolution Plan has made a provision of Rs. 23,80,422/- (Rupees Twenty-Three Lakh Eighty Thousand Four Hundred Twenty-Two Only) towards CIRP Costs. The full amount of CIRP Cost shall be payable at actuals on Upfront Payment Date and in priority by the Resolution Applicant on the Upfront Payment Dute and in case the CIRP Costs exceeds the above threshold of Rs. 23,80,422/- (Rupees Twenty-Three Lakh Eighty Thousand Four Hundred Twenty-Two Only), such additional sum shall be paid from the amount payable to Shareholders and thus the amount proposed under the Resolution Plan to the Shareholders shall be accordingly reduced

proportionately to the extent of such additional payment towards CIRP Costs. Considering this, the reference of payment of CIRP Costs under this Plan by the Resolution Applicant shall be construed as being paid subject to provision of this Clause. If the CIRP Cost is less than the provision created, the same shall be refunded back to the Resolution Applicant.

- ii) Once the CIRP Costs have been paid, it is clarified that no claims, liabilities, fines, costs, expenses or any other payment of such nature or otherwise, that are or are claimed to constitute CIRP Costs shall be payable by the Resolution Applicant or the Corporate Debtor. Any cash or bank balances as on the Effective Date shall remain to be in unencumbered ownership of the Corporate Debtor and the Resolution Applicant.

5.6. UNSECURED FINANCIAL CREDITOR (OTHER THAN FINANCIAL CREDITORS BELONGING TO ANY CLASS OF CREDITORS)

- 1) The Resolution Applicant proposes to pay Rs. 6,65,03,926/- (Rupees Six Crore Sixty-Five Lakh Three Thousand Nine Hundred Twenty-Six Only) towards the Unsecured Financial Creditors (other than Financial Creditor belonging to any class) (whether admitted or under verification or contingent or crystallized or uncrystallised or to arise in future but relating to period prior to Effective Date) of the Corporate Debtor. However, the Resolution Applicant acknowledges the rights of Unsecured Financial Creditor (other than Financial Creditor belonging to any class) as provided under clause 4.2.1 (e).
- ii) The aforementioned amount payable to Unsecured Creditors (other than Financial Creditor belonging to any

class) shall be as under:

- Rs. 3,32,51,963/- (Rupees Three Crore Thirty-Two Lakh Fifty-One Thousand Nine Hundred and Sixty-Three Only) shall be payable to Unsecured Financial Creditor (other than Financial Creditor belonging to any class) on the Upfront Payment Date;
- Rs. 3,32.51,963/- (Rupees Three Crore Thirty-Two Lakh Fifty-One Thousand Nine Hundred and Sixty-Three Only) shall payable to Unsecured Financial Creditor (other than Financial Creditor belonging to any class) within 2 months from the Effective Dute;...”

5.7. DUES OWED BY CORPORATE DEBTOR TO RELATED PARTIES

The dues owed by the Corporate Debtor to any related party, if any, shall be extinguished as of the Effective Date. Regarding other related party claims, the Resolution Applicant or the Corporate Debtor will decide whether to pay off such dues.

5.8. PAYMENT OF CREDITORS OF CORPORATE DEBTOR

Resolution Applicant has sufficient net worth and shall utilise its internal accruals and infuse funds into the Corporate Debtor, by way of equity, debt, or any other instrument, as the Resolution Applicant may deem fit, for the purpose of payment of Resolution Plan Amount, as may be required. If the Resolution Applicant deems fit it may Subsequently, claims of creditor shall be paid off through use of such funds.

5.9. INFUSION OF WORKING CAPITAL FUNDS

The Resolution Applicant shall infuse working capital/investment, up to the tune of approximately Rs. 50,00,000/- (Rupees Fifty Lakhs Only) as may be deemed necessary, for maintaining the Corporate Debtor as a going concern. Such infusion will be by way of equity, debt or in such other form or manner as the Resolution

Applicant may decide. As and when necessary, in the opinion of the Resolution Applicant, the Resolution Applicant shall infuse funds into the Corporate Debtor.

5.10. PROPOSAL FOR SHAREHOLDERS

- i) The Resolution Applicant proposes to pay an amount to the tune of Rs. 7,60,15,652/- (Rupees Seven Crore Sixty Lacs Fifteen Thousand Six Hundred Fifty-Two Only) to the Shareholders of the Corporate Debtor in proportion to their respective shareholding in the Corporate Debtor.
- ii) The said amount payable to shareholders of the Corporate Debtor shall be paid in the following manner:
 - Rs. 3,80,07,826/- (Rupees Three Crore Eighty lacs seven thousand eight hundred twenty six Only) shall payable to Shareholders of the Corporate Debtor within 6 months from the Effective Date;
 - Rs. 3,80,07,826/- (Rupees Three Crore Eighty lacs seven thousand eight hundred twenty six Only) shall payable to Shareholders of the Corporate Debtor within 12 months from the Effective Date
- iii) The existing shareholders of the Corporate Debtor shall not be entitled to retain their shareholding on and after the Effective Date. On and from the Effective Date, the entire share capital of the Corporate Debtor is to be cancelled by way of Capital Reduction; and 1,00,000 fresh ordinary equity shares or any other number at the sole discretion of Resolution Applicant of face value Rs. 10 each are to be issued to the Resolution Applicant or its nominees. The issuance of such shares is to be completed by the Upfront Payment Date. It shall be the responsibility of the Monitoring Committee to ensure that the shares are issued as per this paragraph. To this end, the Monitoring

Committee shall be entitled to take such actions as may be necessary.

- iv) Accordingly, the existing paid up share capital shall stand to be fully written down. ("Capital Reduction")

Table Shareholding after resolution of the Corporate Debtor

Share Holders	Before Resolution				After Resolution			
	No of Share	Face Value	Amount (in Rs.)	%age of share holding	No of Share	Face Value (in Rs)	Amount (in Rs)	%age of share holding
Existing Promoters	16,07,950	10	1,60,79,500	100	-	-	-	-
Flowman Metrix Private Limited	-	-	-	-	1,00,000	10	10,00,000	100

RESOLUTION PLAN

Total	16,07,950	10	1,60,79,500	100	1,00,000	10	10,00,000	100
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6. SOURCE OF FUNDS

- The Resolution Applicant has the required net worth and internal accruals, cash and cash equivalent, receivables, and inventory to pay the Resolution Plan Amount. For the sake of assurance, it should be noted that Resolution Applicant has a net worth of Rs. 24,15,59,724/- (Rupees Twenty-Four Crores

Fifteen Lakhs Fifty-Nine Thousand Seven Hundred Twenty-Four Only) as on 31.03.2024.

2. If required, the Resolution Applicant may raise funds through the issuance of debt instruments or by seeking debt facilities from a financial institution, after following due legal process.

7. IMPLEMENTATION PROVISIONS

The Resolution Applicant shall be completely free for restructuring/re-alignment /change of business of Corporate Debtor/ merger/ demerger / amalgamation of business operations/units/assets/immovable properties of the Corporate Debtors, depending on the cost effectiveness, market requirement, change in the business scenario in the interest of successful revival of business of Corporate Debtor.

Steps for Implementation of the Plan

On the Effective date, which shall, subject to (i) no stay on the implementation of the Resolution Plan; or (ii) no legal proceedings seeking an increase in the Upfront Payment Amount, unless the COC agrees in writing to proportionately reduce the amounts payable to it from the Upfront Payment Amount to ensure that the outcome of any such litigation shall not, in any manner, increase the Upfront Payment Amount proposed to be made by the Resolution Applicant or liability of the Resolution Applicant, or for any material modification of the contents of this Resolution Plan having been initiated in any court or tribunal against the decision of the NCLT approving this Resolution Plan; the Resolution Applicant shall complete the implementation of the Resolution Plan and the Resolution Applicant and/or Affiliates or nominees shall acquire control of the Corporate Debtor in the manner set out herein and the Corporate Debtor will make payment of amounts payable to the Creditors as set out in the Resolution Plan. The detailed steps involved in the Acquisition and implementation of the Resolution Plan are as follows, which occur simultaneously on and from the Effective Date:

i. Capital Reduction:

- a. The Corporate Debtor shall undertake a capital reduction on the Upfront Payment Date, whereby all the equity shares and preference shares (if any) of the Corporate Debtor held by any Person on a fully diluted basis shall stand cancelled and extinguished, without any pay-out, or cash consideration to the Financial Creditors, Operational

Creditors, Employees and Workmen, statutory creditors, Other Creditors, other third parties, the existing shareholders and any other Person, under the provisions of the Companies Act, 2013 ("Capital Reduction").

- b. The Capital Reduction would not involve either a diminution of liability in respect of unpaid share capital, if any, or payment to any shareholder of any unpaid share capital.
- c. Capital Reduction of the Corporate Debtor shall be effected as an integral part of this Resolution Plan by the NCLT order without any further act, deed or instrument. Implementation of the Resolution Plan in terms of the NCLT order shall be deemed to be due compliance of all provisions of Applicable Law in this regard (including Section 66 of the Companies Act, 2013), and there shall be no requirement to add "and reduced" in the name of the Corporate Debtor. Further, the Corporate Debtor would, not involve either a diminution of liability in respect of unpaid share capital, if any, or payment to any shareholder of any unpaid share capital.

ii. **Capital Infusion**

Simultaneous with the above steps, the Resolution Applicant shall together with its Affiliates and/or nominees subscribe to 1,00,000 equity shares of the Corporate Debtor or any other number of equity shares for Rs 10 per share as may be determined by the Resolution Applicant in their sole and absolute discretion. Pursuant to the same, the Resolution Applicant shall hold 100 per cent) of the share capital of the Corporate Debtor and acquire control of the Corporate Debtor.

8. The summary of Implementation Timelines:

Sl. No.	Activity	Estimated Timeline
1.	Effective Date	T
2.	Extinguishment of Promoter Shareholding	T
4.	Payment of CIRP costs through Infusion of Equity Capital / other Instruments out of Upfront Payment Amount (It is pertinent to mention that Earnest Money Deposit of Rs. 25,00,000/- (Rupees Twenty	T + 30 days

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	Five Lakhs Only) and Rs. 20,00,000/- (Rupees Twenty Lakhs Only) paid by the Resolution Applicant shall be adjusted in the Upfront Payment Amount)	
5.	Payment to the Stakeholders out of Upfront Payment Amount	T + 30 days
6.	1 st tranche of Payment to the Stakeholders	T + 2 months
7.	2 nd tranche of Payment to the Stakeholders	T + 6 months
8.	3 rd and final tranche of Payment to the Stakeholders	T + 12 months
10.	Proposed Completion Date	T + 12 months

10. MONITORING COMMITTEE

Supervision after the Effective Date and until Closing Date

1. Within 5 business days of the Effective Date, a three (3) Member Committee ("Monitoring Committee") shall be constituted comprising one (1) representative of the RA, one (1) representative of the COC and the Resolution Professional each, which shall monitor the implementation

of the Plan after the Effective Date and until the Upfront Payment Date.

2. The Monitoring Committee shall have the following responsibilities:
 - a) Monitoring the implementation of this Resolution Plan, during the Term of the Plan;
 - b) Obtain all original documents, and also all other agreements, title deeds, contracts, correspondences, communications, letters or any other document, pertaining to all Assets of the Corporate Debtor, and to hand them over to the Resolution Applicant on the Upfront Payment Date;
 - c) Provide regular updates to the Financial Creditors, until the Financial Creditors receive the amounts payable to them pursuant to this Resolution Plan;
 - d) Ensure that all assets of the Corporate Debtor remain vested in the Corporate Debtor, on an as is where is basis, free from all Encumbrances and/or without any encroachments (including but not limited to occupancy of possession by the erstwhile director/s or promoter's or their men/agents/servants) on and from the Upfront Date;

22. In clause 12 (page no. 462 to 472) of the Resolution Plan, the various reliefs and concession have been sought.

SOME ADDITIONAL FACTS

23. Information relevant to the current proceedings, from Form-H (Pages 518 to 528), is given below:

- Date of initiation of CIRP: 04.06.2024

- Date of constitution of CoC: 21.06.2024 and then 27.03.2025 (Revised)
- Date of publication of Public Announcement: 05.06.2024
- Date of expiry of 180 days of CIRP: 01.12.2024 (without exclusion). Exclusion granted for the period 23.04.2025 to 16.06.2025. Earlier extension was granted till 07.03.2025.
- Date of expiry of extended period of CIRP: 23.06.2025
- Date of approval of Resolution Plan by CoC: 02.06.2025 (12th CoC Meeting).
- Date of filing Resolution Plan with the Adjudicating Authority: 20.06.2025
- Number of days beyond 180 days taken for filing application for Resolution Plan: 146 days
- Fair value of CD: Rs.15,39,41,500
- Liquidation value of CD: Rs.10,80,03,700
- Number of meetings of CoC held: Twelve
- The total admitted claims as Corporate Guarantee is NIL and the total admitted claims other than Corporate Guarantee is Rs.6,65,03,926/-
- The SRA is Flowman Metrix Private Limited engaged in the business of manufacturing HDPE pipes and spiral pipes made from Mild Steel. The SRA is a tenant (lessee) to the Corporate Debtor.
- The SRA is eligible to submit the Resolution Plan
- Due Diligence Certificate of the RP under section 29A of the IBC for the SRA is filed.
- Total plan value is Rs.14,49,00,000. Percentage of

realizable value to Principal amount: 316.56%

- The RP has certified that the said Resolution Plan complies with all the provisions of the IBC, 2016, IBBI Regulations 2106 and does not contravene any of the provisions of law for the time being in force.
- The Resolution Applicant has filed an affidavit confirming its eligibility under section 29A of the Code to submit a resolution plan. The RP has also filed a due diligence certificate under section 29A of the IBC for the SRA.
- The said resolution plan has been approved by the CoC with 100% voting after considering its feasibility and viability and other requirements specified by the CIRP Regulations.
- Performance Guarantee of Rs 72,45,000 given
- No application is filed for PUFEE transactions.
- The Resolution Plan is not subject to any contingency/condition.
- As per Form H, Income Tax Loss of Rs 27,18,150 for AY 2023-2024 and related relief and concessions have been asked by the Resolution Applicant (Page

No. 58 of the Resolution Plan).

- The RP has filed a declaration with respect to compliances of provisions under Code and Regulations (pages 526 to 528 of the application).
- Details of Monitoring Committee (in brief) : For successful implementation of the Resolution Plan, an Implementation and Monitoring Committee (IMC) is being proposed which shall have following members:
 - i. One Representative of RA.
 - ii. One representative of CoC
 - iii. Resolution Professional
- The Unsecured Secured Financial Creditor will be paid Rs.6,65,03,926/- against their admitted claim of Rs.6,65,03,926/-.
- The Operational Creditors will be paid of Rs. NIL as against admitted claims of NIL.
- The shareholders will be paid Rs 7,60,15,652.
- The Government will be paid Rs.NIL.
- The other operational creditors will be paid Rs.NIL
- The Committee has recommended under section 39(4) as:
 - (i) The SRA has submitted performance security being 5% of the total plan value amounting to Rs.72,42,500 by way of RTGS dated 12.06.2025 in favour of CD.
- The RP has certified that the Plan complies with the requirements of the Code and Regulations.

LEGAL BASIS FOR APPROVAL/REJECTION OF THE RESOLUTION

PLAN

24. 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.”

25. To our understanding, section 31 requires satisfaction of the Adjudicating authority on mainly 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) of the IBC, 2016 read with Regulations 38 and 39 of the CIRP Regulations.

26. 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.”

- 27.** 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.

28. FINDINGS OF THIS TRIBUNAL

28.1 – This application was transferred from Hon'ble Gujarat High Court. Thereafter, this application was filed under Section 7 of IBC, 2016 before this Tribunal. The said application was allowed vide order dated 04.06.2024

28.2 The Committee of Creditor consists of a single member namely M/s Prospero Engitech, a partnership firm, an unsecured financial creditor.

28.3 - A Resolution Plan submitted by the Resolution Applicant, namely Flowman Metrix Private Limited, was discussed and deliberated by the CoC in its 12th CoC meeting held on 02.06.2025 and was approved with 100% voting share.

29. The contents of the Revised Form H filed by the Resolution Professional are discussed in paragraph 23 of this order and are not repeated.

30. The Minutes of 12th CoC meeting are available on pages 365 to 399 of the Application. We have gone through the same and note the following:

- The meeting was attended by the RP, the representative of the suspended board of directors, Mr. Amit Deshmukh, and Mr. Anoop Narayan, authorized representative of the sole financial creditor (CoC).
- The agenda item included discussion on the resolution plan. All resolution plans were shared with the CoC members. The evaluation matrix, comparative analysis of all resolution plans,

list of creditors, audited financial statements for FY 2022-2023, due diligence report, and other documents required by the members were also shared with the CoC.

- Keys aspects namely evaluation and comparison of resolution plans (feasibility, viability, and implementation mechanisms of the plans were reviewed, resolution applicant's capabilities, impact on shareholders, legal and regulatory compliance, and other considerations were discussed.
- M/s Prospero Engitech had 100% voting rights.
- As per Resolution No.4, the Resolution Plan submitted by Resolution Applicant namely Flowman Metrix Private Limited was approved with 100% of total number of valid votes cast (Page 389 of the Application) and other plan submitted by Resurgent Property Ventures Private Limited in consortium with Mr. Sanjay Lodha and one more by Sunrise Industries were rejected with 100% votes against.

31. A copy of Resolution Plan is available on pages 400 to 490 of the Application. We have gone through the amended Resolution Plan submitted by the Resolution Applicant Flowman Metrix Private Limited on 17.03.2025. Some relevant contents of the Plan are given below:

- The Resolution Applicant is engaged in the business of pipe manufacturing including HDPE Pipes and Mild Steel Spiral Pipes. It is held 99.98% by MSF Consulting Private Limited and it has one operational unit in Kalol.
- The Corporate Debtor was engaged in the business of scrap and materials distribution industry, headquartered in Vadodra. The paid up share capital of the company is Rs 1,60,79,500. The promoter group is Chetna Amit

Deshmukh, Anuradha Deshmukh, Javesh Deshmukh, and others.

- The legal heir of Late Mr. Ashvinkumar Chandulal Shah are the only unsecured financial creditors and whose claims of Rs 6,65,03,926 have been admitted out of a total claim made of Rs 15,61,47,805.
- There are no claims of any operational creditor except of Rs 2,81,248 of Chief Officer, Notified Area Kalol, GIDC, kalol.
- There are no workers and employees and liabilities of the corporate debtor are nil. However, the RA is currently utilizing the facilities of the Corporate Debtor located at Kalol through a lease deed dated 05.09.2022 valid for seven years for manufacturing HDPE Pipes. The Resolution Applicant has invested in the Plant and Machinery. The Resolution Plans states that the current plan of the RA will not only benefit revival of the CD but also help in creating employment opportunities for close to 200-300 people working in the factory.
- After the effective date the Resolution Applicant shall constitute the Board of Directors of the Corporate Debtor and appoint key managerial personnel.
- Page 30 of Plan refers to the cause behind insolvency of the Corporate Debtor and turnaround strategy of the Resolution Applicant.
- Total financial outlay as per the Plan is Rs 14,49,00,000 to be utilized in the payment of CIRP cost (Rs 23,80,422)

and subsequent payment to all stakeholders. Out of this an amount of Rs 6,65,03,926 to be paid to unsecured financial creditor and Rs 7,60,15,652 to the shareholders.

- The Plan provides for payment of Rs 6,65,03,926 to the unsecured financial creditor. Rs 3,32,51,963 on the upfront payment date and Rs 3,32,51,963 within two months of effective date.
- The Plan provides for payment of Rs 7,60,15,652 to the shareholders of the Corporate Debtor. Rs 3,80,07,826 to be paid within 6 months of effective date and remaining Rs 3,80,07,826 to be paid within 12 months from the effective date.
- The Plan will be fully implemented within 12 months of effective date.
- The Plan proposes to issue 1,00,000 fresh ordinary equity shares at a face value of Rs 10 each to the Resolution Applicant or its nominees.
- The Resolution Applicant may infuse funds of Rs 50,00,000, as and when required, for carrying on operations of the Corporate Debtor.

32. This Tribunal has carefully considered the application filed by the Resolution Professional and affidavits filed by the Resolution Applicant and the provisions of Sections 30 & 31 of the Code and other Regulations of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The

compliances of the Resolution Plan with the rules as well as regulations are stated below:-

Section of the Code Regulation No	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance Yes /Not
25(2)(b)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	Yes, the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	Yes, the Resolution Applicant is eligible to submit the Resolution Plan as per final list of Resolution Applicant	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Yes, the Resolution Applicant has submitted an affidavit stating that it is eligible.	Yes
Section 30(2)	Whether the Resolution Plan-		
	(a) provides for the payment of insolvency resolution process costs?	Clause 5.5 of Part-B	Yes
	(b) provides for the payment to the operational creditors?	Clause 5.6 (iv) (d) of Part-B	Yes
	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	Clause-9 of Part- B	Yes
	(d) provides for the management of the affairs of the corporate debtor?	Clause 10 of Part-B	Yes
	(e) provides for the implementation and supervision of the resolution plan?	Clause 13(c) of Part-C	Yes
	(f) contravenes any of the provisions of the law for the time being in force?	Clause 13(b) of Part-C	Yes

Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC?	Yes, Resolution Plan is feasible and viable as discussed in 11 th CoC dated 23.04.2025 and 12 th CoC Meeting dated 02.06.2025	Yes Yes
	(b) has been approved by the CoC with 66 % voting share?	Approved by 100% voting share	
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Clause 13(h) of Part-C	Yes
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Clause 5.1 of Part-B	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause 5.4(v) of Part-B read with Clause 13(d) of Part-C	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	Clause 13(j) of Part C Not Applicable	Yes
Regulation 38(2)	Whether the Resolution Plan provides: ka (the term of the plan and its implementation schedule? kb for the management and control of the business of the corporate debtor during its term? kc (adequate means for supervising its implementation?	Clause 8 of Part-B Clause 9 of Part B Clause 10 of Part-B	Yes Yes Yes
38(3)	Whether the resolution plan demonstrates that (a) it addresses the cause of default? (b) it is feasible and viable? (c) it has provisions for its effective implementation? (d) it has provisions for approvals required and the timeline for the same? (e) the resolution applicant has the capability to implement the resolution plan?	 Clause 13(f) of Part C Clause 13(g) of Part-C Clause 13(h) of Part-C Clause 12(iii) of Part-B Clause 2.1 of Part-A	 Yes Yes Yes Yes Yes
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	No	Yes

Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B]	Yes, the SRA has submitted performance security being 5% of the total plan value amounting to Rs. 72,42,500 by way of RTGS dated 12.06.2025 in favour of CD.	Yes
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33. In so far as the approval of the Resolution Plan is concerned, this Authority is convinced on the decision of the Committee of

Creditors, following the Judgment of Hon'ble Supreme Court in the matter of **K. Sashidhar –Vs– Indian Overseas Bank** (2019) 12 SCC 150, wherein in para 19 and 62 it is held as follows;

“19..... In the present case, however, our focus must be on the dispensation governing the process of approval or rejection of resolution plan by the CoC. The CoC is called upon to consider the resolution plan under Section 30(4) of the I&B Code after it is verified and vetted by the resolution professional as being compliant with all the statutory requirements specified in Section 30(2).

62.In the present case, however, we are concerned with the provisions of I&B Code dealing with the resolution process. The dispensation provided in the I&B Code is entirely different. In terms of Section 30 of the I&B Code, the decision is taken collectively after due negotiations between the financial creditors who are constituents of the CoC and they express their opinion on the proposed resolution plan in the form of votes, as per their voting share. In the meeting of the CoC, the proposed resolution plan is placed for discussion and after full interaction in the presence of all concerned and the Resolution Professional, the constituents of the CoC finally proceed to exercise their option (business/commercial decision) to approve or not to approve the proposed resolution plan. In such a case, non-recording of reasons would not per-se vitiate the collective decision of the financial creditors. The legislature has not envisaged challenge to the “commercial/business decision” of the financial creditors taken collectively or for that matter their individual opinion, as the case may be, on this count.”

34. Further the Supreme Court in the matter of **K. Sashidhar v. Indian Overseas Bank and Ors.** (2019) 12 SCC 150 has lucidly delineated the scope and interference of the Adjudicating Authority in the process of approval of the Resolution Plan and held as follows;

“55. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan “as approved” by the requisite per cent 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), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of

insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.

58. Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with Section 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the grounds specified in Section 61(3) of the I&B Code, which is limited to matters "other than" enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I&B Code and not to act as a court of equity or exercise plenary powers.

(emphasis supplied)

- 35.** The Supreme Court in its recent decision in **Jaypee Kensington Boulevard Apartments Welfare Association & Ors. v. NBCC (India) Ltd. & Ors.**, in *Civil Appeal no. 3395 of 2020* dated 24.03.2021 has held as follows;

“..76. The expositions aforesaid make it clear that the decision as to whether corporate debtor should continue as a going concern or should be

liquidated is essentially a business decision; and in the scheme of IBC, this decision has been left to the Committee of Creditors, comprising of the financial creditors. Differently put, in regard to the insolvency resolution, the decision as to whether a particular resolution plan is to be accepted or not is ultimately in the hands of the Committee of Creditors; and even in such a decision making process, a resolution plan cannot be taken as approved if the same is not approved by votes of at least 66% of the voting share of financial creditors. Thus, broadly put, a resolution plan is approved only when the collective commercial wisdom of the financial creditors, having at least 2/3rd majority of voting share in the Committee of Creditors, stands in its favour.

77. In the scheme of IBC, where approval of resolution plan is exclusively in the domain of the commercial wisdom of CoC, the scope of judicial review is correspondingly circumscribed by the provisions contained in Section 31 as regards approval of the Adjudicating Authority and in Section 32 read with Section 61 as regards the scope of appeal against the order of approval.

77.1. Such limitations on judicial review have been duly underscored by this Court in the decisions above-referred, where it has been laid down in explicit terms that the powers of the Adjudicating Authority dealing with the resolution plan do not extend to examine the correctness or otherwise of the commercial wisdom exercised by the CoC. The limited judicial review available to Adjudicating Authority lies within the four corners of Section 30(2) of the Code, which would essentially be to examine that the resolution plan does not contravene any of the provisions of law for the time being in force, it conforms to such other requirements as may be specified by the Board, and it provides for: (a) payment of insolvency resolution process costs in priority; (b) payment of debts of operational creditors; (c) payment of debts of dissenting financial creditors; (d) for management of affairs of corporate debtor after approval of the resolution plan; and (e) implementation and supervision of the resolution plan.

77.2. The limitations on the scope of judicial review are reinforced by the limited ground provided for an appeal against an order approving a resolution plan, namely, if the plan is in contravention of the provisions of any law for the time being in force; or there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period; or the debts owed to the operational creditors have not been provided for; or the insolvency resolution process costs have not been provided for repayment in priority; or the resolution plan does not comply with any other criteria specified by the Board

77.6.1. The assessment about maximisation of the value of assets, in the scheme of the Code, would always be subjective in nature and the question, as to whether a particular resolution plan and its propositions are leading to maximisation of value of assets or not, would be the matter of enquiry and assessment of the Committee of Creditors alone. When the Committee of Creditors takes the decision in its commercial wisdom and by the requisite majority; and there is no valid reason in law to question the decision so taken by the Committee of Creditors, the adjudicatory process, whether by the Adjudicating Authority or the Appellate Authority, cannot enter into any quantitative analysis to adjudge as to whether the prescription of the resolution plan results in maximisation of the value of assets or not. The generalised submissions and objections made in relation to this aspect of value maximisation do not, by themselves, make out a case of interference in the decision taken by the Committee of Creditors in its commercial wisdom

78. To put in a nutshell, the Adjudicating Authority has limited jurisdiction in the matter of approval of a resolution plan, which is well defined and circumscribed by Sections 30(2) and 31 of the Code read with the parameters delineated by this Court in the decisions above referred. The jurisdiction of the Appellate Authority is also circumscribed by the limited grounds of appeal provided in Section 61 of the Code. In the adjudicatory process concerning a resolution plan under IBC, there is no scope for interference with the commercial aspects of the decision of the CoC; and there is no scope for substituting any commercial term of the resolution plan approved by the CoC. Within its limited jurisdiction, if the Adjudicating Authority or the Appellate Authority, as the case may be, would find any shortcoming in the resolution plan vis-à-vis the specified parameters, it would only send the resolution plan back to the Committee of Creditors, for re-submission after satisfying the parameters delineated by Code and exposted by this Court.

36. Also, the Supreme Court of India in the matter of **Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta and Ors.** (2020) 8 SCC 531 after referring to the decision in **K. Sashidhar (supra)** has held as follows;

“73. There is no doubt whatsoever that the ultimate discretion of what to pay and how much to pay each class or sub-class of creditors is with the Committee of Creditors, but, the decision of such Committee must reflect the fact that it has taken into account maximising the value of the assets of

the corporate debtor and the fact that it has adequately balanced the interests of all stakeholders including operational creditors. This being the case, judicial review of the Adjudicating Authority that the resolution plan as approved by the Committee of Creditors has met the requirements referred to in Section 30(2) would include judicial review that is mentioned in Section 30(2)(e), as the provisions of the Code are also provisions of law for the time being in force. Thus, while the Adjudicating Authority cannot interfere on merits with the commercial decision taken by the Committee of Creditors, the limited judicial review available is to see that the Committee of Creditors has taken into account the fact that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; and that the interests of all stakeholders including operational creditors has been taken care of. If the Adjudicating Authority finds, on a given set of facts, that the aforesaid parameters have not been kept in view, it may send a resolution plan back to the Committee of Creditors to re-submit such plan after satisfying the aforesaid parameters. The reasons given by the Committee of Creditors while approving a resolution plan may thus be looked at by the Adjudicating Authority only from this point of view, and once it is satisfied that the Committee of Creditors has paid attention to these key features, it must then pass the resolution plan, other things being equal."

(emphasis supplied)

- 37.** The Hon'ble Supreme Court in the case of **Ramkrishna Forgings Limited vs. Ravindra Loonkar, Resolution Professional of ACIL Limited & Anr in Civil Appeal No. 1527 of 2022** also has reiterated that CoC wisdom is supreme.
- 38.** Thus, from the catena of judgments rendered by the Supreme Court on the scope of approval of the Resolution Plan, it is amply made clear that only limited judicial review is available for the Adjudicating Authority under Section 30(2) and Section

31 of IBC, 2016 and this Adjudicating Authority cannot venture into the commercial aspects of the decisions taken by the Committee of Creditors.

- 39.** On hearing the submissions made by the Ld. Counsel for the Resolution Professional, and perusing the record, we find that the Resolution Plan has been approved with 100% voting share of the CoC (Being a single member CoC). As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. By and large, all the compliances have been made by the RP and the RA for making the plan effective after approval by this Bench. The plan is feasible and viable. On perusal of the documents on record, we are also satisfied that the Resolution Plan is in accordance with sections 30 and 31 of the IBC, 2016 and complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- 40.** The Resolution Plan in question is hereby approved by this Adjudicating Authority. The Resolution Plan approved by the CoC shall form part of this order. The Resolution Plan is binding on the Corporate Debtor and other stakeholders.
- 41.** The RA is directed to make payment of the entire Resolution Plan amount within the time stipulated under the Resolution Plan, failing which the entire amount paid by the Resolution Applicant (including the Performance Bank Guarantee, if any) as on the said date would stand automatically forfeited,

without any recourse to this Tribunal.

42. Item No. 12 of the Resolution Plan (Pages 462 to 472 of the Application deals with the prayer for reliefs and concessions.
43. As far as reliefs and concessions (paragraph 42 above), claimed by the resolution applicant are concerned, the law has been well settled by the Hon'ble Supreme Court in the case of **Ghanashyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited and Ors. reported in MANU/SC/0273/2021** in the following words:
86. *“.....The legislative intent behind this is, to freeze all the claims so that the resolution applicant starts on a clean slate and is not flung with any surprise claims. If that is permitted, the very calculations on the basis of which the resolution applicant submits its plans, would go haywire and the plan would be unworkable.*
87. *We have no hesitation to say, that the word "other stakeholders" would squarely cover the Central Government, any State Government or any local authorities. The legislature, noticing that on account of obvious omission, certain tax authorities were not abiding by the mandate of I&B Code and continuing with the proceedings, has brought out the 2019 amendment so as to cure the said mischief.....”*
44. In view of the above, all unclaimed unpaid liabilities would stand extinguished. The claimed liabilities, only to the extent provided in the resolution plan for payment will require to be paid and the remaining balance/unpaid will be extinguished, and the Corporate Debtor will not be required to pay. As far as

other reliefs and concessions as sought by the resolution applicant, we direct the said successful resolution applicant to approach the concerned authorities for those reliefs and concessions and the concerned authorities will consider the same as per the provisions of law under the relevant Law/Acts in a timely manner to support effective implementation of the Resolution Plan.

- 45.** The corporate debtor is also entitled for the reliefs from the liabilities as available under section 32A (Liabilities for prior offences, etc.). It is made clear that, we are not inclined to give our decision on each and every relief and concession sought by the Resolution Applicant in the submitted Resolution Plan except explicitly stated in this paragraph and paragraphs 42 to 44 of this order. Paragraph 8 of Preface (on page 17 of the Plan) refers to Reliefs and Concessions prayed in the Plan and states that, even if, in the unlikely event, Hon'ble NCLT does not approve one or more of the reliefs and concessions mentioned under section 12 of Part B of the Plan prayed for by the Resolution Applicant, the Resolution Applicant shall, notwithstanding the same, make his best endeavour to implement the Plan. We hold that the implementation of the Plan is unconditional and irrespective of any relief and concessions requested.
- 46.** The Resolution Plan provides for the constitution of a monitoring Committee from the effective date and proposed to monitor the implementation of the Plan upto the Upfront

payment date and dissolution of the MC with effect from the Upfront payment date. We direct the Successful Resolution Applicant to inform this Tribunal through an affidavit about the payments made to the stakeholders as proposed in the Plan till the Plan regarding the payment is fully implemented.

- 47.** The Plan provides for issue of fresh equity shares numbering 1,00,000 of face value of Rs 10 each to the RA or its nominees. If any nominee is allotted shares that would effectively mean ownership of the CD and therefore, the Monitoring Committee must ensure that such a nominee is compliant with section 29A, IBC, 2016.
- 48.** A certified copy of this Order be issued on demand to the parties concerned, upon due compliance.
- 49.** Liberty is hereby granted for moving any application to this Tribunal, if required in connection with the implementation of this Resolution Plan.
- 50.** A copy of this Order is to be submitted to the concerned Office of the Registrar of Companies ("RoC").
- 51.** Considering that the shareholders are being paid amounts exceeding their investments in the Corporate Debtor under the Resolution Plan, any tax liability arising therefrom shall be borne by the shareholders.
- 52.** The Registry is directed to send a copy of this order to the office of the Principal Chief Commissioner of Income Tax,

Ahmedabad for information and necessary action under section 156A of the Income Tax Act, 1961.

53. Accordingly, **IA 77/2025** stands allowed and disposed of.
54. The Monitoring Committee, as constituted under clause 10 of the plan (Part B), is directed to file monthly progress reports with this Tribunal, detailing implementation status, deviations (if any), and compliance with timelines, until full implementation and dissolution on the Upfront Payment Date, with liberty to the CoC to reconvene if required.
55. The Registry is directed at sending e-mail copies of the order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps. All the files related to the case covered by this order are consigned to the record.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

SEN/PS