



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

IA No. 71 of 2024

IN

CP(IB) No.242 of 2023

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

IA No. 71 of 2024

In the Application of

Raghunath Bhandari

RP of MPF Systems Limited

...Resolution

Professional/Applicant

In the matter of

Rover Finance Ltd.

...Financial Creditor/Applicant

Versus

MPF Systems Ltd.

...Corporate Debtor/Respondent

Order pronounced on 15.10.2024

Coram:

Hon'ble Member (Judicial) : Sh. Justice Virendrasingh G. Bisht
(Retd.)

Hon'ble Member (Technical) : Sh. Prabhat Kumar

Appearances:



For the Applicant : Mr. Yahya Batatawala a/w Mr.
A. K. Mishra, Ld. Counsels.

ORDER

Per: Justice Virendrasingh G. Bisht, Member (Judicial)

Brief Facts:

1. The present Application is moved by Resolution Professional **Mr. Raghunath Bhandari** (hereinafter referred to as the “Applicant/Resolution Professional”) under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 (“Code”) for seeking approval of the Resolution Plan (Revised Resolution Plan dated 02.07.2024), submitted by EFC (I) Limited (CIN: L74110PN1984PLC216407) (“Successful Resolution Applicant/SRA”) which is approved by 100% of the voting share of the members of the Committee of Creditors (hereinafter referred to as 'CoC'), under the provisions of Section 31(1) of the Code, for **MPF Systems Limited** (hereinafter referred to as the “Corporate Debtor”) and for passing order/appropriate direction that this Tribunal may deem fit in the present matter.
2. The Corporate Debtor bearing CIN L65999MH1993PLC287894 is a listed Public Non-Government Company registered under the Companies Act, 1956 incorporated on 02.07.1993 having its registered address at Godown no. Unite No. B 136, Ansa Industrial Estate, Saki Vihar Road, Andheri Mumbai, Mumbai City MH 400072 IN.
3. The CP(IB) No.242 of 2023 was filed under Section 7 of IBC, 2016 by Rover Finance Limited (hereinafter referred to as the “Financial Creditor”) which was admitted into CIRP vide Order dated 08/11/2023 passed by this Bench. Vide Order dated 08/11/2023 this bench appointed Mr. Raghunath Bhandari/ Applicant as the IRP of the Corporate Debtor.



4. Upon being appointed as IRP of the Corporate Debtor, the Applicant in compliance of Section 13 and Section 15 of the IBC, 2016 made Public Announcement in Form A in Financial Express (English) and Navkal (Marathi) on 11/11/2023.
5. The Applicant, till the last date of submission of claim form i.e., 24/11/2023, received claim from two Financial Creditors (i) Rover Finance Limited and (ii) Minaxi Supplies Private Limited and one Operational Creditor i.e., BSE Limited. The Applicant, thereafter filed an Application bearing IA No. 1044 of 2024 thereby placing on record report certifying constitution of CoC. The said IA No. 1044 of 2024 was duly allowed by this Tribunal vide Order dated 13/03/2024.
6. The Applicant convened 10 CoC Meetings on following dates:
 - i. 1st Meeting of CoC on 11/12/2023
 - ii. 2nd Meeting of CoC on 04/01/2024
 - iii. 3rd Meeting of CoC on 10/02/2024
 - iv. 4th Meeting of CoC on 22/02/2024
 - v. 5th Meeting of CoC on 21/03/2024
 - vi. 6th Meeting of CoC on 28/03/2024
 - vii. 7th Meeting of CoC on 29/04/2024
 - viii. 8th Meeting of CoC on 21/05/2024
 - ix. 9th Meeting of CoC on 24/06/2024
 - x. 10th Meeting of CoC on 16/07/2024
7. The Applicant issued Expression Of Interest (EOI) in Form G on 09/01/2024 in Free Press Journal (English) and Navashakti (Marathi). The last date to receive expression of interest was 24/01/2024, last date to issue provisional list of PRA was 03/02/2024, last date for submission of objections to provisional list was 08/02/2024, date of issue of final list of PRA was 18/02/2024 and last date to submit Resolution Plan was 24/03/2004.



8. The Applicant had obtained Valuation Report of the Corporate Debtor from two Registered Valuers namely (i) Mr Bhavesh Rathod and (ii) Mr Modilal Pamecha for asset class- Securities and Financial Assets both dated as 29/01/2024.
9. The Applicant had procured Transaction Audit Report of the Corporate Debtor from M/s Jay A Shah & Associates, Chartered Accountants dated 01/02/2024. The Transaction Auditor in the said report has not identified any transaction to be preferential, undervalued and/ or fraudulent. Hence, the Applicant did not initiate any proceedings under PUFÉ.
10. The Applicant had prepared Information Memorandum of the Corporate Debtor and circulated the same with the Members of the CoC via email on 03/02/2024.
11. The Applicant had received EOIs from 17 parties and in compliance of Regulation 36A (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, he has prepared Provision list of PRAs dated 03/02/2024.
12. The Applicant, on non- receipt of any objections on the provisional list of PRAs and in compliance of Regulation 36A (12) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2010, prepared final list of PRAs dated 17/02/2024.
13. The Applicant had prepared Request for Resolution Plan for Invitation of Resolution Plans of Corporate Debtor dated 22/02/2024.
14. The 180 days period of CIRP of the Corporate Debtor was about to come to an end on 08/05/2024. Accordingly, the resolution was unanimously passed for extension of time of 90 days in completing the CIRP of the Corporate Debtor. Accordingly, IA No. 2653 of 2024 was filed before this bench seeking extension



of time of 90 days i.e., from 09/05/2024 to 06/08/2024 which was allowed vide Order dated 03/06/2024.

15. Pursuant to Regulation 13(1)(C) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Applicant filed an Application bearing IA No. 3614 of 2024 for condonation of delay in filing claim by the Custom department which was allowed vide Order dated 15/07/2024.
16. The Applicant had received Resolution Plan from 6 PRAs as on last date of submission of Resolution Plan i.e., 24/03/2024. Pursuant to updation of claim of custom department, CIRP cost and response to the queries/clarifications, the revised Resolution Plans/ addendum to Original Resolution Plans were submitted to the Applicant. The Applicant had appointed Mr. Mayank Padia for compliance checks of the Resolution Plans received from 6 PRAS. Mr. Mayank Padia on the basis of the final revised resolution plan/ addendum to original resolution plans prepared a final compliance report and provided compliance certificate alongwith compliance to evaluation matrix certificate for all the resolution plans in accordance with EOI criteria.
17. The Applicant emailed the revised resolution plans/ addendum to original resolution plan submitted by the 6 PRAs before the CoC before the 10th Meeting convened on 16/07/2024. The Applicant and Mr. Mayank Padia deliberated, explained and briefed about the Resolution Plans to the CoC Members. The CoC approved the Resolution Plan of EFC (I) Limited with 100% majority declaring EFC (I) Limited as the Successful Resolution Applicant of the Corporate Debtor. The Resolution Plan of Successful Resolution Applicant is of Rs. 2,60,50,000/- (Rupees Two Crores Sixty Lakhs Fifty Thousand only).



Salient Features of the Resolution Plan

18. The Resolution Plan of Successful Resolution Applicant is of Rs.2,60,50,000/- (Rupees Two Crores Sixty Lakhs Fifty Thousand only) and the summary of payments proposed to be made to different classes of the creditors and stakeholders of the Corporate Debtor are as follows:

A. EXECUTIVE SUMMARY OF THE RESOLUTION PLAN:

| Sr. No. | Particulars | Key terms/amounts |
|---------|--|---|
| 1. | Amount of upfront payment to all classes of Creditors including CIRP costs and contingencies (Upfront cash recovery) | Rs. 260.50 Lakhs is proposed to be paid as Upfront Amount within 60 days from the Effective Date. |
| 2. | Balance repayment obligation to secured financial creditors | NIL |
| 3. | Proposed instruments for repayment | NIL |
| 4. | Interest rate/ coupon and frequency of payment | NA |
| 5. | Repayment schedule | Upfront within 60 days from the Effective Date |
| 6. | Conversion terms for quasi equity instruments, if any | Not Applicable |
| 7. | Terms of equity being offered to lenders, if any | No equity is being offered to the lenders |
| 8. | Amount proposed to be infused for improving operations of the Corporate Debtor | The RA proposes to infuse/arrange for working capital, start-up costs and capex as and when required including equity share capital. Working Capital - Rs. 300 Lakhs (to be infused within 90-180 days) CAPEX- Rs. 300 Lakhs (to be infused within 90- 180 days) Equity Share Capital- Rs. 500 Lakhs |
| 9. | Corporate Guarantee or additional collateral/ security being offered by the RA | No corporate guarantee or additional security is being offered |

B. SUMMARY PROPOSAL

| Sr. No. | Parameters | Amount Admitted (Rs. in Lakhs) | Amount Payable (Rs. in Lakhs) | Source of Funds | Remarks |
|---------|------------|--------------------------------|-------------------------------|--|--|
| | CIRP Cost | - | 41.43 | Internal Accruals of the Corporate Debtor. | Proposed to be paid Upfront i.e., within |



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|----|--|----------|--------|--|--|
| | | | | Balance, if any shall be infused by way of subscription of equity share of Corporate Debtor and/or infusion of unsecured loan into the Corporate Debtor by the RA, its relatives, directors, affiliates and/or its nominees. | 30 days from the Effective Date |
| 2. | Financial Creditor | | | | |
| a. | Unsecured Financial Creditors | 168.38 | 168.38 | Infusion of funds by subscription of equity share of Corporate Debtor and/or infusion of unsecured loan into the Corporate Debtor by the RA, its relatives, directors, affiliates and/or its nominees. | Proposed to be paid to the Financial Creditors Upfront i.e., within 60 days from the Effective Date. |
| 3. | Treatment of other creditors (other than Financial Creditors) | | | | |
| a. | Operational creditors (Workmen & Employees) | NIL | NIL | | |
| b. | Operational creditors (Government Dues)-Customs | 2172.58* | 40.00 | | |
| c. | Operational creditors (Other than Workmen and Employees and Government Dues) | 8.79 | 2.00 | | |
| 4. | Corpus Funds | - | 8.69 | Infusion of funds by subscription of equity share of Corporate Debtor and/or infusion of | Proposed to be paid to the Financial Creditors as an Upfront |



| | | | | | |
|---------------------|--|----------|--------|--|---|
| | | | | unsecured loan into the Corporate Debtor by the RA, its relatives, directors, affiliates and/or its nominees | i.e., within 60 days from the Effective Date. |
| Total Amount | | 2,349.75 | 260.50 | | |

Note No.1: The total payment in any case to all the creditors shall be restricted to Rs. 260.50 Lakhs (Rupees Two Hundred Sixty Lakhs and Fifty Thousand Only) as contemplated in this Resolution Plan without any further increase in the Total Resolution Plan Amount.

Note No.2: In case any claim is admitted hereinafter the same shall be treated within the respective group of creditors and shall be entitled to the proportionate amount as mentioned for that group of creditors.

Note No.3: The above schedule does not include the expense for restart expenses, working capital, CAPEX and the same shall be arranged by RA from its own resources or through financiers which may be in the form of corporate debt, from vendors/customers or NBFC 's or commercial banks.

Note No.4: In view of the recent judgement delivered by the Hon'ble Supreme Court of India wherein the judgement of Rainbow Papers Limited w.r.t to the classification of Government Dues at par with Secured Financial Creditors has been again upheld. The negative impact of the said judgement is yet to be ascertained by the Resolution Applicant in this present scenario. However, if any such situation arises in this present situation this Resolution Plan provides for the treatment of such Creditors. The amount payable to the said creditors, if any, shall be adjusted from the amount to the class of Secured Financial Creditors without increasing the Total Resolution Plan Amount.



**C . INDICATIVE TIMELINE FOR IMPLEMENTATION OF
THE RESOLUTION PLAN**

| INDICATIVE ACTIVITY SCHEDULE | | |
|------------------------------|---|-----------------|
| Sr. No. | Activity | Timeline (days) |
| 1. | Approval of Resolution Plan by CoC and issuance of the letter of intent | X |
| 2. | Approval of Resolution Plan by NCLT and receipt of NCLT Order (Effective Date) | Y |
| 3. | Appointment of Monitoring Committee | Y+3 |
| 4. | Intimation to CoC, IBBI, SEBI, NSE, BSE and various statutory authorities | Y+3 |
| 5. | Notice on the Corporate Debtor's Website | Y+3 |
| 6. | Intimation to all Financial Creditors and Operational Creditors, existing shareholders and other stakeholders | Y+3 |
| 7. | Meeting with CoC on release of resolution professional and dissolution of CoC | Y+3 |
| 8. | Effective Date | Y |
| 9. | Opening of an Escrow Account | Y+40 |
| 10. | Reduction in Share Capital | Y+45 |
| 11. | Issuance of Fresh Equity Share Capital and Debt | Y+48 |
| 12. | Change in Memorandum and Articles of Association and other documentation, if required | Y+50 |
| 13. | Management of Company - Appointment of Board of Directors | Y+50 |
| 14. | Payment of insolvency resolution process cost | Y+30 |
| 15. | Upfront Payment of CIRP Cost and various creditors as envisaged in Chapter VII | Y+60 |
| 16. | - Appointment of key employees; and - Appointment of Auditors | Y+65 |
| 17. | Issuance of Consummation Certificate | Y+68 |
| 18. | Dissolution of the Monitoring Committee | Y+70 |

It is clarified that in the event certain approvals are required to consummate the transactions contemplated under this Resolution Plan and such approvals are not received within the expected timelines, then in such event, the timelines proposed above may undergo changes accordingly, subject to the understanding that the Resolution Applicant and/or the Corporate Debtor shall do everything within their control to obtain such approvals within a period of 1 year from the date of approval of the Resolution Plan by the Adjudicating Authority.

D. MANDATORY CONTENTS OF THE RESOLUTION PLAN



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| Sl. No. | Section/ Regulation | Purports | Reference in the Resolution Plan |
|---------|------------------------|---|--|
| 1. | Section 30 (1) | Resolution plan to be submitted along with an affidavit stating that he is eligible under section 29A to the Resolution Professional prepared on the basis of the information memorandum | Section 29A Affidavit is attached separately with the Resolution Plan. |
| 2. | Section 30 (2) (a) | Plan provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor. | Refer clause 1 of Chapter VII of this Resolution Plan |
| 3. | Section 30 (2) (b) | Plan 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. | Refer clause 2, 3 & 4 of Chapter VII of this Resolution Plan Refer para (d) of Clause 7 of Chapter VII of this Resolution Plan |
| 4. | Section 30 (2) (c) | Plan provides for the management of the affairs of the corporate debtor after approval of the resolution plan | Refer clause a of Chapter IX of this Resolution Plan |
| 5. | Section 30 (2) (d) | Plan provides for the implementation and supervision of the resolution plan | Refer clause b of Chapter IX of this Resolution Plan |
| 6. | Section 30 (2) (e) | Plan does not contravene any of the provisions of the law for the time being in force | Refer para b of clause 15 of Chapter VII of this Resolution Plan |
| 7. | Regulation 37 | Resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets. | |



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| 8. | Regulation 37 (a) | Plan may include transfer of all or part of the assets of the corporate debtor to one or more persons | No such transfer or alienation of assets is proposed under this Resolution Plan |
| 9. | Regulation 37 (b) | Plan may include sale of all or part of the assets whether subject to any security interest or not | No such sale of assets is proposed under this Resolution Plan |
| 10. | Regulation 37 (ba) | Plan may include restructuring of the corporate debtor, by way of merger, amalgamation and demerger | Restructuring by way of merger may be done at the option of the Resolution Applicant. |
| 11. | Regulation 37 (c) | Plan may include the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons | Refer step 2 clause B of Chapter VIII of this Resolution Plan |
| 12. | Regulation 37 (ca) | Plan may include cancellation or delisting of any shares of the corporate debtor, if applicable | Refer step 2 clause B of Chapter VIII of this Resolution Plan |
| 13. | Regulation 37 (d) | Plan may include satisfaction or modification of any security interest | Refer Chapter VII of this Resolution Plan |
| 14. | Regulation 37 (e) | Plan may include curing or waiving of any breach of the terms of any debt due from the corporate debtor | Refer Chapter VII of this Resolution Plan |
| 15. | Regulation 37 (f) | Plan may include reduction in the amount payable to the creditors | Refer Chapter VIII of this Resolution Plan |
| 16. | Regulation 37 (g) | Plan may include extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor | Refer Chapter VII of this Resolution Plan |
| 17. | Regulation 37 (h) | Plan may include amendment of the constitutional documents of the corporate debtor | Refer Chapter VIII of this Resolution Plan |
| 18. | Regulation 37 (i) | Plan may include issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose | No such proposal is made by the RA / CD under this Resolution Plan |
| 19. | Regulation 37 (j) | Plan may include change in portfolio of goods or services produced or rendered by the corporate debtor | No such proposal is made by the RA / CD under this Resolution Plan |
| 20. | Regulation 37 (k) | Plan may include change in technology used by the corporate debtor | The RA do not propose for technological change but will opt for technological upgradation |
| 21. | Regulation 37 (l) | Plan may include obtaining necessary approvals from the | The Resolution Applicant |



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| | | Central and State Governments and other authorities. | undertakes to obtain all the necessary approvals from Central Government & State Government Refer to Chapter VIII of the Resolution Plan |
| 22. | Regulation 37 (m) | Sale of one or more assets of the corporate debtor to one or more successful resolution applicants submitting resolution plans for such assets; and manner of dealing with remaining assets. | No such sale of assets is proposed under this Resolution Plan |
| 23. | Regulation 38 (1)(a) | The amount payable under a resolution plan to the operational creditors shall be paid in priority over financial creditors | Refer to para 2, 3 & 4 of Chapter VII of the Resolution Plan |
| 24. | Regulation 38 (1)(b) | The amount payable under a resolution plan to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan | Refer para (d) of clause 7 of Chapter VII of this Resolution Plan |
| 25. | Regulation 38 (1A) | Resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor. | Refer Chapter VII of this Resolution Plan |
| 26. | Regulation 38 (1B) | Resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past. | Refer para d of clause 15 of Chapter VII of this Resolution Plan |
| 27. | Regulation 38 (2)(a) | Resolution plan shall provide the term of the plan and its implementation schedule | Refer Chapter VIII of this Resolution Plan |
| 28. | Regulation 38 (2)(b) | Resolution plan shall provide the management and control of the business of the corporate debtor during its term | Refer to clause a of Chapter IX of this Resolution Plan |
| 29. | Regulation 38 (2)(c) | Resolution plan shall provide adequate means for supervising its implementation | Refer to clause b of Chapter IX of this Resolution Plan |
| 30. | Regulation 38 (2)(d) | Resolution plan provides for the manner in which proceedings in respect of avoidance transactions, if any under Chapter III or fraudulent | Refer to clause 12 of Chapter VII of this Resolution Plan |



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| | | or wrongful trading under chapter VI of part II of the Code, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed | |
| 31. | Regulation 38 (3) (a) | Resolution Plan shall demonstrate that it addresses the cause of default | Refer to para c clause 15 of Chapter VII of this Resolution Plan |
| 32. | Regulation 38 (3) (b) | Resolution Plan shall demonstrate that it is feasible and viable | Refer to para e clause 15 of Chapter VII of this Resolution Plan |
| 33. | Regulation 38 (3) (c) | Resolution Plan shall demonstrate that it has provisions for its effective implementation | Refer to para f clause 15 of Chapter VII of this Resolution Plan |
| 34. | Regulation 38 (3) (d) | Resolution Plan shall demonstrate that it has provisions for approvals required and the timeline for the same | Refer to Chapter VIII of this Resolution Plan |
| 35. | Regulation 38 (3) (e) | Resolution Plan shall demonstrate that the resolution applicant has the capability to implement the resolution plan | Refer to para h clause 15 of Chapter VII of this Resolution Plan |
| 36. | Regulation 39 (1) (a) | Plan shall be accompanied with an affidavit stating that it is eligible under section 29A to submit resolution plans | Declaration cum undertaking by the RA in respect of Sec. 29A is separately attached with the Resolution Plan |
| 37. | Regulation 39 (1) (c) | Plan shall be accompanied with an undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code | Refer Covering Letter of the Resolution Plan |

| COST OF RESOLUTION PLAN | | | |
|--------------------------------|--|--|------------------------------------|
| Particulars | Upfront Payment i.e., within 60 Days (Rs. in Lakhs) | Infusion of funds within 90-180 days (Rs. in Lakhs) | Source and Means of Finance |
| CIRP Cost | 41.43 | | |



| | | | |
|---|---------------------|--------|--|
| Payment proposed to Financial Creditors | 168.38 | | Infusion of funds by the Resolution Applicant, relatives, directors, affiliates, and/or its nominees by way of subscription to equity shares of the Corporate Debtor and infusion Loan in the Corporate Debtor. |
| Payment proposed to Operational Creditors (Statutory Dues) | 40.00 | | |
| Payment proposed to Operational Creditors (Employee) | - | | |
| Payment proposed to Operational Creditors (other than Workman, Employee and Statutory Dues) | 2.00 | | |
| Corpus Fund | 8.69 | | |
| Total Resolution Plan Amount | 260.50 | | |
| Working Capital | | 300.00 | Sources: The Resolution Applicant has more than 25 crores of liquid funds available in the form of cash and cash equivalent and the RA can fund upto another 10 crores on a shorter notice if at all required at any point during the implementation of the Resolution Plan. |
| CAPEX | | 300.00 | |
| Equity Share Capital | | 500.00 | |
| Total Project Cost | Rs. 1,360.50 | | |

Statutory Compliance

19. 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:
- 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;
 - 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 distribute 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 prima facie 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 29A.
20. 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 Demonstrate 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

21. 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 relevant parts of which are reproduced below:

FORM H COMPLIANCE CERTIFICATE

(Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

I, Raghunath Sabanna Bhandari, an insolvency professional enrolled with ICSI Indian Institute of Insolvency Professionals and registered with the Board with registration number IBBI/IPA-002/IP-N01023/2020-2021/13276, am the resolution professional for the Corporate insolvency resolution process (CIRP) of MPF Systems Limited (Corporate Debtor).

2. The details of the CIRP are as under:



| <i>Sl. No.</i> | <i>Particulars</i> | <i>Description</i> |
|----------------|---|---|
| 1 | <i>Name of the CD</i> | <i>MPF Systems Limited</i> |
| 2 | <i>Date of Initiation of CIRP</i> | <i>8th November, 2023</i> |
| 3 | <i>Date of Appointment of IRP</i> | <i>10th November, 2023</i> |
| 4 | <i>Date of Publication of Public Announcement</i> | <i>11th November, 2023</i> |
| 5 | <i>Date of Constitution of CoC</i> | <i>4th December, 2023</i> |
| 6 | <i>Date of First Meeting of CoC</i> | <i>11th December, 2023</i> |
| 7 | <i>Date of Appointment of RP</i> | <i>11th December, 2023</i> |
| 8 | <i>Date of Appointment of Registered Valuers</i> | <i>11th December, 2023</i> |
| 9 | <i>Date of Issue of Invitation for EoI</i> | <i>9th January, 2024</i> |
| 10 | <i>Date of Final List of Eligible Prospective Resolution Applicants</i> | <i>17th February, 2024</i> |
| 11 | <i>Date of Invitation of Resolution Plan</i> | <i>12th January, 2024</i> |
| 12 | <i>Last Date of Submission of Resolution Plan</i> | <i>24th March, 2024 Further revised to 02nd July 2024</i> |
| 13 | <i>Date of Approval of Resolution Plan by CoC</i> | <i>16th July, 2024</i> |
| 14 | <i>Date of Filing of Resolution Plan with Adjudicating Authority</i> | <i>6th August, 2024</i> |
| 15 | <i>Date of Expiry of 180 days of CIRP</i> | <i>8th May, 2024</i> |
| 16 | <i>Date of Order extending the period of CIRP</i> | <i>3rd June, 2024</i> |
| 17 | <i>Date of Expiry of Extended Period of CIRP</i> | <i>6th August, 2024</i> |
| 18 | <i>Fair Value</i> | <i>INR 5,49,936.50</i> |
| 19 | <i>Liquidation value</i> | <i>INR 5,49,936.50</i> |
| 20 | <i>Number of Meetings of CoC held</i> | <i>10</i> |

3. I have examined the Resolution Plan received from Resolution Applicant, **EFC (I) Limited** and approved by Committee of Creditors (“CoC”) of MPF Systems Limited

4. I hereby certify that-

- i. the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.
- ii. the Resolution Applicant **EFC (I) Limited** 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.

- iii. the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100% of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.
- iv. The voting was held in the virtual meeting of the CoC on 16th July, 2024 where all the members of the CoC were present through Video Conferencing.

Or

~~I sought vote of members of the CoC by electronic voting system which was kept open at least for 24 hours as per the regulation 26.~~

~~[strike off the part that is not relevant]~~

5. The list of financial creditors of the MPF Systems Limited being members of the CoC and distribution of voting share among them is as under:

| Sl. No. | Name of Creditor | Voting Share (%) | Voting for Resolution Plan (Voted for / Dissented / Abstained) |
|---------|----------------------------------|------------------|--|
| 1 | Rover Finance Limited | 98.57% | Voted for |
| 2 | Minaxi Suppliers Private Limited | 1.43% | Voted for |

6. The Resolution Plan includes a statement under regulation 38(1A) of the CIRP Regulations as to how it has dealt with the interests of all stakeholders in compliance with the Code and regulations made thereunder.

6A. Minutes of the committee meeting relating to discussion and decisions about resolution plan are attached with this certificate

7. The amounts provided for the stakeholders under the Resolution Plan is as under:

(Amount in Rs. Lakhs)

| Sl. No. | Category of Stakeholder* | Sub-Category of Stakeholder | Amount Claimed | Amount Admitted | Amount Provided under the Plan# | Amount Provided to the Amount Claimed (%) |
|---------|--------------------------|-----------------------------|----------------|-----------------|---------------------------------|---|
|---------|--------------------------|-----------------------------|----------------|-----------------|---------------------------------|---|



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH- I

IA No. 71 of 2024 in CP(IB) No. 242 of 2023

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|-----|-------------------------------|--|--------|--------|--------|------|
| 1 | Secured Financial Creditors | (a) Creditors not having a right to vote under sub-section (2) of section 21 | - | - | - | - |
| | | (b) Other than (a) above: | | | | |
| | | (i) who did not vote in favour of the resolution Plan | - | - | - | - |
| | | (ii) who voted in favour of the resolution plan | - | - | - | - |
| | | Total [(a) + (b)] | - | - | - | - |
| 2 | Unsecured Financial Creditors | (a) Creditors not having a right to vote under sub-section (2) of section 21 | - | - | - | - |
| | | (b) Other than (a) above: | | | | |
| | | (i) who did not vote in favour of the resolution Plan | - | - | - | - |
| | | (ii) who voted in favour of the resolution plan | 168.38 | 168.38 | 168.38 | 100% |
| | | Total [(a) + (b)] | 168.38 | 168.38 | 168.38 | 100% |
| 3 | Operational Creditors | (a) Related Party of Corporate Debtor | - | - | - | - |



| | | | | | | |
|---|----------------------|----------------------------|---------|---------|--------|--------|
| | | (b) Other than (a) above: | | | | |
| | | (i) Government | 2172.59 | 2172.59 | 40 | 1.84% |
| | | (ii) Workmen | 0 | 0 | 0 | 0 |
| | | (iii) Employees | 0.15 | 0 | 0 | 0 |
| | | (iv) Operational Creditors | 8.79 | 8.79 | 2 | 22.75% |
| | | Total[(a) + (b)] | 2181.53 | 2181.53 | 42 | |
| 4 | Other debts and dues | | - | - | | |
| | Grand Total | | 2349.91 | 2349.76 | 210.38 | |

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

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

Other amount provided under resolution plan:

CIRP Cost to be funded by RA - Rs. 41.43 lakhs

Contingency/corpus fund- Rs. 8.69 lakhs

Total amount provided under plan - Rs. 260.50 lakhs (210.38+41.43 +8.69)

22. 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.
23. 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 Regulations.
24. The RP has filed Compliance Certificate in Form-H along with the Plan. On perusal the same is found to be in order. The Resolution Plan has been approved by the CoC by majority of 100%.
25. The Applicant Resolution Professional had filed an application bearing IA 3614/2024 before this bench seeking condonation of delay of 57 days under regulation 13(1)(C) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 with respect to the claim of Operational Debt of the Customs Department worth Rs. 21,72,58,660/-. The same was allowed by this bench vide order dated 15.07.2024.
26. 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). 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 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) when the Resolution Plan does not conform to the stated requirements.

27. 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, 38 (1A) and 39 (4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same needs to be approved. Hence, ordered.
28. 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 Debtor, 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 Debtor 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. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.
- iv. The moratorium under Section 14 of the Code shall cease to have effect from this date.



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

Sd/-

Prabhat Kumar
Member (Technical)

MK

Sd/-

Justice V.G. Bisht
Member (Judicial)