



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, PRAYAGRAJ**

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**IA No.644/2023 IN CP (IB) No.91/ALD/2022**

**IN THE MATTER OF:**

Application under Section 30(6) and Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and Rule 11 of NCLT Rules, 2016

**IN THE MATTER OF:**

**MOHIT GOYAL**

RESOLUTION PROFESSIONAL

INSOLVENCY RESOLUTION PROCESS

OF

RENTAL STAY PVT LTD

IBBI/IPA-001/IP-P-02395/2021-22/13636

17, LGF, Defence Enclave

Vikas Marg, Delhi-110092

-----Applicant/Resolution Professional

**VERSUS**

**SUBHLAXMI INVESTMENT**

**ADVISORY PVT. LTD.**

UNIT NO.111, ACY-AGGARWAL CITY

SQUARE SECTOR-3, ROHINI,

NEW DELHI-110085

.....Respondent/Resolution Applicant



**AND**

**IN THE MATTER OF:**

Application under Section 10 of the Insolvency and Bankruptcy Code, 2016

**IN THE MATTER OF:**

**M/S RENTAL STAY PRIVATE LIMITED**

Having its Registered Office:

Placio Office 3, 8<sup>th</sup> Floor, Plot No.A-14 Eco Towers,  
Sector-125, Noida-201301, Uttar Pradesh.

Also at:

E-3, Amity Innovation Incubator,  
Amity University, Sector-125,  
Noida-201301, Uttar Pradesh

.....Corporate Applicant/Corporate Debtor

Order pronounced on 12<sup>th</sup> March, 2024.

***Coram:***

Mr. Praveen Gupta. : Member (Judicial)

Mr. Ashish Verma : Member (Technical)

***Appearances:***

Sh. Sujit Kumar Singh, Adv. : *For the Applicant/RP Sh. Mohit Goyal present in person in IA No.644/2023*



## ORDER

1. The present interlocutory application bearing IA. No. 644/2023 was moved on behalf of Mr. Mohit Goyal, Resolution Professional (**“RP”**) of Rental Stay Private Limited (under the provisions of Sections 30(6) and 31(1) of the Insolvency & Bankruptcy Code, 2016 [hereinafter referred to as **“the Code”** or **“IBC”**] read with Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (**“CIRP Regulations”**) for approval of the Resolution Plan in respect of M/s Rental Stay Private Limited. (**“Corporate Debtor”**).
  
2. The underlying Company Petition CP (IB) No.91/ALD/2022 filed by the Corporate Debtor/Corporate Applicant namely, M/s Rental Stay Private Limited under Section 10 of the Code for initiation of Corporate Insolvency Resolution Process (**“CIRP”**) which was admitted by this Adjudicating Authority *vide* its order dated 11.04.2023 (**“Admission Order”**). On that date, *i.e.*, 11.4.2023 (**“Insolvency Commencement Date”**), Mr. Mohit Goyal (IBBI Reg. No. IBBI/IPA-001/IP-P-02395/2021-22/13636) was appointed as IRP. Subsequently, IRP Conducted 1<sup>st</sup> CoC meeting on 11.05.2023 whereby IRP was confirmed to be appointed as RP.



### **Collation of claims by RP**

3. It is stated in Resolution Plan that the public announcement was made in prescribed Form-A dated 12.04.2023 on 13.04.2023 in Financial Express (English) and Jansatta (Hindi), the last date for submission of claims was 26.04.2023, and RP called for proof of claims from the creditors of the Corporate Debtor and informed lenders to submit their claims as envisaged under the Code.

4. Thereafter, Applicant/RP constituted the CoC on the basis of the financial statements interalia information available and provided at the relevant time. The CoC is constituted with the following operational creditors by mentioning their voting percentage are as under:-

<b>Name of the Operational Creditors</b>		
<b>Name</b>	<b>Claim Admitted (in Rs.)</b>	<b>Voting Rights</b>
Chatterjee Cleaning Arts Services Limited through Authorized Representative Mr. Mithilesh Kumar	36,21,316	100%
<b>Total</b>	<b>36,21,316</b>	<b>100%</b>



5. The details of claims submitted are as follows:

<b>Particulars</b>	<b>Amount Claimed in Rupees</b>	<b>Claim Admitted in Rupees</b>
CIRP Cost	N.A.	6,50,000
Secured Financial Creditors	NIL	NIL
Unsecured Financial Creditors	NIL	NIL
Workmen & Employees	NIL	NIL
Government Dues	NIL	NIL
Other Operational Creditors	36,21,316	36,21,316
<b>Total</b>	<b>42,71,316</b>	<b>42,71,316</b>

6. The RP submits that a total of 05 CoC meetings have been held during the whole CIRP period.



### ***Evaluation and voting***

7. It is stated in the Resolution plan that the 2<sup>nd</sup> CoC was held on 05.06.2023 whereby the CoC Inter alia approved the publication of Form G, Request for Resolution plan, Evaluation Matrix, and eligibility criteria with 100% votes. In addition to this, Agenda of appointment of transactional auditor was also approved with 100% votes.

8. In the 3<sup>rd</sup> COC Meeting held on 11.7.2023, RP informed to the COC member that invitations for Expression of Interest (EOIs) in Form-G were published on 12.06.2023 in two newspapers namely, Financial Express and Jansatta wherein last date for submission of EOI was 27.06.2023. Consequent thereupon, RP received three expression of interest from M/s B&B Global Enterprises, M/s Subhlaxmi Investment Advisory Pvt. Ltd. And Mr. CA Sunil Kumar Kabra. RP also informed that Information Memorandum will be shared upon receiving undertaking from the PRA.

9. In the 4<sup>th</sup> Meeting of CoC, which held on 31.8.2023, RP informed the COC member that he has received Resolution Plan only from one PRA i.e. M/s Subhlaxmi Investment Advisory Pvt. Ltd. The other two PRA has requested to withdraw from the process of submission of resolution plan of the Corporate Debtor. The



Resolution Plan was put forth for deliberation in the meeting and COC advised the PRA to make certain amendments in their plan as suggested by them. The Resolution Applicant agreed to submit a revise plan.

10. Further, the CoC in its 5<sup>th</sup> meeting which was held on 18.10.2023 PRA submitted the revised resolution plan which was put before the COC for voting. The COC considered the Resolution Plan, approved the Final Resolution Plan submitted by the M/s Subhlaxmi Investment Advisory Pvt. Ltd with 100% voting share declaring as Successful Resolution Applicants (SRA). Accordingly, Letter of Intent dated 21.10.2023 was issued to the Successful Resolution Applicant. The relevant portion of the 5<sup>th</sup> COC meeting dated 18.10.2023 approving the resolution plan is reproduced hereunder:-

<b>Name of the Member of the CoC participated in the voting</b>				
<b>1. Chatterjee Cleaning Arts Services Limited</b>				
<b>Agenda Item No.</b>	<b>Agenda Placed for voting in the COC</b>	<b>Voting % Required</b>	<b>Voting Achieved</b>	<b>Decision</b>
<b>Item No. B-1</b>	<b>To vote on the compliant resolution plan given by the PRA "Subhlaxmi Investment</b>	66%	100%	Approved



	<p><b>Advisory Private Limited”</b></p> <p><b><u>Draft Resolution:</u></b></p> <p><b><i>To consider and, if thought fit, to pass with or without modification the following resolution:</i></b></p> <p><i>"RESOLVED THAT the Revised Resolution Plan dated 14.10.2023 (sent on 16.10.2023 to the CoC members) submitted by Subhlaxmi Investment Advisory Private Limited (hereinafter to be referred as Resolution Applicant (RA) including further submissions (based upon the negotiations with the COC members), which is duly compliant under Section 30(1)and (2) of IBC, 2016 and regulation 38 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and which is feasible and viable and therefore the</i></p>			
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<p><i>Resolution Plan of Subhlaxmi Investment Advisory Private Limited be and is hereby approved.</i></p> <p><i>RESOLVED FURTHER THAT the RP is hereby directed to file an application before the Hon'ble NCLT pursuant to Section 30(6) of the IBC, 2016 seeking approval on the Resolution Plan by the COC Members.</i></p> <p><i>RESOLVED FURTHER THAT the RP is authorized to finalize the terms of the Letter of Intent (LOI) as per the resolution plan for issuing Letter of Intent to the successful Resolution Applicant (SRA) and the RP shall issue the Letter of Intent (LOI) upon the SRA of the Resolution Plan by the CoC members. "</i></p>			
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11. The COC Member apprised the reasons of approving the resolution plan for Corporate Applicant, M/s Rental Stay Private



Limited submitted by the PRA, M/s Subhlaxmi Investment Advisory Pvt. Ltd. as below.

a. The Resolution Applicant namely M/s Subhlaxmi Investment Advisory Pvt. Ltd. will be paying resolution amount of Rs 16,50,000. As upfront payment with 30 days approval of NCLT.

b. The sole COC Member i.e. M/s Chatterjee Cleaning Arts Services Limited voted in favour of the Resolution by 100% votes.

Therefore, the Resolution was declared as **Approved by 100% voting right.**

12. This Adjudicating Authority has granted extension of 90 days beyond 180 days vide order dated 17.11.2023 for completion of CIR Process from 09.10.2023 to 06.01.2023.

13. The compliance Certificate to the Resolution plan in prescribed Form H under regulation 39 (4) of the CIRP Regulations was filed before this tribunal. As per the FORM-H, the fair value of the corporate debtor is Rs. 6,56,070 and the liquidation value is Rs. 6,56,070, as per the registered valuers report.

#### **Details of Resolution Plan/ Payment Schedule**

14. The Successful Resolution Applicant i.e. M/s Subhlaxmi Investment Advisory Pvt. Ltd. is a company incorporated under the Companies Act, 2013 in the year 2008 for the purpose of providing



financial services, advisory and consultancy services on shares, stocks etc. and to purchase, sell, acquire, hold, dispose off in shares, stocks, securities, bonds etc. As per SRA, the Resolution Plan aims at reviving the Corporate Debtor and it meets all the requirements specified under the IBC,2 016 .

15. The amount proposed in the Resolution Plan are tabulated below:-

<b>Sl. No.</b>	<b>Types of debts</b>	<b>Resolution Amount (In Rs.)</b>	<b>Payment Term</b>
1.	CIRP Cost	6,50,000	Within 30 days from the date of approval of Plan by the Adjudicating Authority
2.	Financial Creditors	NIL	NIL
	Financial Creditors (Un-secured)	NIL	NIL



<b>Sl. No.</b>	<b>Types of debts</b>	<b>Resolution Amount (In Rs.)</b>	<b>Payment Term</b>
3.	Operational Creditors (Trade payables)	10,00,000	Within 30 days from the date of approval of Plan by the Adjudicating Authority
4.	Workmen/ Employees	NIL	NIL
	Other Employee related Dues	NIL	NIL
5.	Contingent Liabilities (Non Statutory)	NIL	NIL
6.	Statutory Dues as per Information Memorandum	NIL	NIL
7.	Infusion of funds for Capex	NIL	NIL



**Estimated Total Amount Proposed to be brought in the  
Corporate Debtor for the turnaround of the Corporate Debtor:-**

<b>S.NO</b>	<b>PARTICULARS</b>	<b>In RS.</b>
A	CIRP Cost	6,50,000
B	Upfront cash payment to the Financial Creditors to be paid within 30 days from the Cut-Off date	NIL
C	Total Upfront Cash Payment as part of Resolution Plan	6,50,000
D	Deferred payment to the Financial Creditors to be paid within 180 days from the Cut-Off date	NIL
E	Provision of interest with regard to deferred payment to the Financial Creditors	NIL
F	Workmen & Employee /due/claim retirement benefit	NIL
G	Operational Creditor	10,00,000



H	Other Creditors	NIL
I	Payment to outside party (C+D+E+F+G+H)	
J	Repairs /Refurbishment (To be brought through equity)	
K	Working capital margin (To be brought through equity)	
L	Total Fund Required (C+G)	16,50,000

### **Sources of Funds**

16. It is stated in Section 8.11 of the Resolution Plan that Resolution Applicant has net worth of Rs. 22.39 crores with leveraging capabilities of Rs. 40 crores. The Applicant has liquidity of owned funds.

<b>Particulars</b>	<b>Amount</b>	<b>Timeline</b>
EMD with EOI	Rs. 1,00,000/- (Returnable)	Paid at time of EOI
EMD with Resolution Plan	Rs. 5,00,000/- (Returnable)	Paid at time of Resolution Plan
Upfront cash payment (1 <sup>st</sup> Instalment)	Rs. 6,50,000/-	Within 30 days of Resolution plan approval from NCLT
<b>TOTAL</b>	<b>16,50,000/-</b>	



**Compliance of the successful Resolution Plan with various provisions:**

17. The Applicant has submitted the details of various compliances as envisaged by the Code and the CIRP Regulations which a Resolution Plan is required to adhere to, as follows:-

**Table (i) - Compliance under Section 30(2) of the I &B Code, 2016:**

<b>Section 30(2) of Insolvency and Bankruptcy Code, 2016</b>	<b>Compliance under Resolution Plan</b>	<b>Relevant Page Number of Section 30 Application</b>
(a) Plan must provide for payment of CIRP cost in priority to repayment of other debts of the CD in the manner specified by the Board.	Provided in Section 5.1 of the Resolution Plan	Provided at Page 20 of Resolution Plan (Page 53 of the Application)
(b) Plan must provide for repayment of debts of OCs in such manner as may be	Provided in Section 5.2.3 of	Provided at Page 20-23 of Resolution Plan



specified by the Board which shall not be less than	the Resolution Plan	(Page No. 54-56 of the Application.)
(b)(i) the amount payable to them in the event of liquidation u/s 53; or	Provided in Section 5.2.3 of the Resolution plan	Page 20-23 of the Resolution Plan (Page No. 54-56 of the Application.)
(b)(ii) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be not less than 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	Provided in Section 5.2.3 of the Resolution plan	Page 20-23 of the Resolution Plan (Page No. 54-56 of the Application.)





sub-section (1) of section 53, whichever is higher and		
b (iii) provides for 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.	Provided in Section 5.2.1.1 r/w section 5.2.2.1 and Section 5.3.2 of the Resolution Plan	Page 20 of the Resolution Plan (Page 53 of the Application)
(c) Management of the affairs of the Corporate Debtor after approval of the Resolution Plan.	Provided in Section 8.4 of Resolution Plan	Page 36 of Resolution Plan (Page 69 of the Application)
(d) Implementation and Supervision.	Provided in Section 7 r/w section 8.3 of the Resolution Plan	Page 33-34 and Page 36 of the Resolution plan (Page 66-67 of the Application and 69 of the Application)



(e) Plan does not contravene any of the provisions of the law for the time being in force.	Provided in Section 8.13 of the Resolution Plan	Page 38 of Resolution Plan (Page 71 of the Application)
(f) Conforms to such other requirements as may be specified by the Board.	Provided in Section 1.3 of the Resolution plan	Page 07 of Resolution Plan (Page 40 of the Application)

**Table (ii) - Mandatory contents of Resolution Plan in terms of Regulation 37 of CIRP Regulations.**

<b>Regulation 37 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</b>	<b>Compliance under Resolution Plan</b>	<b>Relevant Page Number of Section 30 Application</b>



<p>a)transfer of all or part of the assets of the corporate debtor to one or more persons;</p>	<p>All (including properties, moveable immovable, whether assets or freehold, leasehold or license basis, current assets like Inventory, Debtors, Cash and Bank balance etc.) of the Corporate Debtor disclosed/ Undisclosed shall continue to be vested in the Corporate Debtor on and from the upon the payment of entire amount as contemplated in the plan, free and clear of all Encumbrances in favour of any Governmental Authority pursuant to the provisions of Applicable Law and free and clear of</p>	<p>Page 42 of the Resolution Plan (Page 75 of the Application)</p>
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	all Encumbrances in favour of all Financial Creditors. Provided in Section 9.7.1 of the Resolution plan.	
b) sale of all or part of the assets whether subject to any security interest or not;	Provided in Section 9.7.1 of the Resolution plan.	Page 42 of the Resolution Plan (Page 75 of the Application)
ba) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;	No restructuring is proposed under the resolution plan as stated in section 8.20 of the plan.	Page 72 of the Application (Page 39 of the Resolution Plan).
c) the substantial acquisition of shares of the corporate debtor, or the merger or	The Existing equity shares of the Corporate Debtor will be transferred in full and new equity shares will be issues to the	Page 25 of Resolution Plan (Page 58 of the Application)



<p>the consolidation of the corporate debtor with one or more persons;</p>	<p>Resolution Applicant as specified in section 5.4 of the Resolution Plan. Entire fully paid-share capital of Rs. 54,04,343 of the Corporate Debtor shall stand transferred to Gobindgarh Castings private Limited the proposed shareholder may include any other person as well as specified under section 5.5 of Resolution Plan</p>	
<p>ca) cancellation or delisting of any shares of the corporate debtor, if applicable;</p>	<p>Authorized Share Capital will remain intact and will be used to issue fresh equity shares to the Resolution Applicant or any other person in future after approval of</p>	<p>Page 25 of Resolution Plan (Page 58 of the Application)</p>



	Resolution Plan as specified in Clause 5.5.2 of Resolution Plan	
d) satisfaction or modification of any security interest;	Provided in Section 6 of the Resolution Plan. Resolution Applicant seeks possession of any assets, if any mortgaged with any creditor.	Page 32 of Resolution Plan (Page 65 of the Application)
e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;	Provided in Section 5.6 r/w Section 9.9 of the Resolution Plan.	Page 25 and 42 of Resolution Plan. (Page 58 and 75-76 of the Application)
f) reduction in the amount payable to the creditors;	Provided in Section 8.21 of the Resolution Plan	Page 39 of Resolution Plan (Page 72 of the Application)
g) extension of a maturity date or a	The Resolution Applicant do not provide any	Page 39 of Resolution Plan



change in interest rate or other terms of a debt due from the corporate debtor;	restructuring of the Corporate debtor by way of merger , demerger and amalgamation of the resolution Plan as provided in Section 8.22 of the Resolution plan	(Page 72 of the Application)
h) amendment of the constitutional documents of the corporate debtor	Not proposed by the resolution applicant in the plan as specified in Section 8.15 of the resolution plan.	Page 71 of the Application (Page 38 of the Resolution Plan)
i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other	The Resolution Applicant proposes to issue fully paid-up Equity Share Capital of Rs. 10/- each to nominees of the Resolution Applicant for an amount subsequent to the approval of the Plan. For balance consideration	Page 71 and 58 of the Application (Page 38 and 25 of the Resolution Plan)



appropriate purpose;	the RS proposes to issue Equity/Quasi-Equity/debt instrument in the name as may be decided by RA at that time. Specified in section 8.16 r/w Section 5.4 of the Resolution Plan	
j) change in portfolio of goods or services produced or rendered by the corporate debtor;	Provided in Section 8.17 of Resolution Plan	Page 71-72 (Page 38-39 of Resolution Plan)
k) change in technology used by the corporate debtor; and	Not proposed by the Resolution Applicant in resolution plan as stated in section 8.18 of the plan.	Page 72 (Page 39 of Resolution Plan)
l) obtaining necessary approvals from the	Provided in Section 8.8 of the Resolution Plan	Page 70 (Page 37 of Resolution Plan)





Central and State Governments and other authorities.		
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**Table (iii) - Mandatory contents of Resolution Plan in terms of Regulation 38(1) of CIRP Regulations:-**

<b>Regulation 38(1) and (2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</b>	<b>Compliance under Resolution Plan</b>	<b>Relevant Page Number of Application</b>
38(1)(a) The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors	Provided in section 5.2.3 of the Resolution plan	Page 53-56 of Application and Page No.20-23 of the Resolution Plan.
38(1)(b) The amount payable under a resolution plan - (b) to the financial creditors, who have a right to vote	Provided in section 5.2.1 and 5.2.2 of the Resolution plan	Page 53 of Application and Page No.20 of



<p>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.</p>		<p>the Resolution Plan.</p>
<p>38 (1A) Shall include a statement as to how it has dealt with the interests of all the stakeholder, including financial creditors and operational creditors of the Corporate Debtor</p>	<p>Provided in Section 8.2 of the Resolution plan</p>	<p>Page 68 of Application and Page No.35 of the Resolution Plan.</p>
<p>38 (1B) 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</p>	<p>Provided in Section 8.1 of the Resolution plan</p>	<p>Page 68 of Application and Page No.35 of the Resolution Plan.</p>



resolution plan approved by the Adjudicating Authority at any time in the past		
38 (2)(a) shall provide for the term of the plan and its implementation schedule;	Provided in Section 8.3 of the resolution plan	Page 68 of Application and Page No. 35 of the Resolution Plan
38 (2)(b) shall provide for the management and control of the business of the Corporate Debtor during its term		
38 (2)(c) Shall provide for the adequate means for supervising its implementation.	Provided in paragraph 10.2 of the resolution plan	Page 392-395 of Application and Page No.50-53 of the Resolution Plan



38 (3) A resolution plan shall demonstrate that –  it addresses the cause of default;	This has been provided Section 8.6 of the resolution Plan.	Page 69 of Application and Page No.36 of the Resolution Plan.
it is feasible and viable;	Provided in Section 8.7 of the resolution plan	Page 69-70 of Application and Page No.36-37 of the Resolution Plan.
it has provisions for its effective implementation	Provided in Section 8.3 of the Resolution Plan	Page no. 69 of the Application and Page no. 36 of the Resolution plan
It has provisions for approvals required and the timeline for the same; and	Provided in Section 8.8 of the resolution plan	Page No. 70 of the Application and Page 37 of the Resolution plan



The resolution applicant has the capability to implement the resolution plan.	Provided in Section 4.3 and section 8.9 of the resolution Plan.	Page 51 and 70 of the Application (Page no.18 and 37 of the Resolution plan).
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18. The Applicant submits that the Successful Resolution Applicant has submitted an affidavit in regard to the eligibility under section 29A of the Code, as required by Regulation 39(1)(a) of the CIRP Regulations. An undertaking has also been submitted by the Successful Resolution Applicant, as mandated in terms of regulation 39(1) (c) of the CIRP Regulations. The affidavit under Section 29A is at page no. 90-93 in the application, which is reproduced thereunder:-

*“1. I state that an insolvency resolution process has been initiated against Rental Stay Private Limited) (Corporate Debtor) vide order dated 11.04.2023 (Admission Order) passed by the National Company Law Tribunal, Allahabad Bench (Adjudicating Authority) or an application filed by Corporate*



*Applicant under Section 10 of the Insolvency and Bankruptcy Code, 2016 (IBC).*

2. *I state that the present affidavit is sworn by me on behalf of the Resolution Applicant in compliance of section 29A of the IBC.*

3. *I on behalf of the Resolution Applicant and any other person acting jointly or in concert with the Resolution Applicant hereby confirm that:*

*(i) The Resolution Applicant and any connected person as per the Explanation I provided under section 29A of the IBC is not an undischarged insolvent; or*

*(ii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC, is not identified as a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;*

*or*

*(iii) At the time of submission of the Resolution Plan, the account of the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC or an account of the corporate debtor under the management or*



*control of such person of whom such person is a promoter, IBC is not classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or guidelines of a financial sector regulator issued under any other law at the time being in force and at least a period of one year or more has lapsed from the date of such classification till the date of commencement of corporate insolvency resolution process of the corporate debtor and that I have not failed to make the payment of all overdue amounts with interest thereon and charges relating to non-performing asset before submission of Resolution Plan; or*

*(iv) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not been convicted for any offence punishable with imprisonment for 2 years or more under any Act specified in the Twelfth Schedule or for seven years or more under any law for the time being in force or a period of two years has expired from the date of release of such imprisonment; or*

*(v) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not*



*been disqualified to act as a director under the Companies Act 2013; or*

*(vi) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not been prohibited by the Securities and Exchange Board of India from trading in securities or assessing the securities markets; or*

*(vii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not indulged in preferential transaction or undervalued transaction or fraudulent transaction in respect of which an order has been made by the Adjudicating Authority under the IBC; or,*

*(viii) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not executed a guarantee in favour of a creditor, in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under the IBC and no such guarantee has been invoked by the creditor or remains unpaid in full or part; or*





*(ix) The Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC are not subject to any disability, corresponding to clauses mentioned above under any law in a jurisdiction outside India.”*

19. The Applicant has filed a Compliance Certificate in prescribed Form, i.e. Form ‘H’ in compliance with Regulation 39(4) of the CIRP Regulations. The RP has issued the Letter of Intent dated 21.10.2023 to the Successful Resolution Applicant and the Successful Resolution Applicant provided the Performance Bank Guarantee of Rs.10,00,000/- (Rupees Ten Lakhs Only) dated 21.10.2023 has already been paid, which is required under Regulation 36B (4A) of CIRP Regulations, 2016.

### **Details of Resolution Plan/ Payment Schedule**

20. The Applicant submits the relevant information about the amount claimed, the amount admitted, and the amount proposed to be paid by the Successful Resolution Applicant, i.e., M/s Subhlaxmi Investment Advisory Pvt. Ltd. under the said Resolution Plan which is tabulated as under:



Sl. No.	Types of debts	Resolution Amount (In Rs.)	Payment Term
1.	CIRP Cost	6,50,000	Within the period of 30 days from the date of approval of the plan by the Adjudicating Authority
2.	Financial Creditors	NIL	NIL
3.	Operational Creditors (Trade payables)	NIL	NIL
4.	Workmen/ Employees	NIL	NIL
5.	Other Employees Related dues		
6.	Government Dues	NIL	NIL
7.	Operational Creditors (other than workman, employees and Government Dues)	10,00,000	Within the period of 30 days from the date of approval of the plan by the Adjudicating Authority
8.	Contingent Liabilities (Non-Statutory)	NIL	NIL
9.	Statutory Dues as per Information Memorandum	NIL	NIL
10.	Infusion of funds for Capex	NIL	NIL

21. The Resolution plan size is approximately of **Rs. 16,50,000**

(Rupees Sixteen Lakhs Fifteen Thousand Only). The amount stated in the plan is by way of liquidity of funds owned by the Resolution Applicant.



***Details on Management and Implementation as per the Resolution Plan***

22. The Resolution Plan also provides for details of management and control, implementation and supervision of the Resolution Plan and term of plan and the same is already set out in Section 7 and 8 of the resolution plan as stated above.

***Details on fraudulent and avoidance transaction***

23. The Resolution Professional via Form-H confirms that the suspended Board of Directors of the Corporate Debtor has not been engaged in the any kind of fraudulent and avoidance transaction.

***Waivers, Reliefs and Exemptions***

24. The SRA has sought/prayed for the reliefs, waivers and concessions as enumerated under the Resolution Plan approved by the CoC, that from the plan approval date all inquiries, investigation and proceedings, whether civil or criminal, suits, claims, disputes, interests and damages in connection with the Corporate Debtor or the affairs of the Corporate Debtor, pending or threatened, present or future in relation to any period prior to the plan approval date, or arising on account of implementation of this Resolution Plan, shall stand withdrawn, satisfied and



discharged. From the date of approval of the 'Resolution Plan', the Resolution Applicant shall be legally authorized to seek appropriate orders from respective authorities/courts/tribunals for renewal of licenses/withdrawal/dismissal or abetment of the proceedings as the case may be.

### ***Analysis & Findings***

25. 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 by the CoC with 100% of the members voting in favour of the Resolution Plan. As per the CoC, the Plan meets the requirement of being a viable and feasible revival of the Corporate Debtor. By and large, there are provisions for making the Plan effective after approval by this Bench.

26. On perusal of the documents on record, we are satisfied that the Resolution Plan is in accordance with Sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



27. The reliefs, concessions and waivers sought by the Successful Resolution Applicant will be dealt with strictly in accordance with the applicable laws.

28. It may be clarified that litigations wherever pending against the corporate debtor would be governed by Section 32A of the Code.

29. As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under section 31(4) of the Code. While going through record we found that there is no specific averments made regarding the Performance Bank Guarantee to be furnished by the SRA in whose favor the plan has been approved by the CoC. However, the Ld. Counsel representing the RP, during the course of hearing on 13.02.2024, submitted that insofar as the amount of Rs.10 lakh with respect to the performance bank guarantee is concerned, it was required to be paid within a period of three business days already stands satisfied as the amount of Rs.10 lakh is stated to have already been paid. .



30. In case of non-compliance with this order or withdrawal of the Resolution Plan within the stipulated time, in addition to other consequences which follow under law, the CoC shall forfeit the EMD amount of Rs.06 Lakh already paid by the Resolution Applicant as well as the Performance Bank Guarantee of Rs.10,00,000/-.

### **ORDERS**

31. Subject to the observations made in this Order, the Resolution Plan of Rs.16,50,000 (Rupees Sixteen Lakhs Fifty Thousand Only) including CIRP cost on actual basis shall be paid by upfront cash payment within 30 days of the approval of the Plan by RA, containing the mandatory contents of Resolution Plan in terms of Regulation 38(1), is hereby approved as per Section 31(1), after satisfying ourselves that the resolution plan as approved by the COC under sub- section (4) of Section 30 on 18.10.2023 meets the requirements as referred to in sub section (2) of Section 30. The Resolution Plan shall form part of this Order.

32. The reliefs, concessions and waivers sought/prayed by the Successful Resolution Applicant will be dealt with strictly in



accordance with the applicable laws including Companies Act, 2013 and Income Tax Act, 1961, etc.

33. The Moratorium imposed under section 14 of the Code shall cease to have effect from the date of this order.

34. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.

35. The Monitoring Committee as proposed in Section 7 of the resolution plan shall comprises of the followings members stated as under:-

(i) Insolvency Resolution Professional as Chairman

(ii) Any one individual on behalf of the Resolution Applicant

(iii) One Representative to be nominated by the operational Creditor.

36. The above Monitoring Committee shall ensure timely & successful implementation of Resolution Plan approved by this order.

37. The present IA No.644/2023 therefore, shall stand disposed of accordingly.



38. A copy of this Order shall be filed by the Resolution Professional with the Registrar of Companies.

39. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.

40. The Resolution Professional is further directed to hand over all records, premises/ factories/documents available with it to the Resolution Applicant to finalize the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records and premises through the Resolution Professional to finalize the further course of action required for starting of operations of the Corporate Debtor.

41. The Registry is directed to send copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

42. The registry is further directed to send the copy of the order to the IBBI also for their record.

43. Certified copy of this order may be issued, if applied for, upon compliance of all requisite formalities.





44. File be consigned to the record.

*-Sd-*

**(Ashish Verma)**  
**Member (Technical)**

*-Sd-*

**(Praveen Gupta)**  
**Member (Judicial)**

**Dated: 12.03.2024**