



IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.15
I.A (Plan) 04/2024 in
C.P (IB) No.161/BB/2022

IN THE MATTER OF:

M/s. 10i Commerce Services Private Limited

... Petitioner

Order under Section 10 of I & B code 2016

Order delivered on: 30.05.2025

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant: Mr. Spandan Biswal

ORDER

1. Heard the Learned Counsel for the Applicant.
2. **I.A (Plan) No.04/2024 is allowed vide separate order.**

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

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IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

*(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)*

I.A. (PLAN) NO. 04/2024

IN

C.P. (IB) NO.161/BB/2022

(Under Section 30(6) r/w 60(5) of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF I.A NO. 04/2024:

10I COMMERCE SERVICE PRIVATE LIMITED

represented by its Resolution Professional

MR. SURENDRA RAJ GANG

Having registered office:

GT Restructuring Services, LLP,

L 41, Connaught Circus,

New Delhi -110001

.... Applicant/ Resolution Professional

IN THE MATTER OF C.P. (IB) No. 161/2022:

10I COMMERCE SERVICE PRIVATE LIMITED

Registered office at WeWork, 1st Floor,

Block L Embassy Tech Village,

Outer Ring Road, Devarabisanahalli,

Bangalore -560103

.... Corporate Debtor

Order delivered on: 30.05.2025

Coram:

1. Hon'ble Shri Sunil Kumar Aggarwal, Member (Judicial)

2. Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

Parties/Counsels Present:

For the Resolution Professional: Shri C.K Nandakumar, Sr. Counsel with
Shri Spandan Biswal, Shri Mohit Negi and
Ms. Diksha Garg.

Resolution Professional: Shri Surendra Raj Gang

**ORDER**

1. This Application is filed on 14.12.2023 by Mr. Surendra Raj Gang (hereinafter referred to as ‘Applicant/Resolution Professional’) under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 and Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 seeking approval of the Resolution Plan dated 16.10.2023 (as revised on 29.11.2023), approved by the Committee of Creditors (‘CoC’) with a vote of 99.99% voting.
2. Brief facts of the case are given hereunder:
 - a) The Corporate Debtor, 10i Commerce Service Private Limited is a company incorporated on 10.03.2015 under the Companies Act, 2013. It had filed an application bearing C.P (IB) No.161/2022 under Section 10 of the Code seeking initiation of Corporate Insolvency Resolution Process (CIRP) for itself which was admitted by this Adjudicating Authority vide order dt. 09.06.2023 and Shri Surendra Raj Garg was appointed as the Interim Resolution Professional (IRP).
 - b) The key dates and events during the CIRP period are tabulated as hereunder:

S. No.	Date	Particulars
1.	09.06.2023	Corporate Debtor was admitted into CIRP. (Order was uploaded on 12.06.2023, which is taken as the CIRP Commencement Date.)
2.	12.07.2023	<i>1st CoC Meeting</i> , wherein IRP was appointed as RP. I.A 760/2023 was filed for confirmation of his appointment which was approved vide order dt. 23.11.2023.
3.	03.08.2023	<i>2nd CoC Meeting</i> , wherein RP appointed registered valuers
4.	08.08.2023	Newspaper advertisement for inviting expressions of interest from Prospective Resolution Applicant (PRAs)
5.	28.08.2023	<i>3rd CoC Meeting</i> ; 6 PRAs expressed their interest to submit a resolution plan.
6.	04.09.2023	Information Memorandum prepared by the RP and shared on the Virtual Data Room
7.	07.09.2023	Request for Resolution Plan (RFRP) issued by the RP
8.	03.10.2023	<i>4th CoC Meeting</i> , wherein the last date for submission of the resolution plans was extended to 16.10.2023 from 07.10.2023.
9.	19.10.2023	<i>5th CoC Meeting</i> , wherein it is noted that only two resolution plans have been submitted one by Mr. Manoj Chauhany and other by Mr. Deepak Maheswari.
10.	29.11.2023	Aforesaid Resolution Applicants submitted their final revised plans as per the discussion with the CoC.



11.	01.12.2023		6 th CoC Meeting, wherein the CoC evaluated the final plans basis the valuation matrix provided in the RFRP and attributed a score of 100 to Mr. Deepak Maheswari and 18.40 to the plan submitted by Mr. Manoj Chaukhany.
12.	02.12.2023	to	Successful resolution Plan approved by the CoC with a vote of 99.99%.
13.	09.12.2023		Date of filing with the NCLT for approval of Resolution Plan; Expiry of 180 days of CIRP Period.

- c) In the second meeting of the CoC, the RP appointed registered valuers namely Inn Tech Global Valuers Private Limited and GAA Advisory LLP to determine the liquidation value and the fair value of the CD's assets in terms of Regulation 27 of the CIRP Regulations. The fair value and liquidation value of the CD determined by these are given below:

Particulars	GAA Advisors (In crores)		Inn Tech (In crores)		Average Fair Value (In crores)	Average Liquidation Value (In crores)
	FV	LV	FV	LV		
Intangible Assets	0.27	-	0.25	-	0.26	-
Cash and Bank Balance	5.99	5.99	5.85	5.92	5.92	5.92
Other Current assets	0.01	0.01	0.01	0.01	0.01	0.0085
Total	6.27	6.00	6.11	5.857	6.19	5.92

3. SALIENT FEATURES OF THE RESOLUTION PLAN:

- a. The Resolution Plan for the revival of the Corporate Debtor was received from Mr. Deepak Maheshwari (Successful Resolution Applicant 'SRA') who is a qualified professional having experience of more than 25 years in the field of mergers and acquisition, equity and debt funding, corporate restructuring, strategic advising/mentoring for growth and turnaround of stressed industries. It is also submitted that the Resolution Applicant or any of its connected person is not disqualified under any of the provisions of Section 29A of the IBC, 2016 and are eligible to submit their resolution plan as a Resolution Applicant. The detail of the Resolution Plan is provided hereunder along with the detailed timeline.

S. No	Stakeholders/Costs	Amount Claimed (Crores)	Amount Admitted (Crores)	Amount Proposed (Crores)
1.	Outstanding CIRP Costs (as per VDR)	3.3 (Estimate)	-	CIRP cost to be paid in full from cash of CD (100%).



2.	Workmen Dues for past than 24 months	-	-	NIL
3.	Employees Dues	-	-	NIL
4.	Operational creditors (other than workmen, employees)	0.024	0.016	0.01 (41% of Claimed Amount/ 62% of the Admitted Claim)
5.	Due to Statutory Authorities	41.13	Rs.3/- Only	0.40 (1% of Claimed Amount)
6.	Unsecured Financial Creditors (Related party not part of CoC)	259.16	257.32	13.79 (5.32% of claimed amount/ 5.35% of Admitted Claims)
	Total Payment	303.614	257.336	14.2 (4.67% of Claimed Amount/ 5.51% of Admitted Claims)
	Towards operational expenditure and working capital requirements			3.80
	TOTAL			18

b. As per Information Memorandum and List of Creditors updated up to 28.11.2023,

i. The claims received from Financial Creditors:

S. No.	Name of the Financial Creditor	Claims Received (In Lakhs)	Claims Admitted (In Lakhs)
Secured Creditors (Non-Related and Related Party)			
Nil			
Unsecured Creditors (Non-related Party)			
Nil			
Secured Creditors (Related Party)			
1.	Mr. Nandan M Nilekani (ECB)	11,950.42	11,898.48
2.	FSX Pte. Limited (Loan & Expenses)	13,965.84	13,833.83
Total		25,916.26	25,732.31

ii. The claims received from Operational Creditors (Other than workmen, employees and statutory authorities):

Particulars	Claims Received (In Lakhs)	Claims Admitted (In Lakhs)
Operational Creditors (other than workmen, employees and Government Dues)		
Operational Creditors (other than workmen, employees and Government Dues)	2.34	1.60
Total	2.34	1.60



iii. The claims received from Statutory Authorities:

S. No.	Particulars	Claims Received (In Lakhs)	Claims Admitted	Contingent Claims (In Lakhs)
1.	Statutory Liabilities including all taxes, cess, duties, etc	4,136.16	Rs. 3/- only	4,118.93

- iv. It is submitted that as per the Information Memorandum and List of Creditors updated up to 28.11.2023, no claims have been made by any workmen and employees therefore there are **NIL** Employees and Workmen Dues.
- c. With regards to the CIRP cost, the SRA has in Chapter 9 of the Resolution Plan stated that:

“As per the Balance Sheet of the CD as on 12.06.2023, Cash and bank balances are for Rs.6.31 crores. As per details available in the VDR for the CIRP expenses, based on the estimated time that might take for the resolution plan (4-6 months from plan submission), the Cash/bank balance of around Rs.3crore after adjusting CIRP costs incurred/to be incurred, may remain in the Corporate Debtor. The Resolution Applicant does not therefore, need to pay any amount towards outstanding CIRP costs. The Resolution Applicant however, undertakes to pay the unpaid CIRP cost if any (even after adjusting the Cash and Bank balance as above) in full in priority to the payment of other debts of the Corporate Debtor on or before expiry of 30 days from the date of approval of the Resolution Plan.”

Thus, the obligation of the Resolution Applicant to bring funds for payment of CIRP cost is not required as the CIRP cost is envisaged to be paid by the cash and bank balances of the CD.

- d. As per Chapter 9 of the Resolution Plan the distribution of the proposed amount of Rs.18 crore and the interest of all the stakeholders, including financial creditors and operational creditors as per Regulation 38(1A) is enumerated as under:
- Unsecure Financial Creditors: Rs.13.79 crore to unsecured financial creditors proportionately by Special Purpose Vehicle ‘SPV’ directly or on before expiry of 60 days reckoned from the approval date of Resolution Plan by Adjudicating Authority in consideration of Assignment of Admitted financial liability in favour of SPV.
 - Operational Creditors: Rs.0.01 crore approx. to Operational creditors (other than Workmen, Employees) proportionately on or before expiry of 60 days reckoned from the Admitted financial liability in favour of SPV.



- iii. Workmen and Employees: As there are no claims of Workmen and Employees for outstanding have been received, no payment has been proposed.
 - iv. Statutory Body/ Government Authorities: Admitted claims are for Rs. 3 only. However, Rs.0.40 crore approx. to Statutory bodies/Government authorities proportionately on or before expiry of 60 days reckoned from the approval date of Resolution Plan by Adjudicating Authority.
 - v. The remaining amount i.e. Rs.3.80 crore would be utilized to meet the working capital requirement to run the business. It is further submitted that all the requirements under the Code and the CIRP Regulations have been duly complied with and an undertaking in revised Form H dt.06.11.2024 was submitted by the Applicant to the effect that the contents of the resolution plan meet all the requirements of the Code and the Plan may be approved.
- e. For the implementation and supervision of the Resolution Plan, Chapter 11 of the provides that the monitoring of the implementation of the Resolution Plan from the Approval date till Implementation Date shall be undertaken by the Monitoring Agency, comprising of Resolution Applicant, Resolution Professional and one member from the CoC. The management of the affairs and business of the CD shall be undertaken by the reconstituted Board of Directors appointed by the Monitoring Agency and the existing directors shall be deemed to have resigned from the approval of Resolution plan. The CD shall continue as a going concern upon implementation of the Plan.
- f. It is submitted that in accordance with Section 30(2)(e) of the Code the Resolution Plan does not contravene any of the provisions of the law for the time being in force.
- g. It is submitted by the SRA in the Resolution Plan that neither the Resolution Applicant nor any of its related parties have 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 in accordance with Regulation 38 (1B) of the CIRP Regulations.
- h. The term and implementation schedule as per Regulation 38(2) (a) is given as in Chapter 11 of the Resolution Plan wherein Clause 1.5 states that the term of the plan shall commence from the Approval Date and end within 60 days of the Approval Date



on the payment of aggregate consideration to all the creditors and also the CIRP Cost as per the Resolution Plan in so far as the CoC is concerned.

- i. It is further clarified that Resolution Plan does not envisage any claims put forth by the dissenting financial creditor and hence there is no payment made to that effect.
- j. In compliance with Regulation 36B (4A), the Resolution Applicant submits that on 08.12.2023 while accepting the letter of intent, the SRA directly transferred funds amounting to Rs.2.25 crores to the bank account of the CD, in lieu of the performance bank guarantee. The Resolution Applicant has also confirmed that Rs.25 lakhs which had been previously been transferred to the CD, on 17.10.2023, at the time of submission of expression of interest, should also be (along with Rs.2.25 crores) considered towards his obligation towards the performance bank guarantee. Accordingly, the CD has received a direct deposit of Rs.2.50 crores from the Resolution Applicant in lieu of the performance bank guarantee.
- k. In compliance of Regulation 31A for paying the applicable Regulatory Fee to the IBBI affidavit dt.06.11.2024 has been filed, where the SRA has paid the regulatory fee to the IBBI in the following terms:

“It is submitted that the Corporate Debtor was admitted into insolvency only in June 2023, and therefore, the fees were liable to be paid to the IBBI from second quarter of the financial year 2023-2024. Pursuant to the directive under Regulation 31A, the Resolution Professional has timely deposited the regulatory fee payable to IBBI. The details of which are as follows”:

Sl. No	Quarter	Amount (INR)	Daye of Payment to IBBI
1	Quarter 2, FY 2023-2024	23,618	31.10.2023
2	Quarter 3, FY 2023-2024	40,133	31.01.2024
3	Quarter 4, FY 2023-2024	18,818	30.04.2024
4	Quarter 5, FY 2024-2025	20,851	31.07.2024

OPERATIVE PART:

4. Heard learned counsel for the Resolution Professional and carefully perused the pleadings on record.
5. On 21.08.2024, the Adjudicating Authority had given the following order:

“3. On perusal of the Resolution Plan, it is noticed that the following documents are not filed:



- a) Performance Bank Guarantee in the name of SRA.
- b) Undertaking by the Prospective Resolution Applicant under Regulation 39(c).
- c) Due Diligence Report under Regulation 36A(8) of IBC, 2016.
- d) Clarification in respect of Source of Funds: It is stated in para 2 of page no.49 that; “2...unless otherwise specifically mentioned in this plan, the total amount/outlay proposed to be paid/infused by the aforesaid SPV owned and controlled by the resolution Applicant (hereinafter referred to as “SPV” or “Resolution Applicant”) is Rs.18 Crore. The Resolution Plan Amount shall be funded with a mix of equity, pref. share and debt. Term Sheet for debt is attached as Annexure -2....”
The same is to be clearly explained along with the details of the Debt actually proposed to be raised and the in-principal approval/letter of comfort from the lenders should be enclosed. d) It is noticed from the Net Worth Certificate of the SRA filed vide Dairy No.3128 dated 03.06.2024 that the investment in unlisted Securities is stated as Rs.48.48 Crores as on 15.05.2024, wherein the Net Worth Certificate filed as on 30.09.2023 along with the Plan at page no.62 shows that the unlisted investment was 12.65 Crores. Therefore, explanation with necessary details has to be furnished regarding this increase along with the copy of the Income Tax Return filed for the Assessment Year 2023-2024 & 2024-2025 in respect of the SRA.
- e) Amended Form-H, with appropriate response in each column.
- f) Affidavit in respect of Regulation 31A for paying the applicable Regulatory fee to the IBBI.”

6. Further on 10.12.204, clarification was sought by this Adjudicating Authority, on the following:

“a. The Resolution Plan does not provide for payment to any other creditors except related party which are treated as Unsecured Financial Creditor in the plan [at Page 46]. It is noticed that at Page No.3 of the Written Submissions [diary no.3128] in the ‘Summary of Payments in the Successful Resolution Plan’ a large chunk of the distribution amounting to Rs.13.79 crore is being given to the related party of the CD out of the total Plan value i.e., 18 crore including 3.80 distributed as against the operational expenditure and working capital requirements. It is also noticed that as per the Balance Sheet of the CD as on 31.03.2022 at Page 351 of the Company Petition following creditors are noticed:

- i. Total outstanding dues of creditors other than MSMEs of Rs. 1,187.38 lakhs; and
ii. Other Current Liabilities amounting to Rs.1,179.96 lakhs.

However, the Resolution Plan does not envisage any payment to include any other creditors except the related party. Thus, an explanation is essential to clarify as to how the distribution has occurred in the Plan without giving any amount for the outstanding dues of other creditors and the majority of the payment is made towards the satisfaction of the related parties.

b. The Resolution Plan does not comply with Regulation 38(3)(d) which provides for the approvals required from the authorities and timeline for obtaining such approval.”

7. In compliance, the Applicant filed Additional Affidavit, dated 23.09.24, and Second Additional Affidavit, dated 11.11.24 and the same is taken on record.

8. Post commencement of CIRP, CoC was constituted by the RP. The details of the creditors, the distribution of voting share among them and the position of voting for the Resolution Plan is as under (Para 5 of Form H):

Sl. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for / Dissented / Abstained)



1.	Ms. Arti Sahu	51.64%	Voted For
2.	BGK & Co LLP	25.52%	Voted For
3.	Department of State Tax, Government of Maharashtra	0.0006%	Abstained
4.	Excise and Taxation Department, Government of Haryana	0.0006%	Abstained
5.	G7CR Technologies India Private Limited	22.83%	Voted For
6.	Trade & Taxes Department, Government of Delhi	0.0006%	Abstained

9. The details of stakeholders and the amounts provided for them under the Resolution Plan is given in Para 7 of Form H. However, it is to be noted that in compliance to the order dt. 21.08.2024 of this Tribunal, the RP has filed a fresh Form H dt. 06.11.2024, of which Para 7 is produced below:

Sl. No.	Category of Stakeholder	Sub-Category of Stakeholder	Amount Claimed (In Rs.)	Amount Admitted (In Rs.)	Amount Provided under the Plan (In Rs.)	Amount Provided to the Amount Claimed (%)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21.	NIL	NIL	NIL	NIL
		(b) Other than (a) above:				
		(i) who did not vote in favour of the Resolution Plan	NIL	NIL	NIL	NIL
		(ii) who voted in favour of the Resolution Plan.	NIL	NIL	NIL	NIL
		Total[(a) + (b)]	NIL	NIL	NIL	NIL
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of Section 21.	2,59,16,25,506	2,57,32,30,609	13,79,00,000	5%
		(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)]	2,59,16,25,506	2,57,32,30,609	13,79,00,000	5%
3	Operational Creditors	(a) Related Party of Corporate Debtor	-	-	-	-



	(b) Other than (a) above: (i)Government* (ii)Workmen (iii)Employees (iv)Others	41,36,15,519 - - 2,33,703	3/- - - 1,59,943	40,00,000 - - 1,00,000	1% - - 43%
	Total[(a) + (b)]	41,38,49,222	1,59,946	41,00,000	1%
4	Other Debts and Dues	-	-	-	-
Grand Total		3,00,54,74,728	2,57,33,90,555	14,20,00,000	5%

*(Clause 3.5 of Chapter A of Chapter 9- 0.40 Crore approx. (Rupees Forty Lakh only) to Statutory bodies/Government authorities proportionately on or before expiry of 60 days reckoned from the approval date of Resolution Plan by Hon'ble NCLT.)

10. The interest of existing shareholders has been altered by Resolution Plan as under, as per Para 8 of Form H:

Sl. No.	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP*	Voting Share (%) held before CIRP	Voting Share (%) held before CIRP*
1	Equity (promoters/public)	1,18,900	Nil	100%	Nil
2	Preference	1,39,275	Nil	#	Nil

*Full extinguishment of equity shares and preference share currently held by promoters/equity shareholders is proposed in the Resolution Plan.

#The CCPS holders have voting rights subject to the applicable laws and shall be pro-rata to the shareholding on a fully diluted, as if converted basis, as disclosed in the audited financial statements of the Corporate Debtor.

11. The compliance of the Resolution Plan as per Para 9 of Form H is hereunder:

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	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?	RA has provided an undertaking dated October 16, 2023 to this effect	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?	Last para in Chapter 2 (Page 8)	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Last para in Chapter 2 (Page 8)	Yes
Section 30(2)	Whether the Resolution Plan: (a) provides for the payment of insolvency resolution process costs in priority to payment of all other debt of the Corporate Debtor;	Clause 3, Section A of Chapter 9, Section B of Chapter 9, Clause 1.5 chapter 11.	Yes



	(b) provides for the payment of the debts of operational creditors and of the dissenting financial creditors;	(Pages 13, 14 22) Clause 3, Section A of Chapter 9, Section C & Section D of Chapter 9, Clause 2 of Section J of Chapter 9. (Pages 13, 14, 15, 18)	Yes
	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan;	clause 2 of Section J of Chapter 9. (Page 18)	Yes
	(d) provides for the management of the affairs of the Corporate Debtor;	Clause 1.6 chapter 11. (Page 22)	Yes
	(e) provides for the implementation and supervision of the Resolution Plan;	Clause 1.6 chapter 11. (Page 22)	Yes
	(f) contravenes any of the provisions of the law for the time being in force;		No
Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC? (b) has been approved by the CoC with 66% voting share?	Clause 8 of Section J of Chapter 9. (Page 19). The Members during the 6 th COC Meeting held on December 01, 2023, discussed about the feasibility and viability of the Resolution Plans. The Resolution Plan has been approved with 99.99% voting share in the e-voting concluded on December 05, 2023 at 04 p.m. pursuant to the 6 th meeting of the CoC held on December 01, 2023.	Yes Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Chapter 11 (Page 21)	Yes
Regulation 38 (1)	Whether the amount due to the operational creditors under the resolution plan has been	Clause 3 of Section J of Chapter 9. (Page 18)	Yes



	given priority in payment over financial creditors?		
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause 4 of Section J of Chapter 9. <i>(Page 19)</i>	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 5 of Section J of Chapter 9. <i>(Page 19)</i> NA	No
Regulation 38(2)	Whether the Resolution Plan provides: (a) the term of the plan and its implementation schedule? (b) for the management and control of the business of the Corporate Debtor during its term? (c) adequate means for supervising its implementation? (d) provides for the manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent 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:	Chapter 11 <i>(Pages 21 & 22)</i> Chapter 11 <i>(Pages 21 & 22)</i> Chapter 11 <i>(Pages 21 & 22)</i> Clause 6 of Section J of Chapter 9. <i>(Page 19)</i>	Yes 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?	Clause 8 of Section J of Chapter 9. <i>(Page 19)</i> Clause 8 of Section J of Chapter 9. <i>(Page 19)</i> Chapter 11 <i>(Pages 21 & 22)</i>	Yes Yes Yes



	(d) it has provisions for approvals required and the timeline for the same?	Chapter 11 (Pages 21 & 22)	Yes
	(e) the resolution applicant has the capability to implement the resolution plan?	Clause 8 of Section J of Chapter 9. (Page 19)	Yes
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	No such transactions observed.	NA
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B	Performance security amount of INR 2.5 crore (received 25 Lacs on October 16, 2023 as earnest money and received 2.25 crore on December 08, 2023 in the ICICI bank account of the Corporate Debtor)	Yes

12. It is submitted by the Resolution Professional that the CoC in its 6th CoC meeting held on 01.12.2023, has approved the Resolution Plan submitted by SRA with 99.99% voting share. Thus, the conditions provided under Section 30(4) of the Code are satisfied.

13. At this juncture it is necessary to refer to Section 30(2). The provisions of Section 30(2) of the I&B Code, 2016 are as follows:

“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 3[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 the*
 - i. amount to be paid to such creditors in the event of liquidation of the corporate debtor under section 53; or*
 - ii. the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with 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.”*

14. REGULATORY COMPLIANCES

The compliance of Section 30(2) of the Code is given in Para no. 09 of the revised Form-H (supra). The same is being further examined as under:

- a) Section 30(2)(a):** The Resolution Plan provides for payment of the Insolvency Resolution Process costs in Section B of Chapter 9 of the Plan wherein it states that the CIRP cost is estimated to be 3 crores and will be paid through cash and bank balance of the CD where INR 6.1 crores is accumulated. Further, the Resolution Applicant, undertakes to pay the unpaid CIRP cost, if any, in full priority to the payment of other debts of the CD on or before the expiry of 30 days from the date of approval of the Resolution Plan. Thus, the payment of CIRP cost will be adjusted against the cash and bank balance of the CD and not through the raised funds of the SRA.
- b) Section 30(2)(b):** The Resolution Plan provides for payment to the operational creditors and the Resolution Applicant undertakes to pay Rs.1,00,000/- towards the claims of operational creditors other than Workers & Employees. At page 51 of the Resolution Plan, the SRA submits that no claims of Workmen and Employees as per list of Creditors is provided by the RP. Further, section J in chapter 9 states that the payment of debts of the creditors who do not vote in favour of the Plan (dissenting creditors) is in priority and is not less than the amount payable in the event of a liquidation. This is in compliance to Section 30(2)(b) of the Code.



- c) **Section 30(2)(c):** Clause 1.6 in Chapter 11 states that after the approval of the Plan, the Board of Directors shall be reconstituted and such Board shall consist of the nominees suggested and provided by the Monitoring Agency. The Board shall ensure compliance to all regulatory, statutory and legal requirements. Further, the resolution Applicant will appoint CEO, CFO and other KMPs to assist the Board. The Corporate Debtor shall continue as a going concern upon implementation of the Resolution Plan.
- d) **Section 30(2)(d):** Clause 1.1 to 1.5 under Chapter 11 of the Plan states that monitoring of the implementation of the Plan shall be undertaken by Monitoring Agency. Monitoring Agency will further appoint the Reconstituted Board of Directors. The Monitoring Agency shall monitor the Board as regards the day-to-day operations of the CD and the Resolution Applicant/SPV shall provide periodic updates to the Monitoring Agency. GT Restructuring Services LLP (GTRS), support firm to the Resolution Professional would continue to assist the Monitoring Agency and Board of Directors in day-to-day affairs of the CD and the implementation of the Resolution Plan.
- e) **Section 30(2)(e):** Chapter 11 of the Plan provides for the implementation and supervision of the resolution plan. A 3-member Monitoring Agency comprising of the Resolution Applicant, Resolution Professional and one member from the CoC will monitor the implementation of the Resolution Plan from the Approval Date till the implementation date. Further, the management of the affairs and business of the CD shall be undertaken by the reconstituted Board of Directors appointed by the Monitoring Agency. The existing Directors shall be deemed to have resigned with the approval of this Resolution Plan by the Adjudicating Authority. Monitoring Agency shall monitor the Board in the day-to-day operations of the CD, the term of the Monitoring Agency shall expire on the implementation date unless extended by the Adjudicating Authority. Once the term of the appointment of the Monitoring Agency is completed, the management of the affairs and business of the CD shall be carried out by the Board of Directors of the Company appointed by the Resolution Applicant/SPV.
- f) **Section 30(2)(f):** It is submitted that under Section 30 (2) (f) of the Code, this Resolution Plan does not contravene any provisions of the law for the time being in force and is in strict compliance with the regulations under Insolvency & Bankruptcy Code and the CIRP Regulations.



g) It is submitted that the Resolution Plan complied with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency process for Corporate Persons) Regulations, 2016 which are as follows:

- 1) **Regulation 38(1):** As per Regulation 38(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 the amount due to the operational creditors under the Resolution Plan has been given priority in payment over financial creditors. It is stated that the Resolution Applicant undertakes to pay Rs.1,00,000/- to the claims of the CD within 60 days reckoned from the approval date of Resolution Plan.
- 2) **Regulation 38(1A):** It is submitted that the Resolution Applicant has considered the interest of all the stakeholders and accordingly has proposed to make payment in the following manner to the stakeholders.

S. No	Stakeholders/Costs	Amount Claimed (Crores)	Amount Admitted (Crores)	Amount Proposed (Crores)
1.	Outstanding CIRP Costs (as per VDR)	3.3 (Estimate)	-	CIRP cost to be adjusted*
2.	Workmen Dues for past than 24 months	-	-	NIL
3.	Employees Dues	-	-	NIL
4.	Operational creditors (other than workmen, employees)	0.024	0.016	0.01
5.	Due to Statutory Authorities	41.13	Rs.3/- Only	0.40
6.	Unsecured Financial Creditors (Related)	259.16	257.32	13.79
	Total Payment	303.614	257.336	14.2
	Towards operational expenditure and working capital requirements			3.80
	TOTAL			18

- 3) **Regulation 38(1B):** As mandated under Regulation 38(1B) of the CIRP Regulations, the Resolution Applicant has stated in the Clause 5 under Section J in Chapter 9 of the Plan that neither the Resolution Applicant nor any of its related parties have 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. Additionally, the RP has filed Schedule A along with Section 29A Affidavit dt. 05.11.2024. The SRA has provided for the List of Connected Persons in Schedule A to the Second Additional Affidavit dated 11.11.24.

- 4) **Regulation 38(3)(a):** The Resolution Applicant addresses the causes of default as follows:

“The company/CD was financially hit by the Covid-19 and had to scale down despite multiple sources of generating income apart from its flagship ShopX Platform. A declining bottom line and shrinking revenue led the company to continue default in repayment of its liabilities, close its business and file for insolvency. The CD acknowledged the default and hence the members of the CD passed a special resolution with 100% majority of those present and voting, resolving to file an Application under Section 10 of the IBC, 2016. The matter was duly heard and the Petition was admitted by Hon’ble NCLT for CIRP of the CD w.e.f. June 9, 2023.”

Further, it is stated that the approval of the Resolution Plan would help the Resolution Applicant to revive the CD which will contribute significantly to society and Government by contributing significant direct/indirect employment and trade/service provision opportunities in the regions. The SPV/Resolution Applicant proposed to start with a clean slate and give the much-needed thrust to the business of CD by way of organic or inorganic expansion and diversification its activities wherever possible in order to effectively and efficiently optimize the resources and business under the supervision and control of experts and professionals thereby creating a value for the stakeholders. Resolution Applicant will take effective measures to help CD revive as given under Chapter 10 of the Plan.

- 5) **Regulation 38(3)(b):** The Resolution Applicant, through the Resolution Plan demonstrate that the Plan is feasible and viable as stated in Chapter 9 of the Resolution Plan [Page.19]. The Resolution Applicant has also submitted a Business Plan of the CD for the next 4 years, attached as Annexure 4 to the Resolution Plan.
- 6) **Regulation 38(3)(c):** The Resolution plan in Chapter 11 provides that the monitoring of the implementation of the Resolution Plan from the Approval date till Implementation Date shall be undertaken by the Monitoring Agency. The management of the affairs and business of the CD shall be undertaken by the reconstituted Board of Directors appointed by the Monitoring Agency and the



existing directors shall be deemed to have resigned from the date of approval of this Resolution plan.

- 7) **Regulation 38(3)(d)**: The timeline for effective implementation of the Resolution Plan is stated as 60 days. The timeline of Events for Implementation of Proposed Resolution Plan is extracted below:

S. No	Description of Activity	Latest Timeline
1	Approval of Resolution Plan	T
2	Payment of CIRP unpaid amount if any	T+30 days
3	Payment to Operational and Financial Creditors with priority as mentioned hereinbefore as per Regulation 38(1)	T+ 60 days
4	Implementation of Resolution Plan Completion	T+ 60 days

- 8) **Regulation 38(3)(e)**: The Resolution Applicant has provided the income tax returns of the SRA for the Assessment Year 2023-2024 and 2024-2025 as Annexure 10 in the Additional Affidavit dt.23.09.2024. Further, it is submitted that as per the Net Worth Certificate dt.28.05.2024, the net worth of SRA is Rs.51.65 crores (as on 15.05.2024). A term sheet has already been executed between the SRA and the Investor on 16.10.2023 wherein the investor has given an in-principal approval to the SRA and agreed to lend the requisite sum (subject to the approval of the Successful Resolution Plan by this Adjudicating Authority) to the SRA.

15. It is observed that in Part 4 of Form H, the resolution professional has certified that the said Resolution Plan complies with all the provisions of Insolvency and Bankruptcy Code, 2016, the Insolvency Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and does not contravene any of the provisions of the law for the time being in force. Further, the resolution applicant has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under Section 29A of the Code to submit Resolution Plan, attached as **Annexure 1** of the Second Additional Affidavit. It is further certified that the 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 99.99% of voting share after considering its feasibility and viability and other requirements specified by the CIRP Regulations.

16. Moreover, in accordance with **Regulation 36B(4A)**, the SRA has deposited an amount of INR 25,00,000 (Rupees Twenty-five lakhs only) as earnest money at the time of submission of Resolution Plan on 17.10.2023. Copy of Payment receipt is marked as **Annexure 1** to the Additional Affidavit. Further, on 08.12.2023, the SRA deposited INR 2,25,00,000 (Rupees Two Crore and Twenty-Five Lakhs only) towards performance security, copy of Payment receipt is marked as **Annexure 2** to the Additional Affidavit. Thus, the SRA has satisfied the requirement as per the RFRP of depositing performance security of INR 2,50,00,000/- (Rupees Two Crores and Fifty Lakhs Only).
17. The Applicant vide Additional Affidavit dated 23.09.2024, has explained the source of funds for the said Resolution Plan stating that the SRA intends to raise an amount of INR 18 Crore from Valu Able Debit Capital Advisory LLP (Investor). A term sheet to this effect has also been executed. The SRA shall utilize said amount for i) subscription of equity of CD; ii) provide loans to the CD; iii) pay assignment consideration to the Unsecured Financial Creditors of the CD. Further, it is submitted that as per the Net Worth Certificate dt.28.05.2024, the net worth of SRA is Rs.51.65 crores (as on 15.05.2024).
18. By way of undertaking under **Regulation 39(c)**, the SRA has submitted an undertaking dated 16.10.2023 that the Resolution Plan is unconditional and irrevocable and acknowledge and agree that the CoC reserves the right to negotiate better terms and any decision of the CoC shall be final and binding on the Resolution Applicant.
19. In Chapter Reliefs and Concessions, the Resolution Applicant prays for exemption of compliance under the Statutory Laws from this Adjudicating Authority in relation to Companies Act, 2013, Taxes (Direct & Indirect) & Stamp Duty as well as Specific Laws and other Government Approvals as applicable to the Corporate Debtor. The Adjudicating Authority has examined the prayer of the Resolution Applicant. Prayer for such reliefs and exemptions if any have to be made to the respective statutory authority and to be decided as per the provisions of existing laws.

DECISION OF THE ADJUDICATING AUTHORITY:



20. In the circumstances and for the aforesaid reasons, the incumbent application bearing **I.A. No. 04 of 2024 in CP (IB) 161/2022 is allowed** and accordingly:

- (i) The Resolution Plan dated 16.10.2023 (as further revised on 29.11.2023) (Exhibit-A Colly), submitted by Shri Deepak Maheshwari, is hereby approved.
- (ii) The Resolution Plan so approved 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.
- (iii) Under the provisions of section 31(3) of the Code, we also direct as under:
 - a. The moratorium imposed vide order dated 09.06.2023 in the main CP shall cease to have effect from the date of this order.
 - b. The resolution professional shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the Board to be recorded/ uploaded on its database.
- (iv) Further, the Resolution Professional is directed to handover the management, control and all the assets, documents/records in physical and/or digital form to the Successful Resolution Applicant immediately and the resolution professional will stand discharged.
- (v) Moreover, it is clarified that this order should not be construed as an order granting exemption from payment of stamp duty, taxes or any charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law for the time being in force.

21. The approved Resolution Plan shall be effective from date of passing of this Order.

-Sd-

RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-

SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)