

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH, KOLKATA**

**IA (IB) No. 716/KB/2020  
and  
IA (IB) 871/KB/2020  
in  
CP (IB) No. 846/KB/2019**

*Application under section 30(6) for approval of Resolution Plan  
under section 31(1) of the Insolvency and Bankruptcy Code, 2016*

*In the matter of*

Orchid Barter Private Limited	...	Financial Creditor
Versus		
Skipper Homes Private Limited	...	Corporate Debtor

**IA (IB) No.716/KB/2020**

Mahesh Chand Gupta, Resolution Professional of Skipper Homes Private Limited	...	Applicant
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**IA (IB) No.871/KB/2020**

Aditya Birla Finance Limited	...	Applicant
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Versus

Mahesh Chand Gupta, Resolution Professional of Skipper Homes Private Limited & another	...	Respondents
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***Coram:***

Shri Rajasekhar V.K.	:	Member (Judicial)
Shri Harish Chander Suri	:	Member (Technical)

***Appearances (via video conference):***

*IA No.716/KB/2020:*

For the Applicant/RP:	:	1. Mr Rishav Banerjee, Advocate 2. Mr Pranay Agarwal, Advocate 3. Ms Ankita Baid, Advocate 4. Mr Mahesh Chand Gupta, RP in person
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*IA No.871/KB/2020:*

- For the Applicant/  
Aditya Birla Finance Limited : 1. Mr. Anuj Singh, Advocate  
2. Mr. Abir Debnath, Advocate  
3. Mr. A.K. Singh, Advocate
- For successful Resolution Applicant : 1. Mr. Abhrajit Mitra, Senior Advocate  
2. Mr. Nikunj Berlia, Advocate  
3. Mr. Shaunak Mitra, Advocate
- For suspended Board of Directors : 1. Ms. Aparajita Rao, Advocate  
2. Ms. Pallavi Gandhi, Advocate  
3. Mr. Sanwal Tibrewal, Advocate

Order reserved on: 17.11.2020.

Order pronounced on: 11.02.2021

**COMMON ORDER**

*{Disposing of IA (IB) No.716/KB/2020 and IA (IB) No.871/KB/2020}*

*Per: Rajasekhar V.K., Member (Judicial)*

1. This Court convened through video conferencing.
2. IA (IB) No.716/KB/2020 is an application under section 30(6) of the Code after approval of the resolution plan by the Committee of Creditors [CoC].
3. IA (IB) No.871/KB/2020 is an application filed by one of the secured financial creditors raising objection to certain clauses of the resolution plan and praying for refusing waiver or relinquishment of the debt and the liability of the guarantor in the resolution plan as sought for in the resolution plan approved by the CoC and to refuse the prayer of the Resolution applicant for a direction upon the RP in IA (IB) No.871/KB/2020 to issue a No Due Certificate in favour of the Resolution applicant as prayed for in clause 4.1 of the resolution plan.
4. Both the IAs are interconnected, and therefore, are being disposed of by means of a single order.

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**IA (IB) No.716/KB/2020**

5. This is an application moved on 17.11.2020 by Mr Mahesh Chand Gupta, Resolution Professional of Skipper Homes Private Limited [CIN: U51109WB-2006PTC109299] by invoking the provisions of section 30(6) of the Insolvency and Bankruptcy Code, 2016 (*hereinafter referred to as “the Code” or “IBC”*) read with regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (*“CIRP Regulations”*) for approval of a Resolution Plan in respect of Skipper Homes Private Limited (*“Corporate Debtor”*).
6. The underlying Company Petition in CP (IB) No.846/KB/2019 was filed by Orchid Barter Private Limited against the Corporate Debtor under section 7 of the Insolvency and Bankruptcy Code 2016, which was admitted *vide* order dated 21.10.2019 in CP (IB) No.846/KB/2019.
7. Initially, Mr Mahesh Chand Gupta (Reg. No.IBBI/IPA-001/IP-P01489/2018-2019/12304) was appointed as the Interim Resolution Professional (IRP). He was confirmed as the Resolution Professional (RP) of the Corporate Debtor at the first meeting of the CoC on 20.11.2019.
8. The IRP made public announcement on 23.10.2019 in The Financial Express (*English*) and Aajkal (*Bengali*) newspapers regarding initiation of Corporate Insolvency Resolution Process [**CIRP**] and called for claims from the financial and operational creditors, workers and employees of the Company in the specified forms till 04.11.2019.
9. The RP states that a total of seven CoC meetings have been held during CIRP period, as follows:

<b>Particulars</b>	<b>Date of CoC meeting</b>
1 <sup>st</sup> CoC Meeting	20.11.2019

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<b>Particulars</b>	<b>Date of CoC meeting</b>
2 <sup>nd</sup> CoC Meeting	13.12.2019
3 <sup>rd</sup> CoC Meeting	06.03.2020
4 <sup>th</sup> CoC Meeting	13.03.2020
5 <sup>th</sup> CoC Meeting	11.05.2020
6 <sup>th</sup> CoC Meeting	18.07.2020
7 <sup>th</sup> CoC Meeting	19.08.2020

10. The RP submits that in terms of the provisions of section 25(2)(h) of the Code read with regulation 36(A1) of the CIRP Regulations, invitations in Form 'G' for Expressions of Interest [EoI] from potential resolution applicants were issued on 04.01.2020 for submission of resolution plans for the Corporate Debtor. The last date for receipt of EoIs was 19.01.2020. This was published in *Business Standard* (English) and *Aajkal* (Bengali) newspapers of 04.01.2020. The notice was also published on the website of the Insolvency and Bankruptcy Board of India [IBBI].
11. The RP submits that in response to the invitation for EoI published on 04.01.2020, two EOIs were received. Till the last date of submissions of resolution plan, *i.e.*, till 29.02.2020, only one resolution plan was received – from Curtainman Online Private Limited [CIN: U51909WB2009PTC133724].
12. On 14.03.2020, the CoC in its 4<sup>th</sup> CoC meeting, decided that e-voting would be conducted after 20.03.2020 on the Resolution Plan of Curtainman Online Private Limited. The e-voting on the Resolution Plan was to be conducted on 23.03.2020-24.03.2020 but the same could not be conducted due to the outbreak of Covid-19 as all the offices were shut from 22.03.2020 in the State and thereafter a nationwide lockdown was also announced from 25.03.2020.

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13. The Resolution applicant *vide* email dated 05.05.2020, sought to withdraw their resolution plan and submit a revised plan due to the nationwide lockdown and the uncertain economic conditions and also requested refund of Rs.10 lakh that was deposited as Earnest Money Deposit [**EMD**]. The said email was discussed in the 5<sup>th</sup> CoC meeting held on 11.05.2020 and the CoC rejected the resolution for submission of revised plan. Thereafter, at the 6<sup>th</sup> CoC meeting held on 18.07.2020, the CoC discussed the matter at length after the Resolution applicant approached the RP to reconsider their proposal and the CoC, with 69.98% voting share, passed a resolution to allow the Resolution applicant to submit a revised resolution plan.
14. At the 7<sup>th</sup> CoC meeting, held on 19.08.2020, the revised resolution plan was discussed, wherein the total plan outlay was revised from ₹5.66 crore to ₹5.34 crore. The reasons for reduction in the revised resolution are as follows:
  - a. Initially the Resolution applicant had proposed to pay 60% of the admitted claim of Aditya Birla Finance Limited, the only secured financial creditor, as against 40% to the other financial creditors with longer payment period. But in the revised plan the said secured financial creditor will be paid at par with the other financial creditors, *i.e.*, 40% of the claim within a period of 34 months. As such ₹41.55 Lakhs has been reduced with a better payment period and at par with the other financial creditors.
  - b. Secondly, earlier the CIRP cost was proposed to be ₹25 lakh, subject to actuals, but due the lockdown, the CIRP cost is now estimated to be ₹35 lakh.
  - c. The revised resolution plan was put for e-voting from 21.08.2020-25.08.2020 and the CoC with 73.26% voting share approved the plan, whereas the secured financial creditor along with two unsecured creditors, having 22.35% voting share, voted against the plan and members having 4.39% voting share, abstained from voting.
15. The claims of financial and operational creditors as existing as on the date of filing the present application are as follows:

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<i>Sl No</i>	<i>Category of Claim and reference to Clause of the Resolution Plan</i>	<i>Amount admitted as per Information Memorandum (in Rs.)</i>	<i>Amount proposed to be paid as per Plan (in Rs.)</i>
1.	CIRP Costs (approx) [Clause 3.2]	35,00,000	35,00,000
2.	Financial Creditors [Clause 3.3]:		
	Secured [Clause 3.31]	2,07,76,343	83,10,537
	Unsecured [Clause 3.32]	9,49,97,982	3,79,99,193
3.	Operational Creditors [Clause 3.4]	1,24,89,728	6,24,486
4.	Employees/Workmen	Nil	Nil
5.	Others known/unknown/ contingent liability [Clause 3.5]	unknown	5,00,000
6.	Fresh investment in CD for revival	N/A	25,00,000
	<b>Total</b>	<b>13,17,64,053</b>	<b>5,34,34,216</b>

16. Further, the Resolution applicant has proposed to pay at least the liquidation value under section 53 of the Insolvency and Bankruptcy Code, 2016 to the dissenting financial creditors.

17. The CoC in the 7<sup>th</sup> meeting was informed of the fair market value and liquidation value of the Corporate Debtor, as per the valuation reports, which is as follows:

Valuer	Asset Class	Fair Market Value (Rs./lakhs)	Liquidation Value (Rs./lakhs)
Sk. Tarik Anowar	Land and Building	89.50	67.13
Prodipta Das	Land and Building	81.74	61.30
<b>Average value</b>		<b>85.62</b>	<b>64.22</b>
Sanjay Jhaharia	Securities or Financial Assets	161.12	78.10
Ayush Jain	Securities or Financial Assets	158.67	76.29
<b>Average value</b>		<b>159.90</b>	<b>77.20</b>

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Valuer	Asset Class	Fair Market Value (Rs./lakhs)	Liquidation Value (Rs./lakhs)
<b>Total average value</b>		<b>245.52</b>	<b>141.42</b>

18. The RP has submitted details of various compliances as envisaged within the Code and the CIRP Regulations, which a Resolution Plan is required to adhere to. These are extracted hereunder:

**I. Submission of Resolution Plan in terms of sub-section (2) of section 30 of the Code:**

Clause of sec. 30(2)	Requirement	How dealt with in the Plan
(a)	Plan must provide for payment of CIRP cost in priority to repayment of other debts of CD in the manner specified by the Board.	Clause 3.2 at Page 18 of the Resolution Plan
(b)	<p>(i) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be less than the amount payable to them in the event of liquidation u/s 53; or</p> <p>(ii) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be 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 sub-</p>	<p>(i) Clause 3.4 at Page 21 the Resolution Plan</p> <p>(ii) Clause 3.4 at Page 21 of the Resolution Plan</p>

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Clause of sec. 30(2)	Requirement	How dealt with in the Plan
	section (1) of section 53, whichever is higher and  (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.	(iii) Clause 3.4 at Page 21 of the Resolution Plan.
(c)	Management of the affairs of the Corporate Debtor after approval of the Resolution Plan.	Clause 3.6 at Page 23 of the Resolution Plan
(d)	Implementation and Supervision.	Clause 3.8 at Page 25 of the Resolution Plan
(e)	Plan does not contravene any of the provisions of the law for the time being in force.	Clause 4.5 at Page 31 of the Resolution Plan
(f)	Conforms to such other requirements as may be specified by the Board.	Clause 4.5 at Page 31 of the Resolution Plan

**II. Measures required for implementation of the Resolution Plan in terms of Regulation 37 of CIRP Regulations:**

*A resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximisation of value of its assets, including but not limited to the following: -*

<b><i>Particulars</i></b>	<b><i>Relevant Page of the Revised Resolution Plan dealing aforesaid compliance with Regulation</i></b>
(a) transfer of all or part of the assets of the corporate debtor to one or more persons;	<i>Not proposed by the RA</i>
(b) sale of all or part of the assets whether subject to any security interest or not;	<i>Not proposed by the RA</i>

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<b><i>Particulars</i></b>	<b><i>Relevant Page of the Revised Resolution Plan dealing aforesaid compliance with Regulation</i></b>
(c) restructuring of the corporate debtor, by way of merger, amalgamation and demerger	<i>Not proposed by the RA</i>
(d) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;	<i>Clause 3.6 at Page 23 of the Resolution Plan</i>
(e) cancellation or delisting of any shares of the corporate debtor, if applicable;	<i>Clause 3.6 at Page 23 of the Resolution Plan</i>
(f) satisfaction or modification of any security interest;	<i>Clause 4.1 at Page 27 of the Resolution Plan</i>
(g) curing or waiving of any breach of the terms of any debt due from the corporate debtor;	<i>Not proposed by the RA</i>
(h) reduction in the amount payable to the creditors;	<i>Financial Creditor: ₹570 lakh Operational Creditor: ₹118.65 lakh</i>
(i) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;	<i>NIL</i>
(j) amendment of the constitutional documents of the corporate debtor;	<i>Not proposed by the RA</i>
(k) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;	<i>Not proposed by the RA</i>
(l) change in portfolio of goods or services produced or rendered by the corporate debtor;	<i>Not proposed by the RA</i>
(m) change in technology used by the corporate debtor; and	<i>Not proposed by the RA</i>
(n) obtaining necessary approvals from the Central and State Governments and other authorities.	<i>Clause 4.2 at Page 28 of the Resolution Plan</i>

**III. Mandatory contents of Resolution Plan in terms of Regulation 38 of CIRP**

**Regulations:**

<i>Reference to relevant Regulation</i>	<i>Requirement</i>	<i>How dealt with in the Plan</i>
38(1)	The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.	<i>Clause 3.4 at Page 21 of the Resolution Plan.</i>
38(1A)	A 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.	<i>Clause 4.3 at Page 29 of the Resolution Plan.</i>
38(1B)	A 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.	<i>Not proposed by RA</i>
38(2)	A resolution plan shall provide:	<i>Clause 3.7 at Pages 24 of the Resolution Plan.</i>
	(a) the term of the plan and its implementation schedule;	
	(b) the management and control of the business of the corporate debtor during its term; and	<i>Clause 3.6 Pages 23 of the Resolution Plan.</i>
	(c) adequate means for supervising its implementation.	<i>Clause 3.8 at Pages 25 of the Resolution Plan.</i>

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<b><i>Reference to relevant Regulation</i></b>	<b><i>Requirement</i></b>	<b><i>How dealt with in the Plan</i></b>
38(3)	A resolution plan shall demonstrate that – a. it addresses the cause of default; b. it is feasible and viable; c. it has provisions for its effective implementation; d. it has provisions for approvals required and the timeline for the same; and (b) (e) the Resolution applicant has the capability to implement the resolution plan.	<i>Clause 3.8 at Page 25 of the Resolution Plan</i>

19. The RP submits that the successful Resolution applicant has submitted a certificate of eligibility under section 29A of the Code, which has been annexed as **Annexure L** at **Pp. 136 to 139** of the Application.
20. The RP has filed a Compliance Certificate in prescribed form, *i.e.*, Form ‘H’ in compliance with regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which has been annexed as **Annexure M** at **Pp. 148 to 156** of the Application.

**Details of Resolution Plan/Payment Schedule**

21. The RP submits the relevant information with regard to the amount claimed, amount admitted and the amount proposed to be paid by the Resolution applicant, *i.e.*, Curtainman Online Private Limited, under the said Resolution Plan is tabulated as under:

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Sl. No	Creditor	Amount Claimed (in Rs.)	Amount Admitted (in Rs.)	% share in COC	Amount proposed in Resolution Plan (in Rs.)
<b>Financial Creditor</b>					
1	Aditya Birla Finance Limited	2,07,76,343	2,07,76,343	19.74%	83,10,537
2	Jalan Projects & Merchants Pvt Ltd	16,63,257	16,63,257	1.58%	6,65,303
3	Tatpar Vyapaar Pvt Ltd	1,07,38,705	1,07,38,705	10.20%	42,95,482
4	Twenty First Century Auto Locks Pvt Ltd	54,31,686	54,31,686	5.16%	21,72,674
5	Orchid Barter Pvt Ltd	75,60,958	75,60,958	7.18%	30,24,383
6	Abhashree Projects Ltd	26,93,602	26,93,602	2.56%	10,77,441
7	Appear Commotrade Pvt Ltd	28,00,580	28,00,580	2.66%	11,20,232
8	Ess Pee Sarees Pvt Ltd	1,12,11,066	1,12,11,066	10.65%	44,84,426

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<b>Sl. No</b>	<b>Creditor</b>	<b>Amount Claimed (in Rs.)</b>	<b>Amount Admitted (in Rs.)</b>	<b>% share in COC</b>	<b>Amount proposed in Resolution Plan (in Rs.)</b>
9	Kams Décor LLP (Formerly known as Cityzen Vyapaar LLP)	28,85,480	28,85,480	2.74%	11,54,192
10	Kasturi Commodeal Pvt Ltd	30,68,827	30,68,827	2.92%	12,27,531
11	Liberal Distributors Pvt Ltd	30,68,827	30,68,827	2.92%	12,27,531
12	Aastha Tradecom Pvt Ltd	26,14,186	26,14,186	2.48%	10,45,674
13	Vantage Distributors Pvt Ltd	26,14,186	26,14,186	2.48%	10,45,674
14	Singhi Finlease Pvt Ltd	10,88,082	10,88,082	1.03%	4,35,233
15	Pawan Industrial Corporation Private Limited.	10,86,548	10,86,546	1.03%	4,34,619
16	Amex Properties	10,95,125	10,95,125	1.04%	4,38,050

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Sl. No	Creditor	Amount Claimed (in Rs.)	Amount Admitted (in Rs.)	% share in COC	Amount proposed in Resolution Plan (in Rs.)
	Private Limited				
17	Hanuman Trading & Feeds Private Limited	15,46,603	15,46,603	1.47%	6,18,641
18	Sarthak Vinimoy Private Limited	8,96,626	8,96,626	0.85%	3,58,650
19	Shree Balaji Transport & Roadways Private Limited	2,00,00,000	2,00,00,000	19%	80,00,000
20	Trimurti Garments (P) Ltd	24,33,638	24,33,638	2.31%	9,73,455
<b>Operational Creditors</b>					
1	Dy. Com. of Income Tax, Central Circle 2(3), Kolkata	1,03,38,691	1,03,38,691	N/A	5,16,935
<b>CIRP Cost</b>					
1	CIRP Cost	35,00,000	35,00,000	N/A	35,00,000
<b>Total</b>			<b>11,91,13,016</b>	<b>N/A</b>	<b>4,61,26,663</b>

22. The RP submits the relevant information with regard to the amount due but not claimed, and the amount proposed to be paid by the Resolution applicant, *i.e.*,

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Curtainman Online Private Limited, under the said Resolution Plan is tabulated as under:

Sl. No	Creditor	Amount Due (in Rs.)	Amount proposed in Resolution Plan (in Rs.)
<b>Financial Creditor</b>			
1.	Chitrapuri Merchants (P) Ltd	15,00,000	6,00,000
2.	Divine Nirman (P) Ltd	10,00,000	4,00,000
3.	Vaib Shree Finvest (P) Ltd	10,00,000	4,00,000
4.	Renault Technology (P) Ltd	15,00,000	6,00,000
5.	Mojika Steel (P) Ltd	15,00,000	6,00,000
6.	Indivar Properties (P) Ltd	25,00,000	10,00,000
7.	Chiki Finance (P) Ltd	15,00,000	6,00,000
<b>Operational Creditors</b>			
1.	Ditsa Enterprise (Trade Payable)	1,69,646	8,482
2.	Madma Fincorp Ltd	22,579	1,129
3.	Income Tax for AY 2019-20 due	17,98,387	89,919
4.	Alok Agarwal	55,100	2,755
5.	K S Bothra & Co	19,360	968
6.	Mohini Agarwal	69,100	3,455

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Sl. No	Creditor	Amount Due (in Rs.)	Amount proposed in Resolution Plan (in Rs.)
7.	Ramesh Kr Saraogi	16,865	843
	<b>Total</b>	1,26,51,037	43,07,551

23. Summary of the financial proposal/payment under the Resolution Plan dated 13.08.2020 of Curtainman Online Private Limited is tabulated hereunder:

Particulars	Amount
Admissible Debt to be paid upfront to the CIRP	₹35,00,000 (Rupees thirty-five lakh only) or the actual amount. However, if the Resolution Process Costs are higher than ₹35,00,000/-, our total Investment amount shall increase by that amount, if it is less, the total Investment shall reduce by that amount, to be paid within thirty days.
Admissible Debt to be paid upfront to the Operational Creditors	₹6,24,486/- (Rupees six lakh twenty-four thousand four hundred and eighty-six only). 5% of the admitted claim by the Resolution Professional within 30 days.
Admissible Debt to be paid to Financial Creditors	₹83,10,537/- (Rupees eighty-three lakh ten thousand five hundred and thirty-seven only) to the Secured Creditors and ₹3,79,99,193/- (Rupees three crore seventy-nine lakh ninety-nine thousand one hundred and ninety-three only) to the Unsecured Financial Creditors as follows:  40% of the admitted claim by the Resolution Professional, payment to be made in 10 equal instalments – first within 30 days, second in seven months, third in thirteen months, fourth in sixteen months and subsequent instalments

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<b>Particulars</b>	<b>Amount</b>
	in gaps of three months – completely in 34 months.

24. The Resolution Plan defines “*Effective Date*” as the date on which the Adjudicating Authority approves the resolution plan.

**Details on Management/Implementation and Reliefs as per the Resolution Plan – Salient Features**

25. The Resolution Plan also provides for –
- Management of Company after resolution in Clause 3.6;
  - Term of the resolution plan in Clause 3.7; and
  - Implementation and Supervision of the resolution plan in Clause 3.8.

**Relinquishment/Waiver of liabilities**

26. The Relinquishment/Waiver of liabilities sought by the Resolution applicant are set out in clause 4.1 at page 27 of the Resolution Plan for the successful implementation of the Resolution Plan.

**IA (IB) No.871/KB/2020 – Objection to the Resolution Plan**

27. IA (IB) No.871/KB/2020 has been filed by Aditya Birla Finance Limited objecting to clause 4.1 in the Resolution Plan. Mr. Anuj Singh, Ld. Counsel appearing for the Objector, was at pains to point out that he has no objection to the Resolution Plan *per se* or to the manner of its approval by the Committee of Creditors (CoC), but only to clause 4.1 of the Resolution Plan.
28. Ld. Counsel for the objector submitted that the object of the IBC is not to allow personal guarantors to escape from their liability. He submitted that in the present case Aditya Birla Finance Limited is getting only 40% of its claim. For the remaining 60% it would like to proceed against Mr. Kamlesh Agarwal, the personal guarantor. He further submitted that he has a statutory right under the Indian Contract Act, 1872 where he can proceed against the principal borrower and against the guarantor independently of each other.

29. Mr Anuj Singh, Ld. Counsel, alleged that by approving the resolution plan containing a clause of extinguishment of personal liability, the other financial creditors are extinguishing a vested right of Aditya Birla Finance Limited, and that too unilaterally, when they are not even privy to the contract. The line of argument used is that under section 30 of the Code, the binding nature of the resolution plan is only on the Corporate Debtor and not on the guarantors. This is an involuntary act *vis-à-vis* the Corporate Debtor alone.
30. Mr. Anuj Singh relied on the following case laws in support of his contentions:
- a. The judgment of the Hon'ble High Court, Calcutta dated 13.11.2019 in ***Gouri Shankar Jain v. Punjab National Bank & another***,<sup>1</sup> (para 35);
  - b. The Hon'ble Supreme Court in ***State Bank of India v. V. Ramakrishnan & another***,<sup>2</sup> (para 22 & 23) –

***Reply of the Resolution Professional to the objection raised by Aditya Birla Finance Limited:***

31. Mr. Rishav Banerjee, Ld. Counsel appearing on behalf of the Resolution Professional while countering the objections of one of the dissident Financial Creditor stated that essentially it is the commercial wisdom of the CoC to approve or reject the resolution plan that is placed before them, and in that regard, there can be no substitution of judicial wisdom in place of the commercial wisdom of the CoC. He relied on the judgment of the Hon'ble Supreme Court in ***K. Sashidhar v. Indian Overseas Bank***,<sup>3</sup> and ***Committee of Creditors of Essar Steels India Limited v. Satish Kumar Gupta & Others***,<sup>4</sup> and the decision of the Hon'ble NCLAT in ***Santosh Wasantrao Walokar v. Vijay Kumar V. Iyer & another***,<sup>5</sup> explaining the scope and powers of the

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<sup>1</sup> (2019) SCC OnLine Cal 7288 dated 18.09.2019.

<sup>2</sup> (2018) 17 SCC 394 dated 14.08.2018.

<sup>3</sup> (2019) 12 SCC 150 dated 05.02.2019.

<sup>4</sup> (2020) 8 SCC 531 dated 15.11.2019.

<sup>5</sup> (2020) SCC OnLine NCLAT 128 dated 24.01.2020.

Adjudicating Authority and the Appellate Tribunal while approving the Resolution Plan.

***Reply of the successful Resolution applicant to the objections raised by Aditya Birla Finance Limited.***

32. Ld. Sr. Counsel Mr. Abhrajit Mitra appearing on behalf of the successful Resolution Applicant submitted that the essential question is whether it would be an illegal act if the guarantor's liability is extinguished. He drew our attention to section 238 of the Code wherein it has been explicitly laid down that the IBC provisions will override other laws to the extent of inconsistency. He further emphasises that section 30 of the Code is the encompassing provision where the resolution plan should be considered. He also points out that the regulations framed under the Code also support the discharge of the personal guarantors.
33. Mr. Mitra, Ld. Sr Counsel, also pointed out that the resolution plan did not deal with the personal guarantees and therefore section 134 of the Indian Contract Act, 1872 would not be attracted. Mr. Mitra further pointed out that assuming that there was no provision for discharge then the guarantor would have been forced to pay off ₹1.52 Crore and the guarantor would have been subrogated in place of the Financial Creditor. Further, if the intent of the successful resolution applicant is to take a clean company, then even the personal guarantees, the Corporate Debtor under new management would want to extinguish all its *vis-à-vis* the claims of the creditors. A Resolution Applicant would prefer not to be at loggerheads with the erstwhile management since it would still have some hidden influence over the employees etc., and thus would have an interest in avoiding appeals, challenges etc.
34. Mr. Mitra, Ld. Sr. Counsel, emphasised that approval of the resolution plan imposes a settlement under the statute. If the guarantees are not extinguished, then the guarantors will stand as creditors to the Corporate Debtor under the new management.

***Issue for determination***

35. We have heard the Ld. Counsel appearing on behalf of the objector, *i.e.*, Aditya Birla Finance Limited and the reply thereto of the Resolution Professional and the successful Resolution applicant and the Ld. Counsel appearing on behalf of the Resolution Professional and Ld. Sr. Counsel appearing on behalf of the successful Resolution Applicant.
36. The only question for consideration is whether an approved Resolution Plan can extinguish personal liabilities in the teeth of the objections of the guarantee-holder. In this context, it is necessary to notice some statutory provisions.

***Statutory provisions***

37. Section 60(2) of the Code contains a *non-obstante* clause to the effect that notwithstanding anything to the contrary contained in this Code where a corporate insolvency resolution process or liquidation proceeding of a corporate debtor is pending before a National Company Law Tribunal, an application relating to the insolvency resolution or liquidation or bankruptcy of a corporate guarantor or personal guarantor, as the case may be, of such corporate debtor shall be filed before such National Company Law Tribunal.
38. Section 31(1) of the Code stipulates that if the Adjudicating Authority is satisfied that the resolution plan as approved by the CoC under section 30(4) of the Code meets the requirement as specified in section 30(2) of the Code, it shall by order approve the resolution plan which shall be binding on the Corporate Debtor, its employees, members, creditors, guarantors and other stakeholders.

***Analysis***

39. In so far as the extinguishment of personal guarantees provided by Directors or other third parties on behalf of the Corporate Debtor are concerned, an important question of law as regards the coextensive nature of liability of the guarantors *vis-à-vis* the principal borrower has been raised. We are fortunate that we have two judgments to go by – one by the Hon'ble Supreme Court in *Maharashtra*

*State Electricity Board, Bombay v. Official Liquidator, High Court, Ernakulam & Another*,<sup>6</sup> and the other by the Hon'ble Calcutta High Court in *Gouri Shankar Jain (supra)*, which have a direct bearing on the matter. We have to add that the *Maharashtra State Electricity Board, Bombay (supra)* judgment was not quoted by either side, but this is not something we can ignore on that score.

40. In *Maharashtra State Electricity Board (supra)* the Hon'ble Supreme Court while deciding the liability of a Bank which had given a guarantee for a Company against supply of goods and which Company went into liquidation, was considered. It was held there that it will not be open to the Company Judge to make any order under the Companies Act, 1956 prohibiting the Board from realising an amount guaranteed by the Bank, as this had nothing to do with the assets of the Company in liquidation. It was further held that the three transactions, viz., (i) the bank guarantee; (ii) the contract of supply between the Board and the Company in Liquidation; and (iii) the document under which the company in liquidation gave a fixed deposit receipt and some quantity of Zinc ingots as security, are all independent of each other in so far as their legal incidents are concerned. The Hon'ble Supreme Court held that the fact of the principal debtor having gone into liquidation would not have any effect on the bank's liability as guarantor. While noting that section 128 of the Indian Contract Act, 1872 specify that the liability of the surety is co-extensive with that of the principal debtor unless it is otherwise provided by the contract. It also noted that a discharge which the principal debtor may cleared by operation of law in bankruptcy or in liquidation proceedings in the case of the company does not absolve surety of its liability.
41. In *Gouri Shankar Jain (supra)*, the Hon'ble Calcutta High Court interpreted the contours of section 128 of the Indian Contract Act, 1872, and held that the expression 'co-extensive' relates to the quantum of principal debt. The Hon'ble High Court also looked at section 134 and 135 of the Indian Contract Act, 1872,

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<sup>6</sup> (1982) 3 SCC 348 dated 13.10.1982.

and held that the discharge in the present case was not by way of any voluntary act on the part of the creditor. A resolution plan may provide either for payment of the entire claim or only part of the claim as final settlement. In neither situation, can the creditor be said to have entered into any sort of compromise voluntarily with the corporate debtor in regard to the quantum of debt.

42. After observing thus, the Hon'ble High Court reiterated the principle enunciated by the Hon'ble Supreme Court in *Maharashtra State Electricity Board (supra)* that a discharge which is secured by a principal debtor by operation of law (*i.e., by bankruptcy, insolvency or liquidation proceedings*) would not absolve the surety of his liability.
43. We are extremely conscious of the Hon'ble Supreme Court's decision in *Essar Steel (supra)*, whereby only an exceedingly small window of judicial review is available to the Adjudicating Authority once the resolution plan is approved by the CoC. We have to be extremely circumspect to ensure that we do not substitute our view for that of the CoC. Having said that, we are in respectful agreement with the ratio of the judgments in *Gouri Shankar Jain (supra)* and *Maharashtra State Electricity Board (supra)*. Applying them in the present case, we hold that the commercial wisdom of the Committee of Creditors cannot possibly extend to extinguish the personal liability of the guarantors and therefore the CoC cannot extinguish such liability. The Resolution Plan cannot possibly be stretched to extinguish the personal liabilities of the guarantors without the consent of the financial creditors holding such guarantees. It would be beyond the remit of the Committee of Creditors to foray into this area of extinguishing personal liabilities owed to individual financial creditors without obtaining consent of such financial creditors. Therefore, we do not grant explicit waiver of the personal guarantees provided by the directors or other third parties on behalf of the Corporate Debtor.

**Retention of existing rights/ Licences/ Registrations/ Approvals / Leases**

44. The reliefs sought with respect to retention of existing rights/ Licences/ Registrations/ Approvals /Leases, and orders thereon, are tabulated below:

IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH

Orchid Barter Pvt. Ltd v. Skipper Homes Pvt. Ltd.  
IA (IB) No.716/KB/2020 and IA (IB) No.871/KB/2020 in CP (IB) No.846/KB/2019

<b>Sl. No.</b>	<b>Ref to clause</b>	<b>Reliefs sought</b>	<b>Orders thereon</b>
1.	4.2	Upon approval of the Resolution Plan, all the Existing Statutory Rights, Licenses, Registrations, Approvals, Leases, permits, and so on shall remain in force.	Yes, provided that the corporate debtor under the successful Resolution applicant shall apply to the authorities concerned for the same, who shall consider the same in terms of the said Resolution Plan.
2.	4.2	Upon approval of the Resolution Plan, all Licenses/ Registrations / Approvals / Leases that are pending / have been suspended/ cancelled are to be renewed/ continued as the case may be.	

**No objection certificate**

45. The No Objection Certificates sought by the Resolution applicant are set out below for the successful implementation of the Resolution Plan:

<b>Sl. No</b>	<b>Ref. to clause</b>	<b>Reliefs sought</b>	<b>Orders thereon</b>
1.	4.4	No Dues Certificate shall be issued by the Existing Financial Creditors of the CD post repayment as proposed in the Resolution Plan. This shall relieve the Company and its Directors of any liability on this account.	Granted, in terms of the approved Resolution Plan
2.	4.4	Upon approval of the Resolution Plan, Financial Creditors shall also release all the Securities over which charge is created in their favour.	Granted, in terms of the approved Resolution Plan

IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH

Orchid Barter Pvt. Ltd v. Skipper Homes Pvt. Ltd.  
IA (IB) No.716/KB/2020 and IA (IB) No.871/KB/2020 in CP (IB) No.846/KB/2019

Sl. No	Ref. to clause	Reliefs sought	Orders thereon
3.	4.4	Upon approval of the Resolution Plan, Financial Creditors shall also withdraw all cases/ litigations against the CD/ Director / Guarantor in all Fora.	Granted, in terms of the approved Resolution Plan. It is, however, made explicitly clear that there shall be no extinguishment of personal liability of guarantors.
4.	4.4	The Existing Lenders shall issue No Objection Certificate for any further Debt/Equity/Fund Raising and cede/release charge as required.	Granted, in terms of the approved Resolution Plan.
5.	4.4	All Other Lenders/ Creditors shall also withdraw all proceedings/ cases/suits/other litigation against the CD/ Director / Guarantor and issue No Dues Certificate.	Granted, in terms of the approved Resolution Plan. It is, however, made explicitly clear that there shall be no extinguishment of personal liability of guarantors.

46. On hearing the submissions made by the Ld. Counsel for the Resolution Professional, and perusing the record, we find that the Resolution Plan has been approved with 73.26% voting share, whereas three financial creditors having 22.35% voting share have voted against the resolution plan and members having 4.39% voting share, abstained from voting. As per the CoC, the plan meets the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution applicant for making the plan effective after approval by this Bench.
47. 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

IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH

Orchid Barter Pvt. Ltd v. Skipper Homes Pvt. Ltd.  
IA (IB) No.716/KB/2020 and IA (IB) No.871/KB/2020 in CP (IB) No.846/KB/2019

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regulations 38 and 39 of the CIRP Regulations, **except in so far as extinguishment of personal guarantees are concerned.**

48. As far as the question of granting time to comply with the statutory obligations and 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.
49. In case of non-compliance of this order or withdrawal of Resolution Plan, the amount already paid by the Resolution applicant towards performance guarantee is liable to be forfeited.
50. Subject to the observations made in paragraphs 47 to 48 *supra*, the Resolution Plan in question is hereby **APPROVED** by this Bench. **The Resolution Plan shall form part of this Order.**
51. The Resolution Plan shall binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect.
52. The moratorium imposed under section 14 shall cease to have effect from the date of this order.
53. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order.
54. The Resolution Professional is further directed to hand over all records, premises/factories/documents to the Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records/premises/factories/documents through the Resolution Professional to finalise the further line of action required for starting of the operation.
55. Liberty is hereby granted for moving any Application if required in connection with implementation of this Resolution Plan.

IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH

Orchid Barter Pvt. Ltd v. Skipper Homes Pvt. Ltd.  
IA (IB) No.716/KB/2020 and IA (IB) No.871/KB/2020 in CP (IB) No.846/KB/2019

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56. A copy of this Order shall be filed in the Office of the Registrar of Companies, West Bengal, by the Resolution Professional.
57. **IA (IB) No. 716/KB/2020, IA (IB) No. 871/KB/2020** and the main Company Petition, *i.e.*, **CP (IB) No. 846/KB/2019** shall stand disposed of accordingly.
58. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
59. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance.
60. File be consigned to the record.

(Harish Chander Suri)  
Member (Technical)

Rajasekhar V.K.  
Member (Judicial)

*Signed on this 11<sup>th</sup> day of February, 2021.*

GGRB[LRA]

# Resolution Plan

(Amendment 4)

## Curtainman Online (P) Ltd

(Resolution Applicant)

## In the Matter of Skipper Homes (P) Ltd

(Corporate Debtor)

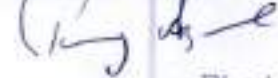
Date – 13 August 2020



## Glossary

Term	Definition
Resolution Applicant	Refers to Curtainman Online (P) Ltd
Corporate Debtor	Refers to Skipper Homes (P) Ltd
Cr	Abbreviation for Crores or Ten Million
Financial Creditors	Financial Creditors as defined by the Insolvency and Bankruptcy Code 2016
Operational Creditors	Operational Creditors as defined by the Insolvency and Bankruptcy Code 2016
IBC, Code	Abbreviation for Insolvency and Bankruptcy Code, 2016
IBBI	Insolvency And Bankruptcy Board of India
NCLT	National Company Law Tribunal
AA	Adjudicating Authority
Effective Date	Date on which the National Company Law Tribunal approved the Resolution Plan
Regulations	Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2017

CURTAINMAN ONLINE/PVT. LTD.



Director

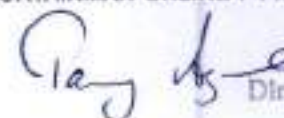
## Declaration

Curtainman Online (P) Ltd (the Resolution Applicant) is interested to provide a Resolution Plan for Skipper Homes (P) Ltd (the Corporate Debtor). This Proposed Resolution Plan is based on the Information Memorandum and other details shared by the Insolvency Professional (Mr Mahesh Gupta)

The Proposed Resolution Plan entails the following in compliance with Section 30 (2) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2017.

- 1) It provides for the payment of the Insolvency Resolution Process costs in a manner specified by the Board in priority to the payment of other debts of the Corporate Debtor
- 2) It provides for the payment of the debts of the Operational Creditors in such manner as may be specified by the Board which shall not be less than the amount to be paid to the Operational Creditors in the event of a Liquidation of the Corporate Debtor under Section 53
- 3) It provides for the Management of the Affairs of the Corporate Debtor after approval of the Resolution Plan
- 4) It provides for the Implementation, Implementation Schedule and Adequate Means of Supervision of the Resolution Plan
- 5) The Resolution Plan does not contravene any of the Provision of the Law for the time being in force
- 6) The Resolution Plan conforms to such other requirements as may be specified by the Board
- 7) The Resolution Plan has dealt with the Interests of all Stakeholders, including Financial Creditors and Operational Creditors, of the Corporate Debtor in compliance with the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2017
- 8) The Resolution Applicant has the capability to implement the Resolution Plan
- 9) The Resolution Plan has the requisite provisions for approvals required and timelines for the same
- 10) The Resolution Plan has provisions for its effective implementation
- 11) The Resolution Plan is both Feasible and Viable
- 12) The Resolution addresses the Cause of Default


CURTAINMAN ONLINE PVT. LTD.

  
Director

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CURTAINMAN ONLINE PVT. LTD.

  
Director

## 1.0 Corporate Debtor

### 1.1 Background

Company Name	Skipper Homes (P) Ltd
Constitution	Private Limited Company
CIN	U51109WB2006PTC109299
Registered Office	16 F East Topsia Road, First Floor, Kolkata 700 046
Date of Incorporation	11 May 2006
Business Products / Services	Seller of Furnishings & Fabrics

**Skipper Homes Private Limited (SHPL)** was incorporated on 11.05.2006 in the name of "TARAMAA VYAPAAR PRIVATE LIMITED." Subsequently the name was changed to "SKIPPER HOMES PRIVATE LIMITED" on 27.06.2013 and fresh certificate of incorporation was issued by the Registrar Of Companies. SHPL is engaged in trading in textile sector as whole-seller in the Home Furnishings Products in India. The Company deals in variety of furnishing products like, Curtain Fabrics, Readymade Curtains, Cushion Covers, Bed Linen, Pillows & Cushions etc.

The Company maintains and supplies varieties of these products to whole-sellers / retailers mainly concentrated in West Bengal & nearby areas. Company's sales comes from retail Tailors, other traders as well as from Skipper Furnishings (P) Ltd & Skipper Textiles (P) Ltd, Group Companies engaged in retailing of all these products.

The Company maintains its inventory primarily at a rental godown at Bansuri Housing Society, 4 Ahallya Nagar, Sonarpur, Mukundapur, South 24 Parganas, West Bengal, 700099.

CURTAINMAN ONLINE PVT. LTD.  
  
Director

## 1.2 Promoter & Board of Directors

At present, the Board of Director comprises Mr Kamlesh Agarwal and Mr Shonak Agarwal.

No	Name	Designation	DIN No
1	Kamlesh Agarwal	Director	00384350
2	Shonak Agarwal	Director	02760383

The Shareholding is as below:

No	Name	No of Shares	Percentage
1	Kamlesh Agarwal	6,980	22.52%
2	Shonak Agarwal	5,000	16.13%
3	Rashmi Devi Agarwal	2,000	6.45%
4	Tanay Agarwal	5,000	16.13%
5	Pooja Agarwal	12,020	38.77%
	<b>Total</b>	<b>31,000</b>	<b>100.00%</b>

CURTAINMAN ONLINE PVT. LTD.

*King*

Director

### 1.3 Past Financial Snapshot

(Financials as per Information Memorandum available)

Details of Fixed Assets as on October 21, 2019

Particulars	Amount in Rupees
<b>Tangible Assets</b>	
Showroom at Raghunathpur **	30,36,029.00
Air Conditioner	19,913.80
Computer	4.80
Electric Fittings	26,993.70
Furniture and Fixture	7,62,690.60
Refrigerator	1,137.30
Motor Car	72,700.50
SignBoard	4,282.20
<b>TOTAL</b>	<b>39,23,751.90</b>

*Notes: \*Based on Provisional Financial Statement (Unaudited) as on 21.10.2019 received from the CD*

*\*\* Showroom at Raghunathpur has been mortgaged to ICICI Bank Ltd as security for Financial Assistance provided to Group Companies-Skipper Textiles Pvt Ltd & Skipper Furnishings Pvt Ltd to the extent of Rs.30 crores.*

Details of Non-Current Investments as on October 21, 2019

Description	Book Value (in Rs)
300000 Equity Shares of Skipper Furnishing Private Limited	1,37,75,000.00
225583 Equity Shares of Skipper Textiles Private Limited	77,77,915.00
<b>Total</b>	<b>2,15,52,915.00</b>

*\*Note: Based on Provisional Financial Statement (Unaudited) as on 21.10.2019 received from the CD.*

Details of Long Term Loans and Advances as on October 21, 2019

Description	Book Value In Rs
Security Deposit (WBSEDCL)	34,490.00
Security Deposit (CESC)	1,52,750.00
<b>Total</b>	<b>1,87,240.00</b>

**Details of Trade Receivables as on October 21, 2019**

Description	Book Value (Rs.)
Amit Commotrade P Ltd	900000.00
Avinandan Fashions Pvt Ltd	23759.00
Chorodia Commercial Pvt Ltd	592205.00
ENARAI COMMERCIAL PVT LTD	150833.00
FURNISHINGS	2293.00
HABIB ISLAM	171066.00
HI LIFE TRADERS PVT LTD	1853000.00
JAKIR ALI	169176.00
MUKHTAR AHMED	123214.00
NASIM ALI	145821.00
OSCAR LIFE STYLE PVT LTD	3341781.00
SK. SALIM	3675.00
Sobhyata Trading Co Pvt Ltd	182295.00
Stellar Prop Hi Life Traders P Ltd (Dr)	1230682.00
SULTAN AHMED	269724.00
Suraj Dealcom Pvt Ltd	454900.00
<b>Total</b>	<b>9614424.00</b>

*\*Note: Based on Provisional Financial Statement (Unaudited) as on 21.10.2019 received from the CD.*

**Details of Cash and Cash Equivalents as on October 21, 2019**

Description	Book Value (Rs)
Cash in Hand	246170.00
Balances with Scheduled Banks in Current Accounts	54857.78
<b>Total</b>	<b>301027.78</b>

**Details of Short Term Loans and Advances as on October 21, 2019**

Description	Book Value (Rs)
Loan to Lingraj Trading	50,00,000.00
Loan to Trak Chemicals Pvt Ltd.	30,00,000.00
Loan to Twinkle Tie up Pvt Ltd.	20,00,000.00
Advance Paid to Flexicon Garments Pvt Ltd.	19,00,000.00
Debit Balance in Sundry Creditor A/c- Probal Merchants Pvt Ltd.	68,955.00
CGST/SGST/IGST (Net) Credit	14,91,458.56
Advance to Staff	16,210.00
Income Tax Appeal Fees	4,09,902.00
Security Deposit (Rent)	1,00,000.00
<b>Total</b>	<b>1,39,86,525.56</b>

CURTAINMAN ONLINE PVT. LTD.

Details of Short Term Borrowings (Unsecured) as on October 21, 2019

Name of Lender	Book Value (Rs)
<b>Short Term Loans from Related Parties</b>	
<b>(A) From Directors (Inst Free)</b>	
Kamlesh Agarwal	2,60,06,510.40
Shonak Agarwal	2,36,24,587.00
<b>Total (A)</b>	<b>4,96,31,097.40</b>
<b>(B) From Other Related Parties (Interest free)</b>	
Kamlesh Agarwal HUF	65,000.00
Tanay Agarwal	8,79,546.00
Rashmi Agarwal	76,42,379.00
<b>Total (B)</b>	<b>85,86,943.00</b>
<b>Total from related parties (C) A+B</b>	<b>5,82,18,040.40</b>
<b>(D) From non-related parties / Bodies Corporate</b>	
Please refer ANNEXURE – A attached herewith.**	8,35,28,356.00
<b>Total (E) A+D</b>	<b>14,17,46,396.40</b>

\*Note: Based on Provisional Financial Statement (Unaudited) as on 21.10.2019 received from the CD.

\*\* It is informed that No Interest has been provided in the books for last 2 years and payments made for interest have been debited to the Lenders Account, which has caused a difference between the outstanding amount as per Books and as Claimed / to be Claimed by the Lenders. As such, claimed amount by the lenders has been admitted by IRP/RP

**Audited Financial Statements**

Summary of the Audited Financial Statement of the Corporate Debtor for the last two financial years i.e. for the year ended 31.03.2017 and 31.03.2018 Summary of Balance sheet

Particulars	As on 31.03.2018	As on 31.03.2017
	Amount (Rs.)	Amount (Rs.)
<b>Liabilities:</b>		
Share capital	310000.00	310000.00
Reserves and surplus	4899685.45	3658245.31
Long Term Borrowings	21132036.84	23116302.79
Short Term Borrowings	97579894.40	73269292.40
Trade Payables	22024297.40	5142226.00
Other Current Liabilities	81847485.48	61165392.98

Short Term Provisions	436265.00	500931.00
<b>Total Liabilities</b>	<b>228229664.57</b>	<b>167162390.48</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		
Fixed Assets (including Work in Progress)	20201882.00	20510756.00
Non Current Investments	2177915.00	2177915.00
Long Term Loans & Advances	187240.00	16552750.00
<b>Non-current Assets (A)</b>	<b>22567037.00</b>	<b>39241421.00</b>
<b>Current assets</b>		
Inventories	85507741.00	56937209.00
Trade Receivables	32081836.50	4793058.00
Cash and Cash Equivalents	13795283.07	16809421.73
Short Term Loans and Advances	74277767.00	49381280.75
<b>Current Assets (B)</b>	<b>205662627.57</b>	<b>127920969.48</b>
<b>Total (A+B)</b>	<b>228229664.57</b>	<b>167162390.48</b>

#### Summary of Profit and Loss account

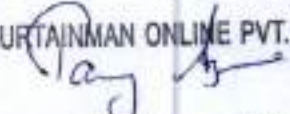
Particulars	As on 31.03.2018	As on 31.03.2017
	Amount (Rs)	Amount (Rs)
Revenue from operations	64995778.24	36916520.00
Other income	5960951.00	3866951.70
Profit from sales of land	0.00	2275557.00
Prior Period Income	0.00	230844.00
<b>Total income</b>	<b>70956729.24</b>	<b>43289872.70</b>
<b>Expenditure:</b>		
Purchases	77432458.04	44311179.70
Changes in Inventories	(28570532.00)	(21656228.00)
Employee Benefits Expenses	3058797.00	2572943.00
Financial Costs	15032448.95	14694776.47
Depreciation	308874.00	334358.00
Other Expenses	2009165.11	482601.19
Prior Period Expenses	0.00	0.00
<b>Total Expenses</b>	<b>69271211.10</b>	<b>40739630.36</b>

Profit / (-) before tax	1685518.14	2550242.34
Provision for Taxation	444078.00	573088.00
Net profit / (-) Loss for the year	1241440.14	1977154.34

Audited Financial Statements for the FY 2018-19 and Provisional Financial Statements for Current Financial Year made up to 21.10.2019 (the date of admission for CIRP)

Summary of Balance Sheet

Particulars	As on 21.10.2019 (Provisional)	As on 31.03.2019 (Audited)
	Amount (Rs.)	Amount (Rs.)
<b>Liabilities:</b>		
Share capital	310000.00	310000.00
Reserves and surplus	11741923.71	13384242.32
Long Term Borrowings	0.00	18118102.00
Short Term Borrowings	141746396.40	121103211.40
Trade Payables	890187.90	533124.40
Other Current Liabilities	21417082.54	30003949.54
Short Term Provisions	-	2199506.00
<b>Total Liabilities</b>	<b>176105590.55</b>	<b>185652135.66</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	3923751.90	4188309.00
Non Current Investments	21552915.00	21552915.00
Long Term Loans & Advances	187240.00	187240.00
<b>Non-current Assets (A)</b>	<b>25663906.9</b>	<b>25928464.00</b>
<b>Current assets</b>		
Inventories	126539706.31	126883452.89
Trade Receivables	9614424.00	18988804.50
Cash and Cash Equivalent	301027.78	655151.25
Short Term Loans and Advances	13986525.56	13196263.02
<b>Current Assets (B)</b>	<b>150441683.65</b>	<b>159723671.66</b>
<b>Total (A+B)</b>	<b>176105590.55</b>	<b>185652135.66</b>

CURTAINMAN ONLINE PVT. LTD.  


### Summary of Profit & Loss Accounts

Particulars	As on 21.10.2019 (Provisional)	As on 31.03.2019 (Audited)
	Amount (Rs.)	Amount (Rs.)
Revenue from operations	15241032.03	40432381.08
Other income	11536.00	3490445.00
<b>Total income</b>	<b>15252568.03</b>	<b>43922826.08</b>
<b>Expenditure:</b>		
Purchases	15025775.90	75230390.35
Changes in Inventories	343746.58	(41375711.89)
Employee Benefits Expenses	636500.00	1913893.00
Financial Costs	0.00	3628565.45
Depreciation	264557.10	285689.00
Other Expenses	361774.06	8828053.30
Prior Period Expenses	86163.00	0.00
<b>Total Expenses</b>	<b>16718516.64</b>	<b>48510879.21</b>
<b>Profit / (-) before tax</b>	<b>(1465948.61)</b>	<b>(4588053.13)</b>
<b>Add:Exceptional Items</b>		
Profit on sales of Property, Plant & Equipments	0.00	15836783.00
	<b>(1465948.61)</b>	<b>11248729.97</b>
<b>Less: Extra Ordinary Items:</b>		
Property, Plant & Equipments Written off	0.00	564667.00
	<b>(1465948.61)</b>	<b>10684062.87</b>
Provision for Taxation	176370.00	2199506.00
<b>Net profit / (-) Loss for the year</b>	<b>(1642318.61)</b>	<b>8484556.87</b>

#### Claims of Creditors

#### Details of Operational Creditor's Claims as on 21-01-2020

No	Names of the Creditors	Amount claimed In Rs	Claim admitted In Rs
1	Dy. Commissioner of Income Tax, Central Circle 2(3), Kolkata	1,03,38,691	1,03,38,691

<b>Total</b>	<b>1,03,38,691</b>	<b>1,03,38,691</b>
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**Details of Financial Creditors' Claims as on 21.01.2020**

No	Name of Creditors	Amount of Claim	Amount Admitted
1	Jalan Projects & Merchants Pvt Ltd	16,63,257.00	16,63,257.00
2	Tatpar Vyapaar Pvt Ltd	1,07,38,705.00	1,07,38,705.00
3	Twenty First Century Auto Locks Pvt Ltd	54,31,686.00	54,31,686.00
4	Orchid Barter Pvt Ltd	75,60,958.00	75,60,958.00
5	Abhashree Projects Ltd	26,93,602.00	26,93,602.00
6	Appeal Commotrade Pvt Ltd	28,00,580.00	28,00,580.00
7	Ess Pee Sarees Pvt Ltd	1,12,11,066.00	1,12,11,066.00
8	Kams Décor LLP (Formerly Cityzen Vyapaar LLP)	28,85,480.00	28,85,480.00
9	Kasturi Commodeal Pvt Ltd	30,68,827.00	30,68,827.00
10	Liberal Distributors Pvt Ltd	30,68,827.00	30,68,827.00
11	Aastha Tradecom Pvt Ltd	26,14,186.00	26,14,186.00
12	Vanatge Distributors Pvt Ltd	26,14,186.00	26,14,186.00
13	Singhi Finalease Pvt Ltd	10,88,081.52	10,88,082.00
14	Pawan Industrial Corporation Pvt. Ltd.	10,86,548.00	10,86,548.00
15	Amex Properties Pvt Ltd	10,95,125.00	10,95,125.00
16	Hanuman Trading & Feeds Pvt Ltd	15,46,603.00	15,46,603.00
17	Sarthak Vinimoy Pvt Ltd	8,96,626.00	8,96,626.00
18	Shree Balaji Transport & Roadways Pvt Ltd	2,00,00,000.00	2,00,00,000.00
19	Aditya Birla Finance Limited**	2,07,76,343.00	2,07,76,343.00
	<b>Total Financial Creditors (#)</b>	<b>10,28,40,686.52</b>	<b>10,28,40,686.52</b>

\*\* The Term Loan from Aditya Birla Finance Ltd is secured by way of exclusive hypothecation of current assets of the Company and also by way of equitable mortgage of residential property of Mr Kamlesh Agarwal , a director of the Company. Personal Guarantees of Mr Kamlesh Agarwal, Mr Tanay Agarwal And Mr Shonak Agarwal have also been provided.

(#) All other Claimants (other than Aditya Birla Finance Ltd.) loans are Unsecured.

**Details of Employees / Workmen Claims as on October 21,2019.**

No Claims have been received from the Employees/Workmen of the Corporate

CURTAINMAN ONLINE PVT. LTD.  


Details of all material litigation and an ongoing investigation or proceeding initiated by Government & statutory authorities (#):

Material Litigation:

No	Names of the authority where litigation is pending	Litigation filed by and name of opposite party/ies	Subject matter of the case and amount involved, if any	Amount Involved (Rs)
1	Income Tax Dept	Appeal filed by CD against demand order of Income tax Dept.	Demand for AY - 2015-16 and 16-17	1,03,38,691.00

*The Demand from the Income Tax Department has been appealed against which is still pending.*

*Besides above, there are certain pending demand/ notices under section 138 of the negotiable instrument act from financial creditors which have been suitably replied.*

*#Note: The analysis and findings delineated in this report are specifically based on documents and information provided by the Management of SHPL.*

**Reasons for Stress**

Whilst the Company's operation has been good all these years, the Management of the Corporate Debtor attributes the following reasons to the current crisis of the CD.

- Slowdown in sales due to Impact of demonetization in 2016
- Slowdown in sales due to Implementation of GST for the first time in the textile sector
- Obsolete stock fetching very low realization resulting in huge losses in 2018-19
- General slowdown in the economy
- Change in format of business from inventory to catalogue based

CURTAINMAN ONLINE PVT. LTD.



Director

## 2.0 Resolution Applicant

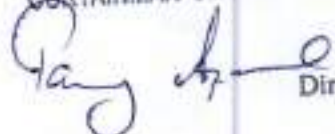
### 2.1 Background

Company Name	Curtainman Online (P) Ltd
Constitution	Private Limited Company
CIN	U51909WB2009PTC133724
Registered Office	16F, East Topsia Road, First Floor, Kolkata 700 046
Date of Incorporation	12 March 2009
Business Products / Services	Retailing and Trading

The Company maintains and supplies varieties of these products to whole-sellers / retailers mainly concentrated in West Bengal & nearby areas. Company's sales is from retail Tailors, other traders as well as from Skipper Furnishings (P) Ltd & Skipper Textiles (P) Ltd, Group Companies engaged in retailing of all these products.

The Balance Sheet and Profit and Loss Detailed for the Resolution Applicant have been earlier submitted along with the Expression of Interest.

CURTAINMAN ONLINE PVT. LTD.

  
Director

## 2.2 Promoters & Board of Directors

The responsibility of the overall administration of the organization rests with the Board of Directors. The Board presently comprises:

Name	Designation
Mr Tanay Agarwal	Director
Mr Shonak Agarwal	Director

## 2.3 Shareholding Pattern

No	Name	Address	No. of Shares	% of Holding
1	Shonak Agarwal	P547, Block N, New Alipore, Kol 700053	10,000	4%
2	Titanium Tieup (P) Ltd*	77 Elliot Road, Ground Floor, Kolkata 700 016	240,000	96%
		<b>Total</b>	<b>250,000</b>	<b>100%</b>

\*Holding Company of Curtainman & Associate Company of Skipper Homes (P) Ltd

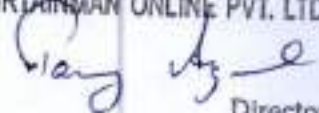
## 2.4 Business Plan for Corporate Debtor

The Resolution Applicant has a business that is very similar to the of the Corporate Debtor – they are both into Retailing of Textile products, specifically Furnishings. As such, the Resolution Applicant finds the Business of the CD to be a logical fit into that of its Current Business Operations.

We will run the Business as a separate business entity to start with. We shall be able to achieve Economies of Scale by including the business of the CD into our own Operations. We plan to have a Common base for Purchase, Admin, Finance and Accounts for both the entities, reducing Overhead Costs and bringing in synergies of Operations. We shall cross-sell the products of the Companies to Customers of both the Companies, bringing in more business and profits per customer.

At some point of time, we will re-brand both the entities as one while keeping their legal status separate. This will continue till we have achieved significant cost benefits from the Common Business Platform. We may, at some time in the future, decide to merge the entities to complete the Integration.

CURTAINMAN ONLINE PVT. LTD.

  
Director

### 3.0 Proposed Resolution Plan

#### 3.1 Summary of Payments in the Resolution Plan

	Due Amount in Rs	Payment in Resolution Plan In Rs
Corporate Insolvency Resolution Process Cost	35,00,000	35,00,000
Workers / Employees Liability	Nil	Nil
Financial Creditors		
- Secured	2,07,76,343	83,10,537
- Unsecured	9,49,97,982	3,79,99,193
Operational Creditors	1,24,89,728	6,24,486
Other Known / Unknown / Contingent Liabilities	Unknown	5,00,000
Fresh Investment in CD for Revival	NA	25,00,000
<b>Total</b>	<b>13,07,64,053</b>	<b>5,34,34,216</b>

We propose to pay the CIRP Cost in priority over the other Creditors. In other words, Rs 35 lakhs (assumed) shall be paid towards CIRP Cost – if the actual amount is more, then the Total Investment shall increase by that amount. If the actual amount is less, then the Total Investment Amount shall reduce by that much.

There is no liability on account of Workers / Employees dues as per the Information Memorandum.

We propose to pay Rs 83,10,537 to the Secured Creditors and Rs 3,79,99,193 to the Unsecured Financial Creditors.

The Operational Creditors are proposed to be paid Rs 6,24,486 in total.

We propose to provide Rs 5 lakhs in total for the Past and Present Known / Unknown / Contingent Liabilities (including interest, penalties etc, if any) – the payment shall be made as and when the Liabilities mature. In case some or all of the Contingent Liabilities do not mature, the balance amount shall remain with the Corporate Debtor to be used for general Corporate Purposes. In case the amount happens to be more than Rs 5 lakhs, the amounts that come after Rs 5 lakhs shall stand extinguished / paid and the liability of the Resolution Applicant shall not be more than Rs 5 lakhs for this head.

We propose to infuse Rs 25 lakhs into the CD for its financial revival.

As mentioned in Point 1.3, the CD has Financial Dealings and Contracts with ICICI Bank – we propose to continue the relationship as before and propose no changes / alterations.


CURTAINMAN ONLINE PVT. LTD.



Director

### 3.2 Treatment of Resolution Process Costs

The amount of the Resolution Process Costs (CIRP Cost) has been assumed to be Rs 35 lakhs in total. We Propose to pay the entire amount of CIRP Costs in priority to the repayment of other Debts. If the Resolution Process Costs are higher than Rs 35 lakhs, our total Investment amount shall increase by that amount, if it is less, the total investment shall reduce by that amount.

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Director

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### 3.3 Payment to Financial Creditors

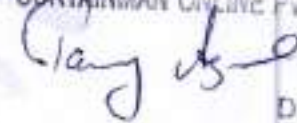
#### 3.31 Financial Creditors – Secured

No	Name of Creditors	Amount of Admitted Claim In Rs	Amount to be Paid In Rs
1	Aditya Birla Finance Ltd	2,07,76,343	83,10,537
	<b>Total Secured Financial Creditors</b>	<b>2,07,76,343</b>	<b>83,10,537</b>

We propose to pay a total of Rs 83,10,537 to the only Secured Financial Creditor, a payment of 40% to the admitted claim amount. If the Secured Financial Creditor does not consent to the Resolution Plan, we confirm payment of Liquidation Value u/s 53 to the Secured Financial Creditor as detailed in Sec 30 (2) (b)(ii).

Detailed repayment schedule is given in Sec 3.9.

CURTAINMAN ONLINE PVT. LTD.



Director

### 3.32 Financial Creditors - Unsecured

No	Name	Amount Admitted in Rs	Amount to be Paid in Rs
1	Jalan Projects & Merchants Pvt Ltd	16,63,257	6,65,303
2	Tatpar Vyapaar Pvt Ltd	1,07,38,705	42,95,482
3	Twenty First Century Auto Locks Pvt Ltd	54,31,686	21,72,674
4	Orchid Barter Pvt Ltd	75,60,958	30,24,383
5	Abhashree Projects Ltd	26,93,602	10,77,441
6	Appear Commotrade Pvt Ltd	28,00,580	11,20,232
7	Ess Pee Sarees Pvt Ltd	1,12,11,066	44,84,426
8	Kams Décor LLP (Formerly Cityzen Vyapaar LLP)	28,85,480	11,54,192
9	Kasturi Commodeal Pvt Ltd	30,68,827	12,27,531
10	Liberal Distributors Pvt Ltd	30,68,827	12,27,531
11	Aastha Tradecom Pvt Ltd	26,14,186	10,45,674
12	Vanatge Distributors Pvt Ltd	26,14,186	10,45,674
13	Singhi Finalease Pvt Ltd	10,88,082	4,35,233
14	Pawan Industrial Corporation Pvt. Ltd.	10,86,548	4,34,619
15	Amex Properties Pvt Ltd	10,95,125	4,38,050
16	Hanuman Trading & Feeds Pvt Ltd	15,46,603	6,18,641
17	Sarthak Vinimoy Pvt Ltd	8,96,626	3,58,650
18	Shree Balaji Transport & Roadways Pvt Ltd	2,00,00,000	80,00,000
19	Trimurti Garments (P) Ltd	24,33,638	9,73,455
20	Chitrapuri Merchants (P) Ltd	15,00,000	6,00,000
21	Divine Nirman (P) Ltd	10,00,000	4,00,000
22	Vaib Shree Finvest (P) Ltd	10,00,000	4,00,000
23	Renault Technology (P) Ltd	15,00,000	6,00,000
24	Mojika Steel (P) Ltd	15,00,000	6,00,000
25	Indivar Properties (P) Ltd	25,00,000	10,00,000
26	Chiki Finance (P) Ltd	15,00,000	6,00,000
	<b>Total Unsecured Financial Creditors</b>	<b>9,49,97,982</b>	<b>3,79,99,193</b>

We propose to pay Rs 3,79,99,193 out of the admitted amount, that is, 40% of the total amount admitted. If the Financial Creditors do not consent to the Resolution Plan, we confirm payment of Liquidation Value u/s 53 to the Secured Financial Creditor as detailed in Sec 30 (2) (b)(ii).

Detailed repayment schedule is given in Section 3.9.

CURTAINMAN ONLINE PVT. LTD.  
  
 Director

### 3.4 Payment to Operational Creditors

No	Names of the Creditors	Amount claimed / due In Rs	Amount to be paid In Rs
1	Dy. Commissioner of Income Tax, Central Circle 2(3), Kolkata	1,03,38,691	516,935
2	Ditsa Enterprise (Trade Payable)	1,69,646	8,482
3	Madma Fincorp Ltd	22,579	1,129
4	Income Tax for AY 2019-20 due	17,98,387	89,919
5	Alok Agarwal	55,100	2,755
6	K S Bothra & Co	19,360	968
7	Mohini Agarwal	69,100	3,455
8	Ramesh Kr Saraogi	16,865	843
	<b>Total</b>	<b>1,24,89,728</b>	<b>6,24,486</b>

We propose to pay Rs 6,24,486 to the Operational Creditors that amounts to 5% of the Outstanding claims / dues. Payment schedule is given in Sec 3.9.

Where any amounts have been paid by the CD in advance to the Income Tax Department, the advance amount already paid shall be reduced from the amount to be paid. For example, if an advance amount of Rs 4 lakhs has been paid to Dy Commissioner of Income Tax, the amount to be paid of Rs 516,935 shall be reduced by Rs 4 lakhs to Rs 116,935. In case the Advance amount exceeds the amount to be paid, the excess amount is to be refunded by the Income Tax Authorities.

#### Liquidation Value Due to Dissenting Financial / Operational Creditors

As per Section 30 (2)(b) of IBC, a Resolution Plan shall provide for the payment of the debts of Dissenting Financial Creditors / Operational Creditors in such manner as may be specified by the Board which shall not be less than the amount to be paid to the Operational Creditors in the event of a Liquidation of the CD under Section 53.

The Resolution Applicant assumes that the Liquidation Value due to the Operational Creditors is NIL. However, it proposes to make certain payments to the Operational Creditors as per the Plan.

The Resolution Applicant proposes to make payment towards the admitted claims of the Operational Creditors as per the aforesaid Provisions which shall not be less than the Liquidation Value due to the Operational Creditors, if any.

For Financial Creditors who vote against the Plan, we confirm that we shall pay at least the Liquidation Value due to them in case Liquidation of the CD had happened under Sec 53.

CURTAINMAN ONLINE PVT. LTD.  
*Ray Agast*

Director

### 3.5 Other Liabilities (including Contingent Liabilities)

We propose to pay Rs 5 lakhs in total against the Contingent and Other Known / Unknown Liabilities of the Corporate Debtor. The payment shall be made as and when the Liabilities are known / mature. In case some or all of the liabilities fail to mature, the amount shall remain with the Corporate Debtor to be used for general Corporate Purposes.

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Director

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### 3.6 Management & Control of the CD Post Approval of the Plan

After the Approval of the Resolution Plan by the Adjudicating Authority, the CD shall be immediately taken over by the Directors of the Resolution Applicant who shall run the CD as a going concern and shall be responsible for running and managing the affairs of the CD.

Once the Resolution Plan has been approved by the AA, the Resolution Applicant shall transfer the Equity subscription amount of Rs 25 lakhs in the designated bank account of the CD in the form of Share Application Money for subscription to the Promoter Equity Shares. Fresh Equity Shares shall be issued and allotted to the Resolution Applicant, free from all encumbrances.

It is clarified that the Order of the AA approving the Resolution Plan shall constitute adequate approval for issuance of Promoter Equity Shares under Section 42 and 62 of the Companies Act and other applicable laws and no approval / consent shall be required from any other person / authority.

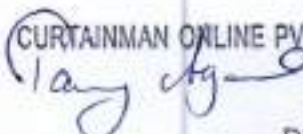
Apart from the above Promoter Equity Shares, all the existing Equity Shares of the CD prior to the Effective Date shall be cancelled and reduced in their entirety without requiring any further act, instrument or deed by virtue of the Order of the AA approving this Resolution Plan. The Share Certificates held by these shareholders shall be cancelled and shares of the CD held by any of the Shareholders in demat form shall stand cancelled by appropriate corporate action. Following the cancellation and reduction of the share Capital of the CD as stated above, the CD shall not be required to add the words "and reduced" as suffix to its name.

It is clarified that the aforesaid Cancellation and Reduction of the Share Capital of the CD shall be affected simultaneously with the issuance and allotment of Equity Shares to the Promoters as part of the Order of the AA approving the Resolution Plan and no separate action under Sec 66 of the Companies Act shall be necessary.

No compensation shall be paid to the Promoters / any other Shareholder on cancellation of their Shareholding in the CD. Following the cancellation of the Shareholding, all rights, entitlements, liabilities arising out of or relating to any dues from any person who held such Equity Shares shall be permanently extinguished.

Post Cancellation and Reduction of Equity Share Capital as mentioned above, the Issued, Subscribed and Paid Up Capital of the CD shall be as below:

<b>Issued, subscribed and paid up Capital</b>	
2,50,000 shares of Rs 10 each	Rs 25,00,000

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Director

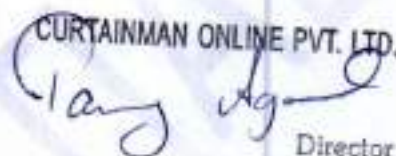
### 3.7 Term of Resolution Plan

We Propose to complete the Resolution Plan within 34 months of Approval by the AA. The Details are given in the subsequent Section – Implementation and Supervision of Plan

#### Going Concern Concept

As per the Proposed Resolution Plan, business of the Corporate Debtor shall continue as a going concern and the Operations of the CD shall be continued in the normal course upon implementation of the Proposed Resolution Plan. The Resolution Applicant shall reform the Organizational Structure of the CD and accordingly shall retain those employees of the CD who have requisite skill sets and are integral to the future growth plans of the CD.

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Director

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### 3.8 Implementation & Supervision of the Resolution Plan

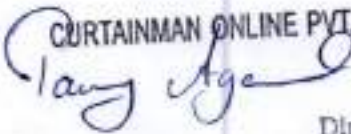
The implementation of the Approved Resolution Plan shall be carried out by the new Promoters of the CD and the Supervision of the Approved Resolution Plan will be carried out by the Monitoring Committee that shall comprise of the representatives of the Financial Creditors and the Directors of the CD post the approval of the Resolution Plan by the AA. We propose the following Members in the Monitoring Committee, subject to the approval of the CoC:

- 1) The RP
- 2) One Director of the Resolution Applicant
- 3) One Representative of the Financial Creditors

We propose to deploy sales people in greater numbers to ensure sales at better price realisations. We will not carry inventory of Goods with us but shall carry out Catalogue Sales in which ordering of the Goods shall be done only on receipt of Order – this shall ensure reduced Working Capital and reduce chances of Depletion in Value of Stocks. Better Inventory and Finance Management is key to success in today's competitive World.

In view of the above, the Resolution Applicant wishes to confirm the following:

- 1) The Resolution Plan addresses the cause of the Default
- 2) The Resolution Plan is feasible and viable
- 3) The Resolution Plan has provisions for its effective implementation
- 4) The Resolution Plan has provisions for approvals required and the timeline for the same
- 5) The Resolution Applicant has the capability to implement the Resolution Plan

CURTAINMAN ONLINE PVT. LTD.  
  
Director

### 3.9 Sources of Funds

The Resolution Applicant shall induct funds into the CD by way of Infusion of Equity Capital (as mentioned earlier). Further funds shall be given to the CD as a Loan / in the form of Debenture subscription / and so on. The repayment plan is detailed as below:

	Payment in Resolution Plan In Rs	Payment Time Period (after AA Approval)
Corporate Insolvency Resolution Process Cost	35,00,000	Within 30 days
Workers Liability	Nil	NA
Financial Creditors		
- Secured	83,10,537	Payment in 10 Equal Instalments – First within 30 days, Second in 7 months, Third in 13 months, Fourth in 16 months and subsequent Instalments in gaps of 3 months – completely in 34 months
- Unsecured	3,79,99,193	Payment in 10 Equal Instalments – First within 30 days, Second in 7 months, Third in 13 months, Fourth in 16 months and subsequent Instalments in gaps of 3 months – completely in 34 months
Operational Creditors	6,24,486	Within 30 days
Other Known / Unknown / Contingent Liabilities	5,00,000	As and when required
Fresh Investment in CD for Revival	25,00,000	Within 120 days
<b>Total</b>	<b>5,34,34,216</b>	

The Cash Flow planning is as below:

We have available Rs 110 lakhs as Cash and Cash equivalents in the Books of the Resolution Applicant – copy of Proof of Funds given separately. An amount of Rs 25 lakhs shall be infused immediately into the CD as equity and another Rs 85 lakhs shall be given as a Loan (without interest). This amount of Rs 110 lakhs shall be used to clear the following liabilities:

- 1) CIRP cost of Rs 35 lakhs
- 2) Operational Creditors of Rs 6,24,486
- 3) First Instalment to Secured Financial Creditor of Rs 8,31,054
- 4) First Instalment to Unsecured Financial Creditors of Rs 37,99,919
- 5) Fresh Investment in the CD for Revival - balance

In the near future, we plan to sell some stocks of the CD in the Market through our Sales Counters to garner at least Rs 250 lakhs. In addition, we have given unsecured loans in excess of Rs 100 lakhs that

we have already requested to be returned – this amount of Rs 350 lakhs shall be available to repay the balance amount to be paid to all Creditors of the CD. An Undertaking to this effect has been arranged from our Group Company for sales of the above amount and a similar letter has been arranged from our Financial Debtor for return of the amount.

The Balance amounts of repayments shall happen from the Profits of the CD once turnaround in its Financial Position has happened.

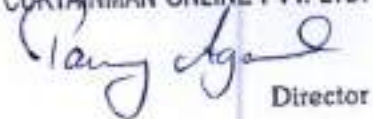
#### 4.1 Relinquishment / Waiver of Liabilities

The following liabilities, if any, as on / within CIRP shall stand relinquished / extinguished / waived after the approval of the Proposed Resolution Plan by the CoC members and the AA:

- All Corporate / Performance Guarantees issued by the CD in favour of or on behalf of any of its subsidiaries, associates, group companies or any third party unless otherwise mentioned
- All securities including Guarantees provided by Directors / Third Party on behalf of the CD
- All the dues of the CD to related parties
- All the Contingent Liabilities of the CD
- All the Statutory dues / Government dues of the CD other than payment of amount mentioned in the Resolution Plan
- All the Current Liabilities of the CD other than those covered under the Resolution Plan
- All the Litigations / Claims / Suits / legal proceedings (including under Sec 138 of the Negotiable Instruments Act) against the CD / Directors should be withdrawn by FC / OCs once the Resolution Plan has been approved by the AA
- Any Operational / Other dues pertaining to any previous transaction or operation or activity whether crystallised or not as on CIRP date would stand extinguished as part of the Resolution Plan

The Resolution Plan once passed by the AA would be binding on all the stakeholders of the CD, Statutory Authorities, Third Parties, Current Related Parties of the CD / Others as may be required.

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Director

#### 4.2 Retention of Existing Rights / Licenses / Registrations / Approvals / Leases

- All the Existing Statutory Rights, Licenses, Registrations, Approvals, Leases, permits, and so on shall remain in force upon the Approval of the Proposed Resolution Plan
- All Licenses / Registrations / Approvals / Leases that are pending / have been suspended / cancelled are to be renewed / continued as the case may be

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Director

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### 4.3 Benefits to All Stakeholders

#### Financial Creditors

The Financial Creditors get confirmed payment to clear their liabilities – there is no need for prolonged litigation or an expensive Liquidation proceeding. In case, the Secured Financial Creditor shall vote against the Plan, we will give them the Liquidation Value.

#### Operational Creditors

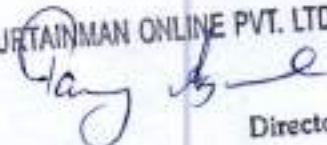
Payments to be made to Operational Creditors as against Liquidation Value (assumed) Nil – they would have received nothing if the Company would have gone into Liquidation

#### Corporate Debtor

The CD continues as a going concern with its vendors and customers continuing to enjoy business – continuity is the essence of the growing Economy

#### Employees

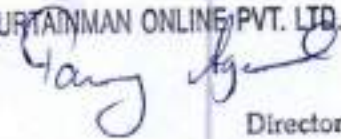
The Resolution Applicant shall endeavor to retain most or all of the Employees of the CD resulting in continuity of Work and job security

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Director

#### 4.4 No Objection Certificate

- No Dues Certificate shall be issued by the Existing Financial Creditors of the CD post repayment as proposed in the Resolution Plan. This shall relieve the Company and its Directors of any liability on this account.
- The Financial Creditors shall also release all the Securities over which charge is created in their favour
- The Financial Creditors shall also withdraw all cases / litigations against the CD / Director / Guarantor in all Fora once the proposed scheme is approved by the AA
- The Existing Lenders shall issue No Objection Certificate for any further Debt / Equity / Fund Raising and cede / release charge as required
- All Other Lenders / Creditors shall also withdraw all proceedings / cases / suits / other litigation against the CD / Director / Guarantor and issue No Dues Certificate

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#### 4.5 Non-Contravention Clause

The Resolution Plan does not contravene any of the Provisions of the governing laws, rules & regulations for the time being in force.

The Resolution Plan conforms to all other requirements as have been specified by the Board from time to time.

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*Rang Singh*  
Director

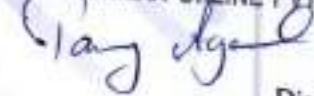
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#### 4.6 Details of Other Connected Persons to Resolution Applicant

The details of Other Connected persons of Resolution Applicant for the purpose of verification under Section 29 A of the IBC are as follows:

Name of the connected Person	CIN/PAN	Relation with Resolution Applicant	Remarks
Tanay Agarwal	AJNPA4870C	Director	
Shonak Agarwal	APTPA5671H	Director	
Kamlesh Agarwal	ADCPA9884D	Father of Director	
Skipper Textiles (P) Ltd	U52190WB1986PTC041385	Associate Company	
Skipper Furnishings (P) Ltd	U17299WB2004PTC099730	Associate Company	
Skipper Homes (P) Ltd	U51109WB2006PTC109299	Associate Company	
Titanium Tie-up (P) Ltd	U51101WB2010PTC148464	Holding Company	

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Director

#### 4.7 Projected Financial Performance of the CD for Five Years

Rs in lakhs

Profit & Loss Statement	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Total Income	400.00	500.00	625.00	790.00	1000.00	1225.00
Total Expenses	350.00	420.00	505.00	610.00	725.00	875.00
PBT	50.00	80.00	120.00	180.00	275.00	350.00
PAT	37.50	60.00	90.00	135.00	206.00	265.00
Balance Sheet	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
<b>Liabilities</b>						
- Net Worth	62.50	122.50	212.50	347.50	553.50	818.50
- Borrowings	400.00	350.00	300.00	200.00	100.00	0.00
- Trade Payables	10.00	15.00	20.00	25.00	30.00	35.00
- Others	0.00	0.00	5.00	5.00	5.00	10.00
<b>Total Liabilities</b>	<b>472.50</b>	<b>487.50</b>	<b>537.50</b>	<b>577.50</b>	<b>688.50</b>	<b>863.50</b>
<b>Assets</b>						
- Fixed Assets	40.00	40.00	40.00	40.00	40.00	40.00
- Receivables	60.00	70.00	85.00	95.00	110.00	120.00
- Inventory	157.50	162.50	197.50	227.50	323.50	488.50
- Other Assets	215.00	215.00	215.00	215.00	215.00	215.00
<b>Total Assets</b>	<b>472.50</b>	<b>487.50</b>	<b>537.50</b>	<b>577.50</b>	<b>688.50</b>	<b>863.50</b>

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*(Signature)*

Director

**4.8 Certain Details of the Resolution Applicant and Other Connected Persons as required under Regulation 38(3) of IBBI (IRP for Corporate Persons) Regulations 2016**

Information and Details required from a Resolution Applicant and other connected Persons under Regulation 38(3) of IBBI (IRP for Corporate Persons) Regulations 2016

No	Details Required	Details about Resolution Applicant
1	Identity of the Resolution Applicant	Curtainman Online (P) Ltd
2	Identity of the Connected Persons to the Resolution Applicant	As given in Point 4.6, Page 32
3	Whether the Resolution Applicant has been convicted for any offence during the preceding five years?	No
4	Are there any criminal proceedings pending against the Resolution Applicant?	No
5	Is the Resolution Applicant disqualified to act as a Director under the Companies Act 2013?	No
6	Whether the Resolution Applicant has been identified as a willful Defaulter by any Bank or Financial Institution or Consortium with the Guidelines of the Reserve Bank of India?	No
7	Whether the Resolution Applicant has been debarred from accessing to, or trading in, Securities Market under any Order or Directions of SEBI?	No
8	Whether the Resolution Applicant has entered into any transactions with the Company in the preceding two years?	Yes
9	Are any of the following connected persons in relation to the Resolution Applicant subject to the disqualification criteria specified in Serial No 1 to 8 above: (a) Persons who are promoters or in the Management or Control of the Resolution Applicant (b) Persons who will be promoters or in management or control of the business of the CD during the implementation of the Resolution Plan; or (c) Holding Company, Subsidiary Company, Associate Company and Related Party of the persons referred to in (a) and (b) (within the meaning of the Companies Act 2013)?	The Resolution Applicant is of the same Group as the Corporate Debtor.  The Corporate Debtor is an MSME Enterprise and under Section 240 (a) of the IBC, the Resolution Applicant is not ineligible under Section 29 A unless he is (i) Undischarged insolvent (ii) Wilful defaulter  The Resolution Applicant is neither of the above, and, is, therefore, not ineligible under Section 29 A of the IBC

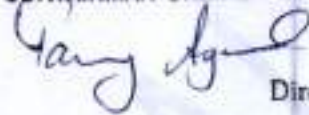
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#### 4.9 No Disqualification under Section 29 A of the IBC

The Resolution Applicant confirms that he is not disqualified under Section 29 A of IBC

A Specific Declaration in the form of an Affidavit has been submitted by the Resolution Applicant and for Other Connected Persons regarding the eligibility under Sec 29 A of the Code

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#### 4.10 Compliance with the Code

The Resolution Applicant is recording hereunder aspects pertaining to the compliance or conformity to the requirements to the Code for ease of reference and evaluation:

Section / Regulation	Requirement	Clause / Page No of the Resolution Plan	Compliance (Yes / No)
Section 29 A of IBC	As per Provisions contained in the said Section	Clause 4.9, Page 35	Yes
Section 30 (2) of IBC	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 priority to the repayment of the other debts of the CD;	Clause 3.2, Page 18	Yes
Section 30 (2) of IBC	(b) Provides for the repayment of debts of Operational Creditors in such manner as may be specified by the Board which shall not be less than the amount to be paid in the event of Liquidation of the CD under Sec 53 or in the Resolution Plan whichever is higher, and provides for the payment of debts of financial creditors, who do not vote for the resolution plan, ... which shall not be less than the amount to be paid to such creditors in accordance with Sec 53 (1) in the event of liquidation of the CD	Clause 3.4, Page 21	Yes
Section 30 (2)(c) of IBC	(c) Provides for the Management of the affairs of the CD after approval of the Resolution Plan	Clause 3.6, Page 23	Yes
Section 30 (2)(d) of IBC	(d) The Implementation and Supervision of the Resolution Plan	Clause 3.8, Page 25	Yes
Section 30 (2)(e) of IBC	(e) Does not contravene any of the Provisions of the law for the time being in force	Clause 4.5, Page 31	Yes

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*Clary Singh*

Director

Section 30 (2)(f) of IBC	(f) Conforms to such other requirements as may be specified by the Board	Clause 4.5, Page 31	Yes
Regulation 38 (1) of the CIRP Regulations	(a) Liquidation Value due to Operational Creditors and provide for such payment in priority to any Financial Creditor (b) To the FCs who have a right to vote under section 21 (2) and did not vote in favour of the Resolution Plan, shall be paid in priority over FCs who voted in favour of the Plan	Clause 3.4, Page 21  Clause 3.4, Page 21	Yes  Yes
Regulation 38 (1A) of the CIRP Regulations	(1A) A 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 CD	Clause 4.3, Page 29	Yes
Regulation 38 (2)(a) of the CIRP Regulations	(1) A Resolution Plan shall provide  (a) The term of the plan and its implementation schedule	Clause 3.7, Page 24	Yes
Regulation 38 (2)(b) of the CIRP Regulations	(b) The Management and Control of the Business of the CD during its term; and	Clause 3.6, Page 23	Yes
Regulation 38 (2)(c) of the CIRP Regulations	(c) Adequate means for Supervising its implementation	Clause 3.8, Page 25	Yes
Regulation 38 (3) of the CIRP Regulations	(a) It addresses the cause of Default (b) It is feasible and viable (c) It has provisions for its effective implementation (d) It has provisions for approvals required and the timeline for the same and; (e) The resolution applicant has the capability to implement the resolution plan	Clause 3.8, Page 25	Yes

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