



IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-

I

IA No. 17 of 2025

IN

CP(IB) No.966 of 2020

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

IA No. 17 of 2025

In the Application of

Mr. Avinash Ambikprasad Shukla

...Resolution

Professional/Applicant

In the matter of

SREI Equipment Finance Ltd.

...Financial Creditor/Applicant

Versus

HBS Auto & Anc Sez Pvt. Ltd.

...Corporate Debtor/Respondent

Order pronounced on 12.03.2025

Coram:

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

(Retd.)

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

Appearances:

For the Applicant : Mr. Nausher Kohli a/w Adv.Darshit Dave, Ld.
Counsel.

For the Respondent : Mr. Rohan Kadam, Mr. Abhishek Adke, Ld.
Counsel.

For GIDC : Mr. Vikas Nair, Ld. Counsel.

**ORDER****Brief Facts:**

1. The present Application is filed by Resolution Professional **Mr. Avinash Ambikaprasad Shukla** (hereinafter referred to as the “Applicant/Resolution Professional”) under Section 30(6) and 31 of the Insolvency and Bankruptcy Code, 2016 (“Code”) read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the Resolution Plan dated 22.01.2025, submitted by Consortium of M/s Mahansaria Tyres Pvt. Ltd. and M/s. Lotus Ornaments Pvt. Ltd. (“Successful Resolution Applicant/SRA”) which is approved by 100% of the voting share of the members of the Committee of Creditors (hereinafter referred to as 'CoC') in the 16th CoC meeting dated 24.01.2025, for **HBS Auto and ANC SEZ Private Limited** (hereinafter referred to as the “Corporate Debtor”) and for passing order/appropriate direction that this Tribunal may deem fit in the present matter.
2. The Corporate Debtor bearing CIN U45201MH2007PTC174797 was incorporated on 08.10.2007 having its registered address at 505, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai - 400 018. Its Authorized share capital is Rs. 10,00,00,000/- and its paid-up capital is Rs. 10,00,00,000/-. The Corporate Debtor is in the business of "Real Estate Development", including but not limited to the development of the Special Economic Zones (hereinafter, "SEZ") and other infrastructure projects.
3. The SRA is a consortium of Mahansaria Tyres Private Limited (“MTPL”) which is in the business of tyre manufacturing industry, specializing in off-highway tyres and Lotus Ornaments Private Limited which is mainly in the business of exporting diamond studded gold and platinum jewellery.
4. The CP (IB) No.966 of 2020 was filed under Section 7 of IBC, 2016 by **SREI Equipment Finance Ltd.** (hereinafter referred to as the “Financial Creditor”) which was admitted into CIRP vide Order dated 02.01.2024 passed by this Bench thereby appointing **Mr. Avinash Ambikaprasad**



Shukla /Applicant as the IRP of the Corporate Debtor, who was later on confirmed as Resolution Professional (RP).

5. Pursuant to receipt of Admission Order, on 09.01.2024, the Applicant published Form A inviting claims, and constituted Committee of Creditors (CoC) thereafter.
6. On 21.03.2024, the Applicant published Form G inviting Expression of Interest from prospective bidders, whereby 05.04.2024 was the last date of submission of EOI.
7. The Applicant issued Provisional List of Prospective Resolution, and thereafter final list of PRA's was published. Thereafter, RFRP, Evaluation Matrix and Information Memorandum were provided to PRAs and access to VDR was also extended to them so as to enable them to submit their Resolution Plan by last date i.e. 25.05.2024. The last date to submit the resolution plan was extended to 07.06.2024, and was again extended to 18.06.2024.
8. The period of 180 days expired on 4.7.2024 and was extended by 90 days vide Order dated 19.09.2024 passed by this Tribunal in IA 4236/2024.
9. Since the resolution plan received did not meet the expectations of the CoC, in the Eighth CoC meeting held on 20.09.2024, the CoC resolved to issue fresh Form G inviting expression of Interest and seek further extension in the CIRP period for 60 days. Accordingly, the Applicant issued Form G inviting Expression of Interest on 21.09.2024. The CIRP period of 270 days expired on 03.10.2024 and was further extended by 60 days from 04.10.2024 to 02.12.2024 vide order dated 23.10.2024 in IA no. 5046/2024, passed by this bench.
10. CoC, in its meeting held on 23.11.2024 extended time to submit resolution plan to 05.12.2024 and further resolved to seek extension of CIRP for further 60 days in exceptional circumstances beyond 330 days. The CIRP period was further extended by this Tribunal by 60 days i.e. from 3rd December 2024 to 1st February 2025 vide Order dated 10.2.2025 in IA no. 603/2025. The Resolution Plans were considered and deliberated by CoC and the Final Resolution Plan was submitted by the Resolution Applicant on 22.01.2025 after discussions and deliberation with Members of the



CoC. The Resolution plan was approved by the CoC with 100% voting on 24.01.2025.

Salient Features of the Resolution Plan

11. The Resolution Plan of Successful Resolution Applicant is of **47,08,31,231/- (Rupees Forty-Seven Crores Eight Lakhs Thirty One Thousand Two Hundred and Thirty One only)** and the summary of payments proposed to be made to different classes of the creditors and stakeholders of the Corporate Debtor are as follows:

Stakeholder	Claim Admitted (Rs)	Amount offered (Rs)	Timelin e
Insolvency Resolution Process Costs		At actuals	90 days from Effective Date
Secured Financial Creditors	1,08,95,42,627	46,00,00,000	90 days from Effective Date
Unsecured Financial Creditors	9,98,53,782	NIL	N/A
Operational Creditors (Workmen & Employees)	91,37,654	91,37,654	90 days from Effective Date
Operational Creditors (Government Dues)	6,84,460	6,84,459	90 days from Effective Date
Operational Creditors (Other than Workmen/Employees)	10,09,118	10,09,118	90 days from Effective Date
Other Creditors	29,52,23,159	NIL	N/A

a. **Source of Funds:**

The RAs propose to fund the resolution plan through their own resources, comprising:

- Equity Contribution: Rs. 100 lakhs (73% by MTPL and 27% by LOPL).
- Debt Instruments: Rs. 4,658 lakhs (73% by MTPL and 27% by LOPL).



b. **Implementation & Monitoring of the Resolution Plan:**

Effective Date: The date on which this bench approves the Resolution Plan.

Monitoring Mechanism: A Monitoring Agent will oversee the implementation, including weekly updates on incurred costs during the Standstill Period. The Monitoring Agent will comprise the Resolution Professional, One representative of CoC and One representative of Lead member of Resolution Applicants.

c. **Payment Timelines:** All payments to be made within 90 days from the Effective Date.

d. **Operational Restructuring:**

The RAs will implement operational improvements, including:

- Enhancing productivity through cost efficiencies and automation. Leveraging unutilized assets to generate additional revenue streams.
- Addressing working capital needs through existing assets, bank financing, and parent company support.

e. **Statutory Compliance:**

- The plan ensures compliance with Section 30(2) of the IBC, meeting requirements to safeguard stakeholders' interests.
- Government dues and penalties will be settled as per admitted claims, and future compliance requirements will be assessed and addressed post-implementation.

f. The Resolution Plan complies with the requirements specified under Regulation 38 of the Insolvency & Bankruptcy, 2016, as detailed below:

Regulation 38 Provision	Requirement	Compliance Details in the Resolution Plan
38(1)(a): Specific sources of funding	The Resolution Plan must identify specific sources of funds for payment of resolution process costs, operational creditors, and others.	The Resolution Plan identifies the sources of funds, including equity contributions of Rs. 100 Lakhs and debt instruments of Rs.4,658 lakhs, allocated for various claims.



38(1)(b): Timelines for implementation	The Resolution Plan must provide for a timeline for its implementation.	Payment timelines are clearly defined, with all payments to creditors being made within 90 days of Effective Date.
38(1)(c): Management and control of the Corporate Debtor	The plan must include details of the management and control of the Corporate Debtor after resolution.	The RAs (MTPL and LOPL) will jointly manage the Corporate Debtor post-resolution, leveraging their operational expertise and management structure
38(1A): Compliance with laws	The plan must include provisions to ensure compliance with the law for the time being in force.	The Resolution Plan ensures compliance with all applicable laws, including SEZ regulations and provisions under IBC.
38(2)(a): Insolvency Resolution Process Costs	Insolvency resolution process costs must be paid in priority before any payments to creditors.	IRPC of Rs.25 lakhs will be paid in full before other claims are settled, ensuring compliance with this provision.
38(2)(b): Dissenting Financial Creditors	Payment to dissenting financial creditors should not be less than the amount they would receive in liquidation.	Dissenting creditors, if any, will receive payments equal to the liquidation value of their claims, ensuring no prejudice against them.
38(2)(c): Operational Creditors	Payment to operational creditors must not be less than the amount they would receive in liquidation.	The Resolution plan proposes 100% payment of admitted claims of operational creditors, which is greater than the liquidation value of their claims.
38(3): Interests of all stakeholders	The resolution plan must demonstrate how it addresses the interests of all stakeholders, including financial creditors and operational creditors	Interests of secured creditors, unsecured creditors, operational creditors, and workmen have been prioritized and addressed in accordance with the



		provisions of the Code.
38(4): Approval from the Committee of Creditors (CoC)	The resolution plan must receive approval from the CoC before submission to the Adjudicating Authority (NCLT).	The plan has been approved by the CoC with requisite voting shares before submission to the NCLT.

g. Treatment of PUFÉ transactions:

The plan provides the following treatment for PUFÉ transactions:

*“*Effect of the Resolution Plan on and from the Effective Date on the preferential, undervalued and fraudulent transactions filed by the Resolution Professional.*

Any distributions received pursuant to proceedings in respect of the PUFÉ Application, if any, after the approval of the Resolution Plan shall belong to and be deposited with the Corporate Debtor/Resolution Applicants/Implementing Entity. In the event that the PUFÉ Application is yet to be finally decided by the Adjudicating Authority as of the Closing Date, the Resolution Applicants/ Implementing Entity/ Corporate Debtor (as the case may be) shall be included as a party to the PUFÉ Application in place of the Corporate Debtor.”

h. Reliefs and Concessions Sought Under the Resolution Plan:

The Resolution Applicants seek the following reliefs and concessions from statutory authorities and creditors for effective implementation of the Resolution Plan.

Relief/Concession sought	Details
Protection of Leasehold Rights	Any change in shareholding pursuant to the Resolution Plan shall not result in lapse of leasehold rights of the Corporate Debtor over any land, including the Leasehold Premises. No government, regulatory, or judicial authority shall act otherwise.
Right to Assign/De-Notify Land	GIDC shall permit assignment/de-notification of the land parcel subject to compliance with the lease agreement terms, limited to transfer charges or non-financial conditions, and issue necessary permissions for such assignment/de-notification.



No De-Notification Without Consent	GIDC and SEZ Authority shall not de-notify the Leasehold Premises or any part thereof unless specifically agreed upon or requested by the Implementing Entity.
Right to Sub-Lease and Transfer	Notwithstanding lease deed provisions, the Resolution Applicants shall have the ability to divide, assign, sub-lease, or otherwise deal with the Leasehold Premises, in accordance with applicable law.
Extinguishment of Lease Related Financial Liabilities	All financial Liabilities under lease deeds, leave and license agreements, including GIDC Charges, maintenance dues, lease rents, and penalties, shall be deemed extinguished, except for unpaid CIRP Costs, which shall be settled on the Closing Date.
Deemed Consent Assignment/Novation	Any consent required under lease deeds or contracts for assignment/novation of contracts to the Resolution Applicants shall be deemed granted upon receipt of the Plan Approval Order.
Recognition as SEZ Developers	SEZ Authority shall acknowledge that the Corporate Debtor and HBS City are the only recognized developers/co-developers of the Leasehold Premises.
Continuation of SEZ Approvals	All SEZ, notifications, letters of approval, and other permissions granted to the Corporate Debtor shall remain valid. No past actions shall be considered a breach of SEZ approvals.
Unencumbered Possession of Leasehold Premises.	The Corporate Debtor and Implementing Entity shall have full, unencumbered title and possession of the Leasehold Premises from the Effective Date.
Income Tax Assessment Finalization	All expenses and deductions claimed by the Corporate Debtor in the preceding eight years and all carry-forward losses and depreciation shall be deemed assessed and allowed as per the returns filed for FY 2023-24 and thereafter.
Deemed Approval of Leasehold Compliance	All approvals required under any Applicable Law (including those in Maharashtra) for the Leasehold Premises prior to the Closing Date shall be deemed granted, and all liabilities, penalties, and proceedings shall be extinguished.
Continuity of Utility Services	Utility service providers (gas, electricity, water) shall continue providing services to the Corporate Debtor without disruption.
Prohibition of Adverse Actions During Standstill Period	During the Standstill Period, no proceedings, asset transfers, security enforcement, or property recoveries shall be initiated against the Corporate Debtor.
Final Settlement of Claims and Liabilities	All payments under the Resolution Plan shall be treated as the full and final settlement of all Claims,



	Debt, and liabilities of the Corporate Debtor. No other payments shall be made for any claims related to the period before the Effective Date.
Uninterrupted Use of Intellectual Property	The Corporate Debtor shall retain rights to its intellectual property for at least three years post-Closing Date, preventing termination due to insolvency or restructuring.
Regularization of Past Non-Compliances	Any approvals, permissions, or sanctions required under Applicable Laws for land purchases, leases, or utilization shall be deemed completed within one year from the date of application.
No De-Notification of Leasehold Premises	GIDC and SEZ Authority shall not de-notify the Leasehold Premises or any part thereof unless specifically requested by the Implementing Entity.
Government Cooperation in Compliance Regularization	Any past non-compliance requiring regulatory regularization shall be deemed resolved within one year of submission of applications.
Waiver of Stamp Duty and Registration Charges	All stamp duty, registration charges, and penalties related to lease deeds or contracts before the Effective Date shall be waived.
Waiver of Non-Admitted Claims	Creditors with claims not submitted before CoC approval shall not be entitled to any payment under the Plan.
Full and Final Closure of Pre-CIRP Liabilities	Upon approval of the Resolution Plan, all prior liabilities, penalties, regulatory issues, and compliance failures shall be deemed settled, extinguished, and closed.

i. **Other Reliefs and Concessions Sought under the Resolution Plan:**

The Resolution Applicants has sought the following additional reliefs and concessions to ensure the effective implementation of the Resolution Plan and protect the Corporate Debtor from legacy liabilities.

Relief / Concession Sought	Details
Deemed Approval by Income Tax Authorities and No Objection Certificate	Approval of the Resolution Plan by the Adjudicating Authority shall be deemed as approval under Section 281 of the Income Tax Act, 1961 and shall ensure no liability for the Resolution Applicants regarding the predecessor's tax dues under Section 170 of the Income Tax Act, 1961.
Waiver of Liabilities Claimed by Workmen and Employees	The approval of the Resolution Plan shall serve as a waiver for any liabilities claimed by workmen and employees, and all such payments



	shall be considered fully settled as per Section 53 of the IBC.
Waiver of Statutory Dues and Liabilities	All statutory dues, whether admitted, rejected, accrued, or contingent, shall be deemed settled, including liabilities related to GIDC, Income Tax, Sales Tax, Service Tax, VAT, GST, Excise Duty, Entry Tax, Provident Fund, Gratuity, ESI, Professional Tax, and Municipal Taxes. Any outstanding amounts beyond the Resolution Plan's provisions shall be treated as NIL.
Continuity of Consents, Licenses, and Approvals	All approvals, consents, licenses, leases, or contracts of the Corporate Debtor shall remain valid, even if they have expired due to non-compliance or lapse, to ensure uninterrupted business operations.
Immunity from Non-Compliance Prior to the Effective Date	All regulatory non-compliances prior to the Effective Date shall be deemed waived, and statutory authorities shall not impose any penalties, fines, or actions against the Corporate Debtor.
12-Month Window Compliance	The Resolution Applicants shall have 12 months from the Effective Date to ensure compliance with past regulatory requirements without any penalties or legal actions.
Exemption from Pending Tax Liabilities and Proceedings	All pending tax liabilities and proceedings, whether crystallized or contingent, shall be waived, and no further actions shall be initiated by the tax authorities.
Applicability of Section 79 of the Income Tax Act, 1961	The Resolution Applicants shall be granted relief from the applicability of Section 79, ensuring the preservation of tax benefits, including carried forward losses.
Reversal of Adjustments Against Refunds	CBDT and CBIC shall reverse any adjustment entries made against tax refunds due to the Corporate Debtor before the Insolvency Commencement Date.
Waiver of Additional Claims from Operational Creditors	All claims by Operational Creditors, including GIDC and SEZ Authority, shall be deemed settled upon payment as per the Resolution Plan, and no further claims shall be raised.



Tax Exemptions for Resolution Implementation	The Income Tax Department shall not void or challenge any transactions under the Resolution Plan under Section 281 of the Income Tax Act, 1961, and shall exempt the Corporate Debtor from Sections 28(iv), 41(1), 56, and 170.
Exemption from Minimum Alternate Tax (MAT)	The Corporate Debtor shall not be subject to MAT or any related tax liabilities, including those arising from debt write-backs under the Resolution Plan.

- j. The Applicant has further submitted that any recovery post approval of the Plan shall belong to the Corporate Debtor/ Resolution Applicants and that the PUFEE application post approval of Resolution Plan shall be pursued by the Resolution Applicant.
- k. The Resolution Applicant has submitted Earnest money Deposit of Rs. 1 Crore (Rupees One Crore) as part of the plan. Affidavit confirming eligibility of SRA and due diligence report confirming compliance with all legal requirements is attached with the Application. The Applicant has attached the following along with the Application:
- Form H
 - Copy of the Information Memorandum, Request for Resolution Plan ("RFRP) and Evaluation Matrix.
 - Valuation Reports submitted by Atharva Valuation and Jayesh Parasmal Shah for Securities and Financial Assets dated 7th August 2024.

Statutory Compliance:

12. In compliance of Section 30(2) of IBC, 2016, the Resolution Professional has examined the Resolution plan of the Successful Resolution Applicant and confirms that this Resolution Plan:
- a) Provides for payment of Insolvency Resolution Process cost in a manner specified by the Board in the priority to the payment of other debts of the corporate debtor;
 - b) Provides for payment of debts of Operational Creditor in such manner as may be specified by the board which shall not be less than



- (i) the amount to be paid to such creditors in the event of liquidation of the Corporate Debtor under Section 53; or
 - (ii) the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with sub-section (1) of Section 53 in the event of liquidation of the corporate debtor.
- c) Provides for management of the affairs of the Corporate Debtor after approval of Resolution Plan;
 - d) The implementation and supervision of Resolution Plan;
 - e) Does not prima facie contravene any of the provisions of the law for time being in force,
 - f) Confirms to such other requirements as may be specified by the Board.
 - g) As per the Affidavit, the Resolution Applicant is not covered under 29A.
13. In compliance of Regulation 38 of CIRP Regulations, the Resolution Professional confirms that the Resolution plan provides that
- a) The amount due to the Operational Creditors under Resolution Plan shall be given priority in payment over Financial Creditors.
 - b) It has dealt with the interest of all Stakeholders including Financial Creditors and Operational Creditors of the Corporate Debtor.
 - c) A statement that neither the Resolution Applicants nor any related parties have failed to implement nor have contributed to the failure of implementation of any other Resolution Plan approved by the Adjudicating Authority in the past.
 - d) The terms of the plan and its implementation schedule.
 - e) The management and control of the business of the Corporate Debtor during its term.
 - f) Adequate means of Supervising its implementation.
 - g) The Resolution Plan Demonstrates that it addresses
 - i. The cause of the Default
 - ii. It is feasible and viable
 - iii. Provision for effective implementation



iv.Provisions for approvals required and the time lines for the same.

v.Capability to Implement the Resolution Plan

14. The Resolution Professional has submitted Form-H under Regulation 39(4) of the CIRP Regulations to certify that the Resolution Plan as approved by the CoC meets all the requirements of the IBC and its Regulations, the relevant parts of which are reproduced below:

FORM H

COMPLIANCE CERTIFICATE

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

I, Avinash Ambikaprasad Shukla, an Insolvency Professional enrolled with Insolvency Professional Agency of The Institute of Cost Accountants of India and registered with the Board with registration number IBBI/IPA-003/IPA-ICAI-N-00243/2019 -2020/12839, am the Resolution Professional for the Corporate Insolvency Resolution Process (CIRP) of M/s. HBS Auto And ANC SEZ Private Limited (CD).

2. The details of the CIRP are as under:

<i>Sl. No.</i>	<i>Particulars</i>	<i>Description</i>
<i>1</i>	<i>Name of the CD</i>	<i>HBS Auto And ANC SEZ Private Limited</i>
<i>2</i>	<i>Date of Initiation of CIRP</i>	<i>2nd January 2024</i>
<i>3</i>	<i>Date of Appointment of IRP</i>	<i>2nd January 2024</i>
<i>4</i>	<i>Date of Publication of Public Announcement</i>	<i>8th January 2024</i>
<i>5</i>	<i>Date of Constitution of CoC</i>	<i>29th January 2024</i>
<i>6</i>	<i>Date of First Meeting of CoC</i>	<i>6th February 2024</i>
<i>7</i>	<i>Date of Appointment of RP</i>	<i>20th April 2024</i>
<i>8</i>	<i>Date of Appointment of Registered Valuers</i>	<i>1st March, 2024</i>



9	<i>Date of Issue of Invitation for EoI</i>	<i>The original Expression of Interest (Form G) was published on 21st March, 2024. The RP had received two resolution plans which were evaluated and discussed in the 8th CoC Meeting held on 20th September, 2024. In the said meeting, the CoC decided not to consider both the resolution plans and to publish a fresh expression of interest. Accordingly, a fresh Expression of Interest (Form G) was published on 21st September, 2024.</i>
10	<i>Date of Final List of Eligible Prospective Resolution Applicants</i>	<i>18th October 2024</i>
11	<i>Date of Invitation of Resolution Plan</i>	<i>21st October 2024</i>
12	<i>Last Date of Submission of Resolution Plan</i>	<i>21st November 2024</i>
13	<i>Date of Approval of Resolution Plan by CoC</i>	<i>29th January 2025</i>
14	<i>Date of Filing of Resolution Plan with Adjudicating Authority</i>	<i>31st January 2025</i>
15	<i>Date of Expiry of 180 days of CIRP</i>	<i>4th July 2024</i>
16	<i>Date of Order extending the period of CIRP</i>	<i>90 days extension till 3rd October, 2024 vide order dated 19th September, 2024, 60 days extension till 2nd December, 2024 vide order dated 23rd October, 2024, 60 days extension till 1st February, 2025, application pending for hearing.</i>
17	<i>Date of Expiry of Extended Period of CIRP</i>	<i>1st February 2025</i>
18	<i>Fair Value</i>	<i>Valuer 1: Rs. 1.63 crores Valuer 2: Rs. 1.41 crores Average: Rs. 1.52 crores</i>
19	<i>Liquidation value</i>	<i>Valuer 1: Rs. 1.14 crores Valuer 2: Rs. 1.00 crores Average: Rs. 1.07 crores</i>
20	<i>Number of Meetings of CoC held</i>	<i>16 CoC meetings</i>



3. *I have examined the Resolution Plan received from the Resolution Applicant, Consortium of M/s. Mahansaria Tyres Private Limited and M/s. Lotus Ornaments Private Limited and approved by Committee of Creditors (CoC) of M/s. HBS Auto and ANC SEZ Private Limited.*

4. *I hereby certify that-*

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

(ii) *the Resolution Applicant Consortium of M/s. Mahansaria Tyres Private Limited and M/s. Lotus Ornaments Private Limited has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.*

(iii) *the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100 % of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.*

(iv) *The voting was held in the 16th meeting of the CoC on 24th January 2025 where all the members of the CoC were present.*

or

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

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



5. The list of financial creditors of the CD M/s. HBS Auto and ANC SEZ Private Limited being members of the CoC and distribution of voting share among them is as under:

Sl. No.	Name of Creditor	Voting Share )%(	Voting for Resolution Plan)Voted for / Dissented / Abstained(
1.	M/s. SREI Equipment Finance Limited	100%	Voted for

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

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

(Amount in Rs.)

Sl. No.	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount Provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	-	-	-	-
		(b) Other than (a) above:	-	-	-	-
		(i) who did not vote in favour of the resolution Plan	1,08,95,42,627	1,08,95,42,627	46,00,00,000	42.22%



		<i>(ii) who voted in favour of the resolution plan</i>				
		<i>Total[(a) + (b)]</i>	<i>1,08,95,42,627</i>	<i>1,08,95,42,627</i>	<i>46,00,00,000</i>	<i>42.22%</i>
2	<i>Unsecured Financial Creditors</i>	<i>(a) Creditors not having a right to vote under sub-section (2) of section 21</i>	<i>9,98,53,782</i>	<i>9,98,53,782</i>	<i>-</i>	<i>0%</i>
		<i>(b) Other than (a) above:</i>				
		<i>(i) who did not vote in favour of the resolution Plan</i>				
		<i>(ii) who voted in favour of the resolution plan</i>				
		<i>Total[(a) + (b)]</i>	<i>9,98,53,782</i>	<i>9,98,53,782</i>	<i>-</i>	<i>0%</i>
3	<i>Operational Creditors</i>	<i>(a) Related Party of Corporate Debtor</i>	<i>11,59,24,500</i>	<i>-</i>	<i>-</i>	<i>-</i>
		<i>(b) Other than (a) above:</i>				
		<i>(i)Government</i>	<i>1,28,79,26,641</i>	<i>6,84,460</i>	<i>6,84,459</i>	<i>0.54%</i>
		<i>(ii)Workmen</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
		<i>(iii)Employees</i>	<i>1,39,12,650</i>	<i>91,37,654</i>	<i>91,37,654</i>	<i>65.68%</i>
		<i>(iv) others</i>	<i>11,69,33,618</i>	<i>10,09,118</i>	<i>10,09,118</i>	<i>0.86%</i>
		<i>Total[(a) + (b)]</i>	<i>1,53,46,97,409</i>	<i>1,08,31,232</i>	<i>1,08,31,231</i>	<i>66.59%</i>
4	<i>Other debts and dues</i>		<i>72,01,90,113</i>	<i>72,01,90,113</i>	<i>-</i>	<i>0%</i>
<i>Grand Total</i>			<i>3,44,42,83,931</i>	<i>1,92,04,17,754</i>	<i>47,08,31,231</i>	<i>13.67%</i>

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



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

8. The interests of existing shareholders have been altered by the Resolution plan as under:

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 after CIRP
1	Equity	NA	NA	NA	NA
2	Preference	NA	NA	NA	NA

The Resolution plan clearly mentions that, on the closing date the existing share capital of the CD shall stand cancelled and that 100% of the share capital of the CD shall stand issued to the Implementing Entity. (Pg. no. 44)

9. The compliance of the Resolution Plan is as under:

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?	Pg 22-23 and Net worth certificate submitted along with EOI	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?	Along with EOI	Yes
Section 30)1(	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Along with EOI	Yes
Section 30)2(	Whether the Resolution Plan-(a) provides for the payment of insolvency resolution process costs?	Pg 28-31 Pg 34-36	Yes Yes



	<p>(b) provides for the payment to the operational creditors?</p> <p>(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?</p> <p>(d) provides for the management of the affairs of the corporate debtor?</p> <p>(e) provides for the implementation and supervision of the resolution plan?</p> <p>(f) contravenes any of the provisions of the law for the time being in force?]</p>	<p>Pg 43</p> <p>Pg 43</p> <p>Pg 44-45</p> <p>Pg 82</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
Section 30)4(	<p>Whether the Resolution Plan</p> <p>a) is feasible and viable, according to the CoC?</p> <p>b) has been approved by the CoC with 66% voting share?</p>	<p>Yes</p> <p>Yes</p>	<p>Yes</p> <p>Yes</p>
Section 31)1(	<p>Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?</p>	<p>Pg 44-45</p>	<p>Yes</p>
Regulation 38)1(	<p>Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?</p>	<p>Pg 43, 50</p>	<p>Yes</p>
Regulation 38)1A(	<p>Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?</p>	<p>Pg 25</p>	<p>Yes</p>
Regulation 38)1B)	<p>(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.</p> <p>(ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?</p>	<p>Page No. 82</p> <p>NA</p>	<p>Yes</p> <p>NA</p>
Regulation 38)2(	<p>Whether the Resolution Plan provides:</p> <p>a) the term of the plan and its implementation schedule?</p> <p>b) for the management and control of the business of the corporate debtor during its term?</p> <p>c) adequate means for supervising its implementation?</p>	<p>Pg 45</p> <p>Pg 43 - 45</p> <p>Pg 44 -45</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
38)3(	<p>Whether the resolution plan demonstrates that –</p> <p>a) it addresses the cause of default?</p> <p>b) it is feasible and viable?</p> <p>c) it has provisions for its effective implementation?</p> <p>d) it has provisions for approvals required and the timeline for the same?</p> <p>e) the resolution applicant has the capability to implement the resolution plan?</p>	<p>Pg 24</p> <p>Pg 44</p> <p>Pg 44-45</p> <p>Pg 40</p> <p>Pg 22 -23</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
39)2(	<p>(a) Whether the RP has filed applications in respect of transactions observed, found or determined by him?</p>	<p>Yes</p>	<p>Yes</p>
Regulation 39)4)	<p>(b) Provide details of performance security received, as referred to in</p>		



	<i>sub-regulation (4A) of regulation 36B.]</i>		
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15. On perusal of the Resolution Plan, we find that the Resolution Plan provides for the following:
- a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
 - b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
 - c) For management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified U/s 30(2)(c) of the Code.
 - d) The implementation and supervision of Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.
16. The RP has complied with the requirement of the Code in terms of Section 30(2)(a) to 30(2)(f) and Regulations 38(1), 38(1)(a), 38(2)(a), 38(2)(b), 38(2)(c) & 38(3) of the Regulations.
17. The RP has filed Compliance Certificate in Form-H along with the Plan. On perusal the same is found to be in order. The Resolution Plan has been approved by the CoC by majority of 100%.
18. Clause no.9.3(viii) states that *“Pursuant to the Appellate Authority's decision in Regional Provident Fund Commissioner v. Shri Manish Kumar Bhagat and Anr. (Company Appeal (AT) (Ins) No. 808 of 2022), the second proviso to Section 14B of the EPF Act shall be applicable to companies undergoing CIRP under the Code. Thus, the Corporate Debtor is eligible for the 100% waiver of the damages imposed under Section 14B of the EPF Act. In this regard, the Resolution Professional, the Monitoring Committee, the Resolution Applicants or the Implementing Entity as the case may be, shall apply to the Central Board under the EPF Act for 100% waiver of damages under Section 14B of the EPF Act.”* In this relation the SRA was asked to clarify that in case the Central Board does not allow the waiver in full or in part, whether the Resolution Applicant shall bear that part of damages over and above the Financial proposals set out in the plan. The Resolution Professional has filed further additional affidavit dated 19.02.2025 thereby submitting an undertaking of SRA with respect to Clause 9.3 (viii) of the Resolution



plan stating that in the event, the waiver / relief of all damages under Section 14B of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 is not allowed, then the Resolution Applicants will still implement the Resolution Plan in accordance with the terms thereof and applicable law. The learned counsel appearing for the SRA also clarified this aspect stating that in such eventuality, the SRA shall be obligated to infuse additional resources for the purpose.

19. The Applicant has filed an additional affidavit thereby placing on record the two Performance Bank Guarantee(s) submitted by the SRA for a sum of Rs. 3,43,70,590/- and Rs.1,27,12,410/-.
20. The reliefs & concessions as prayed in the Resolution Plan shall be available in accordance with the principle laid down by Hon'ble Supreme Court in case of *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited* Civil Appeal No. 8129 of 2019 and subject to the observations or limitations in the following paras.
 - a. The Corporate Debtor's lease hold rights shall not get prejudiced on account of change in the shareholding, however, GIDC shall be within its rights to levy any transfer charges as are payable under their scheme in such scenario. Further, GIDC shall permit the Corporate debtor to deal with the said lease hold land, as is permissible under the relevant statute or regulations.
 - b. The Approvals of SEZ Authorities shall remain valid and subsisting subject to compliance with the applicable guidelines/regulations within 6 months from the date of approval of this plan and payment of applicable charges/fees in this relation.
 - c. Any increase in the authorized capital shall be subject to payment of prescribed fee, if any applicable, and filing of prescribed forms with the Registrar of Companies.
 - d. The Applicant shall file necessary forms and pay prescribed fees, if any, in terms of provisions of the Companies Act, 2013 in relation to reduction in capital and issuance of fresh capital, however, the Registrar of Companies shall waive the additional fees, if any, payable on such filing.
 - e. The SRA may approach prescribed authorities for waiver/reduction in



fees, charges, stamp duty, and registration fees, if any arising from actions contemplated under the Resolution Plan and such request shall be dealt with subject to the relevant law/statute and adherence to the procedure prescribed thereunder.

- f. The SRA may file appropriate application, if required, for renewal of all Business Permits, rights, entitlements, benefits, subsidies and privileges whether under applicable Law, contract, lease or license granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled to or accustomed to, which have expired on the Effective Date, and follow the dues procedure prescribed for the purpose upon payment of prescribed fees. The contract with third parties shall be subject to consent of such parties. It is clarified that continuance of approvals shall not be refused on account of extinguishment of any dues under IBC and extension or renewal thereof shall not be denied on account of past insolvency of the Corporate Debtor. No action shall lie against the Corporate Debtor for any non-compliances arising prior to the date of approval of Resolution Plan, however, such non-compliances shall be cured, if necessitated to keep the approval in force, after acquisition by the Corporate Debtor within period stipulated in the Resolution Plan.
- g. No orders levying any tax, demand or penalty from the Corporate Debtor in relation to period upto approval of the Resolution Plan shall be passed by any authority and such demand, if created, shall not enforceable as having extinguished in terms of approved Resolution Plan.
- h. The carry forward of losses and unabsorbed depreciation shall be available in accordance with the provisions of Income Tax Act, and the Income Tax Department shall be at liberty to examine the same. Further, the concerned tax authorities shall be at liberty to examine the carry forward of input tax credit available under Indirect Tax for its further carry forward.
- i. An application for compounding/condoning shall be filed in accordance with the procedure specified in respective law or concerned authority, however, no fine or penalty shall be imposed for non-compliances till the date of approval of this Plan or such further period as is permitted in terms of this Order.



- j. ROC shall update the records and reflect the Corporate Debtor as 'Active' upon filing of pending returns/forms after payment of normal fees (not additional fee). In case such filing is not permitted by the e-filing portal, the ROC shall accept such forms/returns in physical format and manage to upload the same by back-end. The Corporate Debtor shall be exempted from using the words "and reduced".
- k. The Compliances under the applicable law for all the statutory appointments by the Corporate Debtor shall be completed within 6 months or such further period as is stipulated in the plan, whereafter, the necessary consequence under respective law shall follow.
21. In *K Sashidhar v. Indian Overseas Bank & Others* (in Civil Appeal No.10673/2018 decided on 05.02.2019) the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2). The Hon'ble Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) when the Resolution Plan does not conform to the stated requirements.
22. In view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38 (1A) and 39 (4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same needs to be approved. Hence, ordered.
23. The Resolution Plan is hereby **approved**. It shall become effective from this date and shall form part of this order with the following directions:



- i. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.
- ii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/liabilities of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of Supreme Court in ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited***, the relevant paragraphs of which are extracted herein below:

“95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;

(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.”



- iii. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), Mumbai, Maharashtra for information and record.
- iv. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed. It is clarified that the authorities shall not withhold the approval/consent/extension for the reason of insolvency of the Corporate Debtor or extinguishment of their dues upto approval of Resolution plan in terms of the approved plan. Any relief or concession as sought on the plan shall be subject to the provisions of the relevant Act.
- v. The moratorium under Section 14 of the Code shall cease to have effect from this date.
- vi. The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.
- vii. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- viii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

Sd/-

Prabhat Kumar
Member (Technical)
MK

Sd/-

Justice V.G. Bisht
Member (Judicial)