

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

IA 210 of 2022

IN

CP (IB) 2620/MB/C-I/2019

Under Section 30 (6) of the Insolvency and Bankruptcy Code, 2016 (“code”) r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the resolution plan under the provisions of Section 31(1) of the code.

In the Application of

Mr. Kairav Anil Trivedi,

Resolution Professional of “Indian Home Variations & Distributions LLP”

...Applicant/Resolution Professional

In the matter of

GHCL Limited

...Petitioner

Versus

Indian Home Variations & Distributions LLP

...Corporate Debtor

Order Delivered on : 18.11.2022

Coram:

Hon’ble Member (Judicial) : Justice P.N. Deshmukh (Retd.)

Hon’ble Member (Technical) : Mr. Shyam Babu Gautam

Appearances:

For the Applicant : Mr. Kairav Trivedi, Resolution Professional.

For the Resolution Applicant : Ms. Shilpi Jain, Advocate.

ORDER

Per Coram:

1. The present application is moved by Resolution Professional **Mr. Kairav Anil Trivedi** (hereinafter called as “the Applicant”) under section 30 (6) of the Insolvency and Bankruptcy Code, 2016 (“code”) r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the resolution plan under the provisions of Section 31(1) of the code, for the Corporate Debtor **Indian Home Variations & Distributions LLP** (hereinafter called as the “**Corporate Debtor**”) and for passing order/appropriate direction that this Tribunal may deem fit in the present matter.
2. The CIRP was initiated against the Corporate debtor vide Order dated 11.12.2019. The Certified copy of the order was received on 12.12.2019 and consequently CIRP was initiated against the Corporate Debtor. The Interim Resolution Professional (hereinafter referred to as the IRP) made a public announcement in Form A on 14.12.2019. The IRP constituted the Committee of Creditors (hereinafter referred to as the CoC) on 14.03.2020. Subsequently, the First CoC meeting took place on 19.03.2020 wherein the IRP was appointed as the Resolution Professional with 100% CoC voting.

3. Thereafter, the Second meeting of the COC was held on 03.10.2020 post which the Resolution Professional in the wake of the Covid-19 pandemic filed an Application bearing no IA No. 452 of 2021 for exclusion of time on 30.11.2020. Further, the RP also filed an Application for extension of CIRP period through IA No. 717 of 2021. The abovementioned Applications were disposed vide a common order dated 14.07.2021 wherein the following reliefs were granted:
- i. Exclusion of Covid-19 period for 180 days
 - ii. Extension of CIRP period by 90 days
 - iii. Further, an exclusion for a period of 104 days from 01.04.2021 to 14.07.2021 was also granted due to second wave of Covid -19 pandemic.
 - iv. The time spent from the date of filing of the Application i.e 30.11.2020 till the date of the Order i.e. 14.07.2021 is excluded from computing the CIRP period.
4. In the meantime, Form G was published in newspapers on 26.08.2021. The last date for submitting the EOI was fixed on 08.09.2021. Further, the Applicant submits that the last date for submission of Resolution Plan was marked on 23.10.2021. The Applicant received EOI from 5 prospective Resolution Applicants by transferring Rs. 5 Lakhs each in the account of the Corporate

Debtor. The Applicants submit that their respective Resolution Plans were received in password protected emails. Further, they enclosed an affidavit stating that they are not barred under Section 29A of the Code.

5. The Applicant submit that in the Sixth CoC meeting which was held on 11.11.2021 the 5 Resolution Plans that were received were presented in brief by the RP. The CoC decided to hold a one-to-one meeting with each of the Resolution Applicants to improve the Total Consideration and payment of CIRP Costs.
6. Accordingly, on 23.11.2021 a meeting was held with 5 Prospective Resolution Applicants and the CoC members wherein a period of 2 days was given to all the Applicants in order to review their quotes. Thus, the Applicant after two days informed that no improved proposal was received.
7. In the Seventh CoC meeting held on 03.12.2021, the CoC resolved under Section 30(4) of IBC to approve the Resolution Plan of Mr. Sitaram Gurjar and Mr. Krishnan Kumar Gurjar being feasible and viable. The details of the plan as are follows:
 - a. The Highest Total consideration of Rs.125 Lakh
 - b. The Highest score of 100 as per Resolution Matrix.
 - c. Payment of the entire CIRP cost, present and future.

- d. Payment of consideration to all the Financial Creditors i.e. secured/unsecured.
- e. Payment of consideration to all Operational Creditors including Government and Employees even when the Liquidation value to all other than the Financial Creditors in NIL as per the waterfall mechanism under Section 53 of the Code.
- f. This Resolution Plan also considers the future working capital and capex requirements in addition to the payment of the above consideration of Rs.25 Lakh.
- g. At the request of the CoC, the Applicant further reduced the period of payment of consideration to 45 days (Instead of 60 days) from the date of receipt of the Order, provided if no appeal has been filed against the Order.
8. At the request of CoC members during the 7th CoC meeting the Resolution Plan of Mr. Sitaram Gurjar and Mr. Krishnan Kumar Gurjar was also put to vote, the last date of voting results was fixed as 09.12.2021 wherein the CoC members constituting 98.59% approved the Resolution Plan. The minutes of the meeting and voting sheet is placed at page 55-77 of the Petition. Since the plan is approved by 98.59% of CoC members which exceeds the minimum threshold of 66% for approval of Resolution Plan as per Section 30(4).

9. The Applicant submits that on intimation of approval of the Resolution Plan to the Successful Resolution Applicant, the necessary performance security amount of Rs.12.50 Lakhs has been deposited into the account of the Corporate Debtor. Further, the bid amount of the Successful Resolution Applicant of Rs. 5 lakhs has also been retained till the Resolution Plan.
10. Moreover, the EOI amount received by the other four Applicants of Rs. 5 lakh each and the bid amount received by the other four Applicants of Rs.5 lakh each has been returned back to them through RTGS.

Section 30(2) of the Code

11. In compliance of Section 30(2) of IBC, 2016, the Resolution Professional has examined the Resolution plan of the Successful Resolution Applicant Mr. Sitaram Gurjar and Mr. Krishan Kumar Gurjar 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 distribute in accordance with sub-section (1) of Section 53 in the event of liquidation of the corporate debtor.
- c) Provides for management of the affairs of the Corporate Debtor after approval of Resolution Plan;
 - d) The implementation and supervision of Resolution Plan;
 - e) Does not prima facie contravene any of the provisions of the law for time being in force,
 - f) Conforms to such other requirements as may be specified by the Board.
 - g) As per the Affidavit received and the further documents submitted, the Resolution applicants are not covered under 29A.
12. 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 CD.
 - 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 AA in the past.
 - d) The terms of the plan and its implementation schedule.
 - e) The management and control of the business of the CD during its term.
 - f) Adequate means of Supervising its implementation.
 - g) The Resolution Plan Demonstrate that it addresses
 - i. The cause of the Default
 - ii. It is feasible and viable
 - iii. Provision for effective implementation
 - iv. Provisions for approvals required and the time lines for the same.
 - v. Capability to Implement the Resolution Plan
13. The Resolution Professional has annexed a certificate at Page 44-54 of the Application under Regulation 39(4) In FORM H 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.

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, Kairav Trivedi , an insolvency professional enrolled with [name of insolvency professional agency] and registered with the Board with registration number IBBI/IPA-002/IP-N00728/2018-2019/12332 , am the resolution professional for the Corporate Insolvency Resolution Process (CIRP) of Indian Home Variations & Distributions LLP.

2. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	Indian Home Variations & Distributions LLP
2	Date of Initiation of CIRP	12/12/2019
3	Date of Appointment of IRP	11/12/2019
4	Date of Publication of Public Announcement	14/12/2019
5	Date of Constitution of COC	14/03/2020
6	Date of First Meeting of COC	19/03/2020
7	Date of Appointment of RP	19/03/2020
8	Date of Appointment of Registered Valuers	19/03/2020
9	Date of Issue of Invitation for EOI	24/08/2021
10	Date of Final List of Eligible Prospective Resolution Applicants	03/10/2021
11	Date of Invitation of Resolution Plan	23/09/2021
12	Last Date of Submission of Resolution Plan	23/10/2021
13	Date of Approval of Resolution Plan by COC	03/12/2021
14	Date of Filing of Resolution Plan with Adjudicating Authority	21/01/2021
15	Date of Expiry of 180 days of CIRP	08/06/2020
16	Date of Order extending the period of CIRP	14/07/2021
17	Date of Expiry of Extended Period of CIRP	05/02/2022
18	Fair Value	Rs. 165 Lacs
19	Liquidation value	Rs.105 Lacs
20	Number of Meetings of COC held	Seven

3. I have examined the Resolution Plan received from Resolution Applicant **Mr. Sitaram Gurjar & Mr. Krishna Kumar Gurjar.** and approved by Committee of Creditors (COC) of Indian Home Variations & Distributions LLP.

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 **Mr. Sitaram Gurjar & Mr. Krishna Kumar Gurjar.** 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 [state the number of votes by which Resolution Plan was approved by COC] % 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 meeting of the COC of 03/12/21 [state the date of meeting] from 03 /12/21 till 9/12/2021 where all the members of the COC having 98.59% 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. – NA [strike off the part that is not relevant]

5. The list of financial creditors of the CD Indian Home Variations & Distributions LLP 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	The Cosmos Co-operative Bank Ltd	73.03%	Approved the Resolution Plan
2	Forefront Financial Services LLP	25.37%	Approved the Resolution Plan
3	Tatkal Loans	0.19%	Approved the Resolution Plan
	Total Approved %	98.59%	Approved by COC members
4	IndusInd Bank Ltd	0.22%	Neither attended the meeting nor voted
5	Times Metals Pvt. Ltd	1.19%	Neither attended the meeting nor voted
	Neither attended nor voted	1.41%	

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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.

Sr. No.	Description	Amount (in INR Lakhs)
1.	IRP Costs (estimated upto December 2021 or at actuals)	47.00
2.	Operational Creditor & Statutory Liability & Workmen & Employees	3.00
3.	Financial Creditor	75.00
4.	Any Other Liability	0.00
Total - A		125.00
5.	Supervision and Implementation of Resolution Plan	2.50
6.	Capital Expenditure by Resolution Applicant	10.00
7.	Working Capital Margin	15.00
Total - B		27.50
8.	Total outlay under the Resolution Plan (A+B)	152.50
Sources of Fund		
9.	Internal Accruals, Including Cash & Cash Equivalents, Loans, Bonds or Debt Instruments	152.50
Total		152.50

Period of payment of consideration is within 45 days from the date of receipt of the Certified true copy of the Order, provided no appeal have been filed against the order of Approval of Resolution Plan, or within 45 days from the date of disposal of the said Appeal, if an appeal has been filed against this order for approval of Resolution Plan.

7. The amounts provided for the stakeholders under the Resolution Plan is as under:
(Amount in Rs. lakh)

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	(a) Creditors				

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	Financial Creditors The assets secured as Collaterals against these Facilities are the Personal properties of the Designated Partners/ Associates, thus these assets are not covered under CD CIRP except for Stock etc and action under SARFAESI Act is being taken by the Bank for recovery from these Properties	not having a right to vote under sub-section (2) of section 21				
		(b) Other than (a) above: (i) who did not vote in favour of the resolution Plan (ii) who voted in favour of the resolution plan 1. The Cosmos Co-Operative Bank Limited	16,57,99,956	16,57,99,956	54,77,535	3.30
		Total[(a) + (b)]	16,57,99,956	16,57,99,956	54,77,535	3.30
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21				
		(b) Other than (a) above: (i) who did not vote in favour of the resolution Plan (ii) who voted in favour of the resolution plan 1. Forefront Financial service LLP	5,76,06,683 4,35,288	5,76,06,683 4,35,288	19,02,750	3.30 3.30
				14,365		

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		2. Tatkal Loans	4,93,937 26,98,427	4,93,937 26,98,427		3.30 3.30
		(iii)who neither attended the meeting nor voted at all, even when voting sheets were shared & reminders sent 1. Indus Bank Ltd 2. Time Metals Pvt Ltd			16,300 89,050	
		Total[(a) + (b)]	6,12,34,235	6,12,34,235	20,22,465	3.30
3	Operational Creditors	(a) Related Party of Corporate Debtor	NIL	NIL	NIL	NIL
		(b) Other than (a) above:				
		1. Synergy Fabrics Pvt Ltd	19,61,426	19,61,426	3,805	0.19
		2. GHCL Limited	1,63,58,538 99,65,707	1,63,58,538 99,65,707	31,738 19,334	0.19 0.19
		3. Arnav Indusrise Pvt Ltd	12,31,35,791 28,41,024	12,31,35,791 28,41,024	2,38,899 5,513	0.19 0.19
		(i)Government	0	0	0	0
		1. Deputy Commissioner of State Tax	30,000	30,000	58	0.19
		2. Employees State Insurance Corporation	2,02,736 1,33,355	2,02,736 1,33,355	393 259	0.19 0.19
		(ii)Workmen				
		(iii)Employees				
		1. Amar Kumar Sharma				
		2. Bilal Asrari				
		3. Ankit				

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		Nandawat				
		(iv)				
		Total[(a) + (b)]	15,46,28,577	15,46,28,577	3,00,000	0.19
4	Other debts and dues – Insolvency Resolution Process Cost estimated till December 21 & to be paid till approval of Resolution Plan by AA				47,00,000	100
Grand Total (1+2+3+4)			38,16,62,768	38,16,62,768	1,25,00,000	

*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	Partner's Capital	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
A	Partner's Capital			
	1. Anjana Merchant	1,24,00,000	41.87%	0
	2. Narendra Bhandari	49,90,000	16.85%	0
	3. Rajiv Merchant	2,25,000	0.76%	0
	4. Vikram Bhandari	1,20,00,000	40.52%	0
	Total	2,96,15,000	100.00%	0
B	Partner's Current Account (-ve)			
	1. Anjana Merchant	(12,18,41,307)		0
	2. Narendra Bhandari	(7,29,16,328)		0
	3. Rajiv Merchant	(3,05,63,640)		0
	4. Vikram Bhandari	(5,41,91,897)		0

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

Section of the	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compli
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Code / Regulati on No.			ance (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?	The Resolution Applicant meets the criteria approved by the COC in regard to the complexity and scale of operations of business of the CD, as per RFPR Clause 1 and the format given in RFPR Format IIIA	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Applicant or Order, if any, of the Adjudicating Authority?	Affidavit received in the format given in RFPR Format IIIA – Undertaking By Resolution Applicant	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Affidavit received in the format given in RFPR Format IIIA – Undertaking By Resolution Applicant	Yes
Section 30(2)	<p>Whether the Resolution Plan-</p> <p>(a) provides for the payment of insolvency resolution process costs?</p> <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</p>	<p>(a) The Format VA and Clause 18, 27, of the - Resolution Plan provides for the payment of insolvency resolution process costs?</p> <p>(b) The Format VA and Clause 18, 27, of the Resolution Plan provides for the payment to the operational creditors?</p> <p>(c) The Format VA and Clause 18, 27, of the Resolution Plan provides for the payment to the financial creditors who did not vote in favour of the resolution plan?</p> <p>(d) The Format VA and Clause 18, 27, of the Resolution Plan provides for the management of the affairs of the corporate debtor</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

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Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Clause 7.3 (g) of the Resolution Plan states that the amount due to the operational creditors under the resolution plan shall be given priority in payment over financial creditors	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause 7 of the Resolution Plan states how it has dealt with the interests of all stakeholders	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code, thus Regulation 38(1B) Not Applicable Not Applicable	N/A N/A
Regulation 38(2)	Whether the Resolution Plan provides: (a) the term of the plan and its implementation schedule? (b) for the management and control of the business of the corporate debtor during its term? (c) adequate means for supervising its implementation?	(a) Clause 24 of the Resolution Plan states term of the plan and its implementation schedule (b) Clause 18 of the Resolution Plan states for the management and control of the business of the corporate debtor during its term (c) Clause 18 of the Resolution Plan states the adequate means for supervising its implementation	Yes Yes Yes
38(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default? (b) it is feasible and viable? (c) it has provisions for its effective	Clause 15,19,20,24,27 of the Resolution Plan states that (a) it addresses the cause of default (b) it is feasible and viable (c) it has provisions for its	Yes

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	<p>implementation? (d) it has provisions for approvals required and the timeline for the same? (e) the resolution applicant has the capability to implement the resolution plan?</p>	<p>effective implementation (d) it has provisions for approvals required and the timeline for the same (e) the resolution applicant has the capability to implement the resolution plan</p>	
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	NO	NO
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	In compliance of the clause 6 B of RFPR the successful resolution applicant as deposited in the bank account of CD per romance security Rs 12.50 lacs on 17/12/2021 within the timelines stipulated in RFPR	Yes

10. The CIRP has been conducted as per the timeline indicated as under:

Section of the Code / Regulation No.	Description of Activity	Latest Timeline under regulation 40A	Actual Date
Section 16(1)	Commencement of CIRP and Appointment of IRP	T	19/03/2020
Regulation 6(1)	Publication of Public Announcement	T+3	14/12/2019
Section 15(1)(c) / Regulation 12 (1)	Submission of Claims	T+14	23/09/2021
Regulation 13(1)	Verification of Claims	T+21	14/03/2020
Section 26(6A) / Regulation 15A	Application for Appointment of Authorized Representative, if necessary	T+23	N/A
Regulation 17(1)	Filing of Report Certifying Constitution of COC	T+23	14/03/2020
Section 22(1) and regulation 17(2)	First Meeting of the COC	T+30	19/03/2020
Regulation 35A	Determination of fraudulent and other transactions	T+115	N/A
Regulation 27	Appointment of two Registered Valuers	T+47	19/03/2020
Regulation 36 (1)	Submission of Information Memorandum to COC	T+54]	23/09/2021

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Regulation 36A	Invitation of EoI	T+75	24/08/2021
	Publication of Form G	T+75	26/08/2021
	Provisional List of Resolution Applicants	T+100	18/09/2021
	Final List of Resolution Applicants	T+115	03/10/2021
Regulation 36B	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants	T+105	23/09/2021
Section 30(6) / Regulation 39(4)	Submission of COC approved Resolution Plan	T+165	21/01/2022
Section 31(1)	Approval of Resolution Plan	T=180	As per NCLT Order

11. The time frame proposed for obtaining relevant approvals is as under:

Sl. No	Nature of Approval	Name of applicable Law	Name of Authority who will grant Approval	When to be obtained
1	Carried forward and set off of losses under Income Tax Act	Income Tax Act	On approval of Resolution Plan by AA after providing an opportunity of being heard as the name included as Respondent and a Copy of the application will be served	On approval of the Resolution Plan by AA. After serving the notice of the application for approval of Resolution Plan and opportunity of heard being provided,
2	GST number	GST Act	GST Department Mumbai	Immediately after approval of Resolution Plan order

12. The Resolution Plan is not subject to any contingency.

or

The Resolution Plan is subject to the following contingencies (Elaborate the contingencies): **NA**

I. Approval: The responsibility of approving a resolution plan rests with the CoC, which will approve it with not less than 66 percent voting in favor of it.

II. Effect of Approval: If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub section (4) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other

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stakeholders involved in the resolution plan. [Sec 31(1)]

13. Following are the deviations / non-compliances of the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made or circulars issued thereunder (If any deviation/ non-compliances were observed, please state the details and reasons for the same):

Sl. No.	Deviation/Non-compliance observed	Section of the Code / Regulation No. / Circular No.	Reasons	Whether rectified or not
1	Delay in Submission of Information Memorandum to CoC	Regulation 36 (1)	Accountant for 2018-19 2019-20 to be prepaid & Audited	Yes
2	Invitation of EoI Publication of Form G Provisional List of Resolution Applicants Final List of Resolution Applicants	Regulation 36A	COVID-19 & Time taken by Hon'ble NCLT in approving Exclusion & Extension Application	Yes
3	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants	Regulation 36B	COVID-19 & Time taken by Hon'ble NCLT in approving Exclusion & Extension Application	Yes
3	Submission of CoC approved Resolution Plan	Section 30(6) / Regulation 39(4)	COVID-19 & Time taken by Hon'ble NCLT in approving Exclusion & Extension Application	Yes
4	Approval of Resolution Plan	Section 31(1)	COVID-19 & Time taken by Hon'ble NCLT in approving Exclusion & Extension Application	Yes

14. The Resolution Plan is being filed 35 days before the expiry of the period of CIRP provided in section 12 of the Code.

15. Provide details of section 66 or avoidance application filed / pending.

Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
1	Preferential transactions	N/A	N/A	N/A

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	under section 43			
2	Undervalued transactions under section 45	N/A	N/A	N/A
3	Extortionate credit transactions under section 50	N/A	N/A	N/A
4	Fraudulent transactions under section 66	N/A	N/A	N/A

15A. The committee has approved a plan providing for contribution under regulation 39B as under:

- Estimated liquidation cost: Rs N/A.
- Estimated liquid assets available: Rs N/A
- Contributions required to be made: Rs N/A
- Financial creditor wise contribution is as under: Rs NA

15B. The committee has recommended under regulation 39C as under:

- Sale of corporate debtor as a going concern: Yes / No --- NA
- Sale of business of corporate debtor as a going concern: Yes / No ---NA

The details of recommendation are available with the resolution professional.

15C. The committee has fixed, in consultation with the resolution professional, the fee payable to the liquidator during the liquidation period under regulation 39D.]-NA

16. I, Kairav Trivedi hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom.

(Signature)

Name of the Resolution Professional:- Kairav Anil Trivedi

IP Registration No:- IBBI/IPA-002/IP-N00728/2018-2019/12332

Address as registered with the Board Residence :- 23A 5th Floor Jyoti, Wadala East Mumbai 400037

Office Address:- 413-414 Shramjeevan B-5 , Opp Lodha New Cuffe, Parade, Wadala (E), Mumbai 400037

Email id as registered with the Board: Kairavtrivedi2002@yahoo.co.in

14. As regards the Secured Financial Creditor having a claim of Rs 16.57 Crs during CIRP and a voting strength of 73.03% in the COC namely The Cosmos Co-operative Bank Ltd, the major valuable

Securities/Assets Charged for this Secured loan given to the CD under CIRP are the PERSONAL PROPERTIES of the Erstwhile Designated partners and their relatives/ associates and thus these assets do not appear in the Books of account of the CD under CIRP and therefore these have neither been valued nor been included in the Resolution Plan. These facts have been mentioned in the Information Memorandum and known to all the RA.

15. Further the said Secured Financial Creditor of the CD Under CIRP i.e. The Cosmos Co-operative Bank Ltd has initiated SERFASEI action for taking charge of these personal properties and the same is being dealt with separately as these assets mortgaged are not under CIRP of the Corporate Debtor.
16. The RP with the approval of the COC appointed 2 Independent valuers registered with IBBI, i) Mr Kedar Chikodi and ii) Mr Prashant, to ascertain the Liquidation value and Fair market value of the Corporate Debtor. As per the valuation reports, the average liquidation value of the Corporate Debtor is stated to be Rs 105 Lacs and the average Fair Market value is stated to be Rs 164 Lacs Against whereas the Successful Resolution applicant has proposed a consideration of Rs 125 Lacs to be paid to the all the Creditors and further investments in additional Working Capital margin and Capital Expenditure of Rs 25 Lacs and supervision and

Implementation of Rs 2.50 lacs leading to a total Resolution Plan

Outlay of Rs 152.50 lacs and the Plan envisages disbursement is to

all the Creditors (Secured & Unsecured Financial Creditors, all

Operational Creditors Including Employees and Government

Departments) whose claims have been received in the manner

agreed in the Plan and as approved by the CoC.

17. The Financial Offer under the Approved Resolution Plan is Total disbursement of Rs 125.00 Lacs and the Total Investment envisaged in this CD of Rs 152.50 Lacs, from Internal Sources as follows:

Sr. No.	Description	Amount (in INR Lakhs)
10.	IRP Costs (estimated upto December 2021 or at actuals)	47.00
11.	Operational Creditor & Statutory Liability & Workmen & Employees	3.00
12.	Financial Creditor	75.00
13.	Any Other Liability	0.00
Total - A		125.00
14.	Supervision and Implementation of Resolution Plan	2.50
15.	Capital Expenditure by Resolution Applicant	10.00
16.	Working Capital Margin	15.00
Total - B		27.50
17.	Total outlay under the Resolution Plan (A+B)	152.50

Sources of Fund		
18.	Internal Accruals, Including Cash & Cash Equivalents, Loans, Bonds or Debt Instruments	152.50
Total		152.50

18. On perusal of the Resolution Plan, it is observed 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.

19. 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.

20. 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 in the 7th meeting held on 09.12.2021 with 98.59% (Ninety-Eight point fifty nine percent).

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 Court observed that the role of the NCLT is 'no more and no less'. The Hon'ble 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 *CoC of Essar Steel* (Civil Appeal No. 8766-67 of 2019 decided on 15.11.2019) the Hon'ble Apex Court clearly laid down that the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved. In para 42 Hon'ble Court observed as under:

"Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of section 30(2) of the Code, insofar as the Adjudicating Authority is concerned, and section 32 read with section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameters of such review having been clearly laid down in K. Sashidhar(supra)."

23. 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.

ORDER

The Application IA No. 210 of 2022 in CP 2620 of 2019 be and the same is allowed. The Resolution Plan annexed to the Application is hereby approved. It shall become effective from this date and shall form part of this order.

- 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. Further in terms of the Judgment of Hon'ble Supreme Court in the matter of *Ghanshyam Mishra and Sons Private Limited v/s Edelweiss Asset Reconstruction Company Limited*, on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of 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 a part of the Resolution Plan.
- iii. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and

filed with the Registrar of Companies (RoC), Mumbai, Maharashtra for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

- iv. The moratorium under Section 14 of the Code shall cease to have effect from this date.
- v. The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.
- vi. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- vii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

Sd/-

SHYAM BABU GAUTAM

Member (Technical)

18.11.2022

SAM

Sd/-

JUSTICE P. N. DESHMUKH

Member (Judicial)