IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT-VI, NEW DELHI

COMPANY PETITION IB (Pre-Packaged)/1 (ND)/2025

ORDER UNDER SECTION 54C OF THE INSOLVENCY ANDBANKRUPTCY CODE, 2016 READ WITH RULE 4 OF THE INSOLVENCY AND BANKRUPTCY (PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS) RULES, 2021

IN THE MATTER OF:

MEDHANSH SNACKS PRIVATE LIMITED

Registered Address - LP-1l D, Pitampura,

New Delhi – 110034.

...Applicant/ Corporate Debtor

Versus

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Regd. Add: 7th Floor, Mayur Bhawan,

Shankar Market, Connaught Circus,

New Delhi, Delhi 110001.

...Non-Applicant

Order Delivered on: 08.08.2025

CORAM:

JUSTICE JYOTSNA SHARMA, **MS. ANU JAGMOHAN SINGH**

HON'BLE MEMBER (JUDICIAL) **HON'BLE MEMBER (TECHNICAL)**

APPEARANCES:

For the Applicant : Adv Rakesh Kumar, Adv Pulkit Mehrotra, Adv Milind Gautam
Adv. Preeti Kashyap, Adv. Ankit Sharma

For the Respondent :

O R D E R

1. The present application is being filed under section 54C of the Insolvency and Bankruptcy Code, 2016 (***the Code***) read with Rule 4 of the Insolvency and Bankruptcy (Pre-Packaged Insolvency Resolution Process) Rules, 2021 **(*PPIRP Rules)*** seeking initiation of Pre-Packed Insolvency Resolution Process ***(PPIRP)*** under Chapter III-A of the Code with respect to Medhansh Snacks Private Limited **(Corporate Debtor).**

2. Medhansh Snacks Private Limited (hereafter referred as Corporate Applicant) is private company incorporated on 02nd April 2007 also having registered office at LP-11 D, Pitampura, New Delhi - 110034. The Company is duly registered at Registrar of Companies, Delhi. It is inter alia engaged in the business of food.

Submission made by the Corporate Applicant-:

3. The Corporate Applicant is a Micro Small Medium Enterprises (MSME) unit bearing certificate number UDY AM-DL-06-0 I 34595 duly registered under the MSME Act 2006 as Micro Manufacturing Unit on 13.09.2024. The Copy of Certificate is attached as **Annexure 1** to the Petition.

4. That the Corporate Applicant had incurred heavy losses on account of failure of its business venture of running of a Quick Service Restaurant in year 2021-22, which resulted in the closure of the said business.

5. That the Board of Directors of the Corporate Applicant in the month of September, 2024 once again decided to start the business of food by way of selling it through Food Carts.

6. That for the said purpose the Corporate Applicant entered into an MOU with M/s BS Energy Vehicle Limited (a dealer of EV Rickshaws and Carts) for the purpose of designing and procurement of Food Carts and also to

provide the software to locate and control the Food Carts. Copy of the MOU is enclosed as **Annexure-A** of the additional affidavit filed by the Corporate Applicant dated 24.04.2025. However, due to various restrictions in clearing of the model from the statutory authority, the project could not commence.

7. That to fulfill the above project, the Corporate Applicant has obtained a facility of Rs. 25,00,000/- (Rupees Twenty-Five Lakhs Only) from M/s Regency Fincorp Limited (a NBFC duly registered with the RBI) for a period of 3 (Three) months.

8. That failure of the prospective business lead to the default of total debt due to Financial Creditor of Rs. 25,68,082.19/-

9. That the Financial Creditor has duly approved under Section 54A(2)(e) for the appointment of the proposed resolution professional i.e. Mr. Gagan Gulati Insolvency Professional bearing IBBI Reg No. IBBI/IPA-002/IP-N00893/2019-2020/12832 and such proposed Resolution Professional shall be appointed for the purpose of carrying out the Pre-Packaged Corporate Insolvency Resolution Process of the Corporate Debtor.

10. That the Medhansh Snacks Private Limited (Corporate Debtor), present Base Resolution Plan (Under Section 30 and read with Section 54 (k) (8) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 44,45 & 48 of the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021) based on the financial stress faced by the Company.

11. The Base Resolution plan is filed along with the petition. Part –II of the Base Resolution Plan provides for the turnaround strategy, the procedure of payment concerning Pre-packaged Insolvency and Resolution Process

Cost, Financial creditors, Operational Creditors, Statutory Dues, employees, etc.

12. The Base Resolution Plan has dealt with the interest of the stakeholders are as follows-:

I. PPIRP Cost – 100% (Payment will be made within 30 days of approval of the Resolution Plan.
II. Financial Creditor (Unsecured & Unrelated)- 55% (Rs. 14,72,969/- Payment to Unrelated Financial within 300 days from the date of approval.
III. Employee/Workmen- N.A. (All the existing employees and workmen will be considered for employment)
IV. Operational Creditors (Unrelated) - 1% (Rs. 1,89,153.40/- Payment within 300 days from the date of approval)
V. Operational Creditors (Related) – 1% (Rs. 1540/- Payment within 300 days from the date of approval.)

13. Source of Funding-:

Vide affidavit dated 10.05.2025 the Corporate Applicant submit the details of the sources of funding for the base resolution plan as under-:

ANNEXURE:- A

SOURCES OF FUND FOR RESOLUTION PROCESS OF MEDHANSH SNACKS PRIVATE LIMITED			
S.No.	Source of Fund	Amount Sourced (in Rs.)	Sourcing - Timeline
1	Existing Promoters	250000.00	Within 30 days of approval of the Resolution Plan by the Hon'ble NCLT
2	Existing Promoters	500000.00	Within 60 days of approval of the Resolution Plan by the Hon'ble NCLT
3	Proposed Business Franchises/ Investors	1000000.00	Within 90 days of approval of the Resolution Plan by the Hon'ble NCLT
4	Proposed Business Franchises/ Investors	1500000.00	Within 150 days of approval of the Resolution Plan by the Hon'ble NCLT
TOTAL AMOUNT TO BE SOURCED FOR THE RESOLUTION PROCESS		3250000.00	

Statutory Compliances

14. The Applicant has stated that it is duly registered as MSME (Micro, Small and Medium Enterprise) under the MSME Act, 2002 in the category **("Micro Enterprise")** and the copy of UDYAM (Udyog Aadhar Memorandum) Registration Certificate dated **13.09.2024** of the Corporate Debtor is annexed as **Annexure 1** with the application. Therefore, as per the Applicant, it is eligible to file this application as per Section 54A (1) of the Code.

15. A special resolution by the Members of the Corporate Debtor to initiate the PPIRP under Section 54A (2) (g) of the Code was passed on 28.01.2025. The special resolution is annexed as **Annexure 7** with the application.

16. A copy of declaration dated 21.02.2025 given by the majority of the directors of the Corporate Debtor for filing an application for initiating PPIRP as referred to in Section 54A(2)(f) of the Code is at in **Form P6** of the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021 **(PPIRP Regulations)**, which is on record at **Page No. 37-39** and marked as **Annexure 6** of the application.

17. A copy of the approval of Non-Related Financial Creditor of the Corporate Debtor under Section 54A (3) of The Code for filing an application for PPIRP in **Form P4 along with Form P2** of the PPIRP Regulations dated 21.02.2025 is on record at **Page No. 35-36** and marked as **Annexure 5** of the application.

18. The Non-Related Financial Creditor of the Corporate Debtor under Section 54A(2)(e) of the code, approved the appointment of Insolvency Professional, Mr. Gagan Gulati having Registration No. IBBI/IPA-002/IP-N00893/2019-2020/12832. It is produced at **Page 32-34** and marked as **Annexure 4,** thereby complying with the provision of Section 54A(2)(e) of the Code read with Regulation 14(5) of the PPIRP Regulations. The said

Insolvency Professional is proposed to be appointed as Resolution Professional to conduct the PPIRP and to discharge duties before initiation of PPIRP.

19. The Resolution Professional's written consent under Regulation 7(1) of the PPIRP Regulations in **Form-P1** is produced at **Page No. 30-31** and marked at **Annexure-3,** of the application and the Resolution Professional's report dated 23.02.2025 under section 54B(1)(a) of the Code read with Regulation 17 of the PPIRP Regulations in **Form-P8** is produced at **Page No. 43** and marked at **Annexure 9** of the application.

20. A copy of declaration regarding the non-existence of avoidance transaction relating to Corporate Debtor as per Section 54C(3)(c) of the Code, read with Regulation 16(2) of the PPIRP Regulations filed by Pappu Kumar, Director, (DIN-**09615597**) in **Form P-7** is produced at **Page 42** and marked as **Annexure-8** of the application.

21. In compliance with Section 54A(2)A copy of affidavit dated 03.02.2025 stating that the Corporate Debtor is eligible under Section 29A of the Code to submit a Resolution Plan has also been filed which is provided at **Page 44-49** and marked as **Annexure- 10.** Thus, the provision of Section 54A(2)(d) of the code are complied with.

22. The Corporate Debtor has also produced the audited financial statement of the company for the FY 2022-2023 & 2023-2024 along with provisional balance sheet as on 21.02.2025 which are produced at **Page 53-100** and annexed as **Annexure 13** of the application. Thus, the Corporate Debtor has complied with the provisions of 54C(3)(d) of the Code.

23. The Insolvency Professional to be appointed as Form Resolution Professional (RP) as per the provision of Section 54C(3)(b) of the Code. The

RP consent in writing in Form P 1 which is placed at **Page No. 30-31** and marked as **Annexure -3.**

24. <u>Finding-</u>

The Application filed under Section 54C of the Insolvency and Bankruptcy Code, 2016, was found to be in compliance with the eligibility criteria as prescribed under Section 54A of the Code. The scope of examination by the Adjudicating Authority at the stage of an application under Section 54C, has been clearly laid down by the Hon'ble NCLAT in **(Garodia Chemicals Ltd. Company Appeal (AT) (Insolvency) No. 1682 of 2023):**

> *"13. We have already noticed the provisions of Section 54A and 54C, where under Section 54C, sub-section (4), the Adjudicating Authority is required to admit the Application, if it is complete or reject the Application, if it is incomplete. In paragraphs 10 to 16 of the impugned order, the Adjudicating Authority itself has noticed that all necessary compliances are fulfilled by the Corporate Debtor in filing Application under Section 54C. Thus, when accordingly, to the Adjudicating Authority itself, all necessary compliances have been completed by the Corporate Applicant, whether the Adjudicating Authority could have entered into issue of Base Resolution Plan and reject the Application on the ground that Base Resolution Plan is not acceptable is a question to be answered."*
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> *18. The statutory Scheme as noted above, clearly indicates that question of approval of Resolution plan is in the domain of CoC, which may approve the Base Resolution Plan or if not*

satisfied direct the RP to invite prospective Resolution Applicants to submit a Resolution Plan or Plans. Thus, Base Resolution Plan has been given no finality, nor it is a Resolution Plan, which ultimately is required to be approved. Base Resolution Plan can be rejected by the CoC on valid reasons and fresh Resolution Applicants can be invited and approval of the Resolution Plan by Adjudicating Authority arises only after approval of Plan by the CoC under Section 54K. The statutory Scheme as noticed above, thus, clearly indicates that there is no occasion for consideration of Base Resolution Plan at the time of consideration of Application under Section 54C for admission or rejection. In the present case, the Adjudicating Authority has rejected 54C Application after entering into the merits of the Base Resolution Plan, which is not contemplated by statutory Scheme. The order of Adjudicating Authority, thus, rejecting the Application under Section 54C entering into Base Resolution Plan, is thus, contrary to the statutory Scheme of Chapter III-A and on this ground itself the order becomes unsustainable."

25. In view of the aforesaid observations of Hon'ble NCLAT that while adjudicating a petition under Section 54A at the admission stage, the Adjudicating Authority is required to only see whether all stated compliances have been fulfilled and the fact that in the instant case all statutory provision under Section- 54A and 54C have been complied with, we are of the opinion that it is fit case for admission Under Section 54A.

26. However, we make it clear that in adherence to the Hon'ble NCLAT observation in the case, cited above, we have not examined the proposed Base Resolution Plan and have not gone into the merits and the source of funding of the Base Resolution Plan.

27. The Tribunal vide order dated 21.05.2025 directed the applicant to clarify whether the threshold limit for filing this petition has been met. The Applicant Company filed the reply vide affidavit dated 11.06.2025, provide the notification dated 09.04.2021 issued by the Ministry of Corporate Affairs, in respect of the threshold limit for initiating the PPIRP.

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 9th April, 2021

S.O. 1543(E).—In exercise of the powers conferred by the second proviso to section 4 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (3 of 2021), the Central Government hereby specifies ten lakh rupees as the minimum amount of default for the matters relating to the pre-packaged insolvency resolution process of corporate debtor under Chapter III-A of the Code.

[F. No. 30/20/2020-Insolvency]

GYANESHWAR KUMAR SINGH, Jt. Secy.

28. The application is complete in all respects and meets all requirements of Law. Hence, this Bench admits this application and pass the following orders: -

ORDER

29. The application CP(IBPP) No. 01 (ND) 2025 for Pre-Packaged Insolvency Resolution Process of **Medhansh Snacks Private Limited** is admitted under Section 54C of the Code.

i. In view of the commencement of the PPIRP, moratorium is declared, under Section 14 of Code, 2016, for prohibiting all of the following in terms of Section 14(1) of the Code-:

   a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

   b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002;

d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate Debtor.

ii. The Resolution Professional as proposed by the Financial Creditor namely, Mr. Gagan Gulati having Registration No. lBBI/IPA-002/lP-N00893/2019-2020/12832, email: advocategulati@gmail.com appointed as a Resolution Professional to conduct Pre-Packaged Insolvency Resolution Process ("PPIRP") as per the Provisions of Chapter III A of the Insolvency Regulations. Further, the Resolution Professional shall also perform his duties and functions as per the provisions given under Section 54F of the Code.

iii. This Adjudicating Authority directs the RP to make a public announcement of Pre-Packaged Insolvency Resolution Process (" PPIRP") of the Corporate Debtor as per Section 54A of the Code and invite and collate the claim of the creditors.

iv. As mentioned under Section 54F (5), the personnel of the Corporate Debtor shall extend all assistance and cooperation to RP.

v. In case of non-cooperation, the RP can approach this Adjudicating Authority under Section 19(2) of the Code. The management of the Corporate Debtor shall remain vested with the Board of Directors of the Corporate Debtor as per the provisions of Section 54H, subject to action under Section 54J of

the Code, if, any. The Board of Directors shall discharge their duties as specified under Section 54H(b) and Section 54H(c) of the Code.

vi. This Bench directs Resolution Professional to file an interim report within thirty days to this Authority.

vii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the Resolution Professional and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on website immediately after pronouncement of the order.

viii. Accordingly, CP(IBPP) No. 01 (ND) 2025 stands disposed of in terms indicated above.

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

x. Certified copy of the order may be issued to all the concerned parties, if applied for, upon compliance with all requisite formalities.

-SD/-	**-SD/-**
(ANU JAGMOHAN SINGH)	**(JYOTSNA SHARMA)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**