

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

IA.(IBC) Plan 81/2024

IN

CP(IB) No.469/MB/2023

Under Section 30(6) of the read with Section 31 of the Insolvency & Bankruptcy Code, 2016 r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.) Regulations, 2016 seeking for approval of the Resolution Plan

IA No. 81/2024

Mr. Modilal Dhanraj Pamecha,

..... Resolution Professional

In the matter of

Kausar Textile Pvt Ltd

..... Financial Creditor

V.s

Reward Real Estate Company Limited

... Corporate Debtor

Order delivered on: 12.02.2025

Coram:

Prabhat Kumar
Hon'ble Member (Technical)

Justice V.G Bisht, (Retd).
Hon'ble Member (Judicial)

Appearances:

For the Applicant : Mr. Kunal Kanungo, Advocate.

ORDER

1. This Application has been filed on 26.07.2024 by the Resolution Professional (“**RP/Applicant**”) under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) on behalf of the Committee of Creditors (“**CoC**”) seeking approval of the Resolution Plan submitted by the Successful Resolution Applicant (“**SRA**”), **Wellworth Finvest (India) Private Limited** and approved by 100% of the voting share of the members of the CoC of the Corporate Debtor viz. Reward Real Estate Company Limited (“**Corporate Debtor**”).

Brief Facts :

2. The Corporate Insolvency Resolution Process (“**CIRP**”) of the Corporate Debtor was initiated vide an order dated 25.09.2023 of this Tribunal in **C.P.(IB) 469 (MB)/2023** on an application filed by **Kausar Textile Private Limited** (“**Financial Creditor**”) under Section 7 of the Code.
3. Mr. Modilal Dhanraj Pamecha was appointed as Interim Resolution Professional (“**IRP**”). The IRP made a public announcement in the newspapers (in Mumbai) in Form-A on 09.12.2023 inviting the creditors to submit their claims on or before 21.12.2023. The IRP constituted the CoC based on the claims received by him on 27.01.2024 and the first meeting of the CoC was held on 06.01.2024, wherein the IRP was confirmed as the Resolution Professional.
4. The Applicant submits that till the date of filing of the present Application, a total of 5 (Five) CoC meetings have been held from time to time.
5. At the 1st CoC meeting held on 06.01.2024 , it was reported that the notice for initiating the CIRP was sent to various government

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authorities. Additionally, emails were sent to the suspended directors of the Corporate Debtor on 07.12.2023 and 01.01.2024 requesting documents and information regarding the company's operations.

6. Subsequently, upon verification of the claims, the CoC was reconstituted by the Applicant on 27.01.2024 with the following Unsecured Financial Creditors:

Sr. No.	Name of the Creditors	Amount claimed & admitted (Rs.)	Percentage Share (%)
UNSECURED FINANCIAL CREDITORS			
1.	Kausar Textile Private Limited	64,17,76,093/-	1.98%
2.	Abhinandan Multitrade Private Limited	2,74,17,16,431/-	8.45%
3.	Acrow Constructions Pvt. Ltd.	3,79,772,596/-	1.17%
4.	Anukaran Consultancy Private Limited	4,11,64,09,745/-	12.69%
5.	Amex Infrastructure Private Limited	3,44,364,913/-	1.06%
6.	Bridge Infra Private Limited	1,386,146,644/-	4.27%
7.	Charms Holding Private Limited	97,43,06,863/-	3.00%
8.	Conart Conpro Private Limited	1,12,27,64,709/-	3.47%
9.	Cranes Real Estate Private Limited	34,44,48,938/-	1.06%
10.	Devika Trading Private Limited	3,31,52,67,576/-	10.22%
11.	Eloquent Traders Private Limited	34,57,57,491/-	1.07%
12.	Express Suitings Private Limited	3,49,86,11,215/-	10.78%
13.	Heavy Steel Private Limited	2,89,10,58,839/-	8.91%

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14.	Kaushal Logistics Private Limited	1,67,78,82,500/-	5.17%
15.	Rajdeep Clothing and Advisory Private Limited	1,07,81,88,646/-	3.32%
16.	Royal Compservices Private Limited	56,05,49,735/-	1.73%
17.	Taban Real Estate Private Limited	34,44,48,939/-	1.06%
18.	Tanvish Trading Private Limited	62,46,41,577/-	1.93%
19.	Bodal Conpro Private Limited	62,79,06,108/-	1.94%
20.	Madhu Crimpers Private Limited	34,43,64,913/-	1.06%
21.	Ritu Multitrade Services Private Limited	65,36,41,305/-	2.01%
22.	Vignaharta Corrugators Private Limited	2,37,12,97,020/-	7.31%
23.	Wellworth Apparels Private Limited	2,05,68,79,888/-	6.34%
Total (A)		32,44,22,02,683/-	100%

7. In the 2nd CoC meeting held on 02.02.2024, the Applicant further discussed the invitation for Expression of Interest (“**EOI**”) in Form G, the Request of Resolution Plans (“**RFRP**”) and the Evaluation Matrix. Also 2 valuers (“**Registered Valuers**”) were appointed as Valuers for "Land & Building. The Fair Market Value of the Corporate Debtor was determined to be Rs. 37,97,00,000/- (Thirty-Seven Crore Ninety-Seven Lakhs Only).The Liquidation Value of the Corporate Debtor was determined to be Rs. 31,36,00,000/- (Rupees Thirty-One Crore Thirty-Six Lakhs Only).

8. In the 3rd CoC meeting on 24.04.2024, the Applicant informed the members that, after the publication of Form G on 05.02.2024, 31 EOIs

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were received, and the details were tabled and recorded. Out of these, Wellworth Finvest (India) Private Limited met the conditions and deposited the Rs. 1 lakh Earnest Money Deposit, making them eligible as PRA. Accordingly, the Information Memorandum, Evaluation Matrix, and RFRP were sent to them on 21.03.2024. The Applicant also requested members to contribute towards CIRP costs, as the Financial Creditor had failed to deposit the Rs. 5 lakh fees as directed in the Admission Order.

9. Pursuant thereto, an Interlocutory Application bearing IA No. 2839 of 2024 was filed by the Applicant seeking extension in the CIRP period by 90 days with effect from 05.06.2024 on account of receipt of Resolution Plan which was under consideration by the CoC. The said Application was allowed and CIRP was extended by 90 days vide order dated 06.06.2024.
10. In the 5th CoC meeting on 02.08.2024, the members were updated on the claim under verification for Rs. 66,91,63,284 filed by Shapoorji Pallonji and Company Pvt. Ltd. The claim was still under verification due to missing documents and the fact that the matter was pending before the Arbitral Tribunal. Despite requesting additional information, the claimant failed to provide the necessary documents. The Applicant also informed the members about two belated claims, advising the claimants to file as per CIRP regulations and to provide reasons for the delay. The Applicant reiterated the request for CIRP cost contributions, including the Rs.5 Lakh deposit required from the Financial Creditor, as directed by this Tribunal.
11. Accordingly, upon conclusion of the voting lines and after garnering the requisite approval of 66% from the CoC, the Applicant had issued the Letter of Intent on 06.08.2024 to Wellworth Finvest

(India) Private Limited declaring it as the Successful Resolution Applicant (“SRA”) on behalf of the CoC of the Corporate Debtor. Pertinently, the SRA also deposited Rs. 2,00,000/- (Rupees Two Lakhs only) as security deposit prescribed under the RFRP.

Salient Features of the Resolution Plan

12. **Overview of Resolution Applicant** – The SRA is a company incorporated under the Companies Act, 1956 on 24.12.2012 with ROC, Mumbai with an authorized share capital of Rs. 5,00,00,000 and paid-up share capital of Rs. 2,05,20,000. The registered office of the SRA is at 25, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai -400005. It is a company engaged in the business of lending and advancing money and assets of all kinds or giving credit on any terms or mode and with or without security to any individual, firm, body corporate and interest in acquiring stressed assets in the real-estate sector. It is also interested in purchasing any movable or immovable property including industrial, commercial, residential or farm lands, plots, building, houses, apartments.

16.1 Overview of Corporate Debtor –

Corporate Debtor is a company incorporated on 20.01.2004. It is classified as non- govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital and paid-up capital is Rs. 30,00,00,000/-. It is involved in real estate activities.

16.2 Summary of Resolution Plan is as under:

<i>Resolution Amount</i>	<i>Applicant</i>	<i>Proposed</i>	<i>Amount in (Rs.)</i>	<i>Timeline</i>

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<p>The Proposal is for Rs. 45,48,00,000/- for the Un-Secured Financial Creditors which includes the necessary expenses to be borne by the CoC members, i.e., CIRP Period Cost, payment to Workmen & Employees and all others Expenditure or other creditors if any, PF or other statutory claims.</p> <p>Detail given below in point No. A, B & C</p> <p>Total Amount (Our Cost to CoC)</p>	<p>45,48,00,000/-</p>	
<p>A. Payment towards CIRP Cost: Outstanding CIRP Cost has been independently estimated by the Resolution Applicant to be up to Rs. 48,00,000/- (Rupees Forty-Eight Lakh Only). CIRP costs shall be adjusted/paid from the upfront payment to Un secured Financial Creditors. If CIRP Costs is more than Rs. 48,00,000/- then any additional or amount of CIRP costs shall be adjusted from the payment made to Unsecured Financial Creditors in the ratio of their voting power in CoC.</p>	<p>48,00,000/-</p>	<p>Within 60 Days from the Transfer Date.</p>
<p>B. Payment of Workmen & Employees towards discharge of the Operational Creditors being the liabilities pertaining to Workmen and Employees as full and final settlement</p>	<p>NIL</p>	<p>N.A.</p>

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C. Payment to the Un-Secured Financial Creditors(excluding the Related Party Creditor) in the ratio of their voting rights in the CoC.	45,00,00,000/-	Details given below:
Payment towards remaining Operational Creditors being the Statutory Dues of the Corporate Debtor and Other Creditors (excluding Related Party Creditors) (other than the Workmen and Employees Dues).	50,000/-	N.A.
Payment to Related Party Creditors & Existing Shareholders of the Corporate Debtor	NIL	N.A.
Payment towards Contingency Fund	1,00,00,000/-	As and when required to meet future legal & other cost.
Additional Capital Expenditure	1,00,00,000/-	*As per technical assessment.
Additional Operating Expense (Working Capital)	1,00,00,000/-	*As per technical assessment.
Total Payment	48,48,50,000/-	

16.3 Payment To Unsecured Financial Creditors:-

After considering all the aspects, the RA has proposed total payment of Rs. 45,00,00,000 payable to Un-secured Financial Creditors including CIRP Cost as under:

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(Rs. In crores)

a)	Within 360 days from the date of acceptance by Hon'ble NCLT	2.00/-
b)	Within 420 days from the date of acceptance by Hon'ble NCLT –	3.00/-
c)	Within 780 days from the date of acceptance by Hon'ble NCLT	10.00/-
d)	Within 1140 days from the date of acceptance by Hon'ble NCLT	10.00/-
e)	Within 1500 days from the date of acceptance by Hon'ble NCLT	20.00/-
	Total	45.00/-

16.4 Source of Fund-Means of Finance: The means of finance with reference to aforesaid cost of project is as under:

Resolution Applicants will infuse in the form of Equity/Unsecured Loans/Advances by themselves or Lending Facilities from Banks/NBFC/Private Finance Sponsor. SRA is a company with a net worth of Rs. 1.83 Cr. and has adequate liquidity at its disposal. It also has financial Investors by the name -*M/s Topfin Investment Private Limited*, who is having strong liquidity position and accordingly shall invest in case of need. Topfin Investment Private Limited has agreed and accepted the proposal of SRA for subscription of Debentures (CCDs) aggregating to Rs. 20/- Cr., to be issued by the SRA.

16.5 Details of concessions or reliefs to be sought by the Corporate Debtor and/or Resolution Applicants from various parties are:

1. From the Government:

a. Reliefs and Concessions Sought by the Resolution Applicant: Regulation 37(1) of the CIRP Regulations provides that a resolution plan may provide for the measures required for implementing it, including but not limited to obtaining necessary approvals from the Central and State Governments and other authorities. Accordingly, the Resolution Applicants request all Governmental Authorities to grant any relief, concession or dispensation as may be required for implementation of the transactions contemplated under the Plan in accordance with its terms and conditions. In this regard, upon the NCLT approving the Plan, the Resolution Applicants will, pursuant to the NCLT's order, make necessary applications to the relevant Governmental Authorities to seek such waivers and reliefs, as appropriate.

b. The Central Board of Direct Taxes shall grant exemption to the company from the requirement of obtaining NOC under the provisions of Section 281(1) of the Income Tax Act, 1961 for sale/disposal off any of the assets of the company, if any, made any time within a period of 3 years from the effective date.

c. The Ministry of Corporate Affairs and/or the NCL T shall have granted their approval for holding the annual general meeting of the Company for the FY ending on March 31, 2024 the expiry of the stipulated maximum

period for holding such meeting under Applicable Laws.

- d. To exempt the company from the compliance of the provisions of the Companies Act, 2013 for reduction in equity share capital of the company as envisaged in the scheme without following the procedures u/s 66 of the Companies Act, 2013. The Company shall not be required to add "And Reduced" after its name.
- e. With respect to the proposed reconstitution of the board of directors of the Company, the NCL T shall direct the Ministry of Corporate Affairs and the jurisdictional registrar of companies to take on record such appointments and resignations of directors of the company .
- f. Proceedings related to shortfall of mortgage deed duty, including any interest and penalties, will be waived.
- g. Any charge, interest, penalty or dues. Any pending property tax pertaining to statutory authorities such as Income Tax, Service Tax/ Goods and Service Tax, Luxury Tax, Entertainment Tax, VAT, Companies Act etc, which remain outstanding even after payments proposed in this Resolution Plan prior to CIRP Commencement date shall stand extinguished and be waived by the respective authorities.

16.6 MONITORING COMMITTEE:

- i. A Monitoring Committee shall be formed having the members of the new management with Mr. Paresh Chandulal Mehta - Insolvency Professional having Reg. No. IBBI/IPA-03/IPA-003/IP-N00099/017-2018/1100 as Chairman till final payment is

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made as proposed in the Resolution Plan and the Chairman shall monitor the activities of the Corporate Debtor including one authorized representative of Resolution Applicant and one authorized representative on behalf of Unsecured Financial Creditors. The said Committee may be dissolved any time by consent of the members of the Monitoring Committee.

13. The Resolution Professional has annexed 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 Code and its Regulations. The relevant extracts, as otherwise stated elsewhere in the order, are as follows -

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, MODILAL DHANRAJ PAMECHA , an insolvency professional enrolled with the Indian Institute of Insolvency Professional of ICAI and

*registered with the Board with registration number IBBI/IPA-001/IP-P01231/2018-2019/12127 (AFA Validity upto 25/09/2024), am the resolution professional for the corporate insolvency resolution process (CIRP) of **REWARD REAL ESTATE COMPANY LIMITED (CD)**.*

2. The details of the CIRP are as under:

Sr. No.	Particulars	Description
1	Name of the CD	REWARD REAL ESTATE COMPANY LIMITED

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2	<i>Date of Initiation of CIRP</i>	<i>Date of order 05/12/2023 and Certified copy of Order received on 07/12/2023)</i>
3	<i>Date of Appointment of IRP</i>	<i>05/12/2023</i>
4	<i>Date of Publication of Public Announcement</i>	<i>09/12/2023</i>
5	<i>Date of Constitution of CoC</i>	<i>Constituted on 30/12/2023, Reconstituted on 27/01/2024</i>
6	<i>Date of First Meeting of CoC</i>	<i>06/01/2024</i>
7	<i>Date of Appointment of RP / Deemed RP</i>	<i>06/01/2024</i>
8	<i>Date of Appointment of Registered Valuers</i>	<i>22/01/2024 (SFA and Land and Building Class)</i>
9	<i>Date of Issue of Invitation for EoI</i>	<i>05/02/2024</i>
10	<i>Date of Final List of Eligible Prospective Resolution Applicants</i>	<i>16/03/2024</i>
11	<i>Date of Invitation of Resolution Plan</i>	<i>21/03/2024</i>
12	<i>Last Date of Submission of Resolution Plan</i>	<i>20/04/2024</i>
13	<i>Date of Approval of Resolution Plan by CoC</i>	<i>05/08/2024 Date of 5th CoC Meeting 02/08/2024 Result of e-Voting down loaded from Right 2 vote https://right2vote.in/login on 06/08/2024 at 09.07.00 am (IST)</i>
14	<i>Date of Filing of Resolution Plan with Adjudicating Authority</i>	<i>Tentative Date 13/08/2024.</i>
15	<i>Date of Expiry of 180 days of CIRP</i>	<i>Original Date 04/06/2024 (180 days from insolvency)</i>

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		<i>commencement date i,e Certified copy of Order received on) Extended date of CIRP 03/09/2024 (90 Days Extension Allowed by Hon'ble NCLT)</i>
16	<i>Date of Order extending the period of CIRP</i>	<i>Date of Order 06/06/2024 in IA 2893/2024 in C.P. (IB)/469 (MB) 2023 for extension of 90 Days of CIRP. Extension was sought, In view One Resolution plan was received and it is under consideration of CoC.</i>
17	<i>Date of Expiry of Extended Period of CIRP</i>	<i>03/09/2024</i>
18	<i>Fair Value</i>	<i>Rs 39,11,85,257</i>
19	<i>Liquidation value</i>	<i>Rs 31,30,85,505</i>
20	<i>Number of Meetings of CoC held</i>	<i>5 (Five)</i>

3. I have examined the Resolution Plan received from Resolution Applicant **WELLWORTH FINVEST (INDIA) PRIVATE LIMITED** and approved by Committee of Creditors (CoC) of **REWARD REAL ESTATE COMPANY LIMITED (CD)**.

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 **Wellworth Finvest (India) 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

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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.

I sought vote of members of the CoC by electronic voting system which was kept open Start time 03/08/2024, 9 am (IST) , End time 05/08/2024 , 7 pm (IST) as per the regulation 26.

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

<i>Sr. No.</i>	<i>Category of Stakeholder*</i>	<i>Sub-Category of Stakeholder</i>	<i>Amount Claimed</i>	<i>Amount Admitted</i>	<i>Amount Provided under the Plan#</i>	<i>Amount Provided to the Amount Claimed (%)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
<i>1</i>	<i>Secured Financial Creditors</i>	<i>(a) Creditors not having a right to vote under sub-section (2) of section 21</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
		<i>(b) Other than (a) above: (i) who did not vote in favour of the resolution Plan</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>

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		(ii) who voted in favour of the resolution plan	NIL	NIL	NIL	NIL
		TOTAL [(a) + (b)]	NIL	NIL	NIL	NIL
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	NIL	NIL	NIL	NIL
		(b) Other than (a) above: -(Home buyer)	NIL	NIL	NIL	NIL
		(i) who did not vote in favour of the resolution Plan				
		(ii) who voted in favour of the resolution plan	32,44,22,02,683	32,44,22,02,683	45,00,00,000	1.39%
		TOTAL [(a) + (b)]	32,44,22,02,683	32,44,22,02,683	45,0000,000	1.39%
			<i>(Rs Three Thousand Two Hundred and Forty Four Crores Twenty Two Lakhs Two</i>	<i>83 (Rs Three Thousand Two Hundred and Forty Four Crores Twenty Two</i>	<i>00 (Rs Forty Five Crore Only)</i>	

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			<i>Thousand Six Hundred and Eighty Three only)</i>	<i>Lakhs Two Thousand Six Hundred and Eighty Three only)</i>		
3	Operational Creditors	(a) Related Party of Corporate Debtor	NIL	NIL	NIL	NIL
		(b) Other than (a) above:	NIL	NIL	NIL	NIL
		(i)Government	2,65,31,539	2,65,31,539	Rs 50,000 (Rs Fifty Thousand only)	0.19%
		(ii)Workmen	NIL	NIL	NIL	NIL
		(iii)Employees	NIL	NIL	NIL	NIL
		(iv)Supplier/ Credit ors	NIL	NIL	NIL	NIL
		TOTAL[(a) + (b)]	32,46,87,34,222	32,46,87,34,2 22	Rs 45,00,50,0 00	1.39
4	Other debts and dues	Creditors of Other Category:	NIL	NIL	NIL	NIL
		(i)	NIL	NIL	NIL	NIL
		(ii)	NIL	NIL	NIL	NIL
5	CIRP Cost	CIRP Cost (Estimated til date subject to further changes i.e fees will be payable to	47,34,071 (Rs Forty Seven lakhs Thirty Four Thousand and	47,34,071 (Rs Forty Seven lakhs Thirty Four	48,00000 (Rs Forty- eight lakhs Only)	100%

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	<i>Advocate, Auditors, IBBI & Resolution Professional)</i>	<i>Seventy one only)</i>	<i>Thousand and Seventy one only)</i>		
Total		<i>32,47,34,68,293 (Rs Three Thousand Two Hundred and Forty Seven Crores Thirty Four Lakhs Sixty Eight Thousand Two Hundred and Ninety Three only)</i>	<i>32,47,34,68,2 93 (Rs Three Thousand Two Hundred and Forty Seven Crores Thirty Four Lakhs Sixty Eight Thousand Two Hundred and Ninety Three only)</i>	<i>45,48,50,0 00 (Rs Forty Five Crore Forty Eight Lakhs Fifty Thousand only)</i>	<i>1.40%</i>
<i>Need basis for improvement of Operations/ WC/ Refurbishments in debt /Contingency</i>		<i>NIL</i>	<i>NIL</i>	<i>3,000000 (Rs Three Crore only)</i>	<i>NIL</i>
Grand Total		<i>32,47,34,68,293 (Rs Three Thousand Two Hundred and Forty Seven Crores Thirty</i>	<i>32,47,34,68,2 93 (Rs Three Thousand Two Hundred and Forty</i>	<i>48,4850,0 00 Rs Forty Eight CroreFort y Eight</i>	<i>1.49%</i>

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	<i>Four Lakhs</i>	<i>Seven Crores</i>	<i>Lakhs</i>	
	<i>Sixty Eight</i>	<i>Thirty Four</i>	<i>Fifty</i>	
	<i>Thousand Two</i>	<i>Lakhs Sixty</i>	<i>Thousand</i>	
	<i>Hundred and</i>	<i>Eight</i>	<i>only only)</i>	
	<i>Ninety Three</i>	<i>Thousand</i>		
	<i>only)</i>	<i>Two Hundred</i>		
		<i>and Ninety</i>		
		<i>Three only)</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.]

14. 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.

15. 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.

16. 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%.

17. This Tribunal directed the Resolution Professional to obtain confirmation from SRA that the total value stated at para 42 is Rs. 45,48,50,000/- and not Rs. 45,48,00,000/-, and also sought following clarification from him:

- a. the status of claims of the Operational Creditors stated to be under verification at page no. 257 of the present Application;
- b. whether the charge stated to be in favour as Indian Overseas Bank at page no. 258 of the present Application has been satisfied prior to initiation of CIRP;
- c. Whether any contingent liability on account of guarantees extended by the Corporate Debtor was disclosed in the Notes to Accounts of the Audited Financial Statements?
- d. Whether any claim was made by the RP upon the debtor in relation guarantees invoked against the corporate debtor by the beneficiaries

18. The Resolution Professional appeared in person and was also represented by the counsel. The Resolution professional explained that the claim of Operational Creditor i.e Shapoorji Pallonji was kept under verification on want of information and such claimant has filed an application No.5858 of 2024 which is pending before this Tribunal for further direction. We note that this Tribunal has already passed an order dated 07.01.2025, allowing the said application, directing the Resolution Professional to admit the claim of the Applicant. The Successful Resolution Applicant has filed an affidavit dated 28.1.2025 stating that *“the Revised Resolution Plan dated 29.7.2024 has kept a provision of contingency fund of Rs. 1 crore in case of unknown needs and claims. Since, the claim lodged by Shapoorji Pallonji has been kept under “conditional/contingent claim” subject to the outcome of the pending arbitration proceedings, the SRA undertakes to utilize the said contingency fund of Rs. 1 Crore to meet the requirements of claim lodged by Shapoorji*

Pallonji in accordance with the terms of the Resolution Plan as Operational Creditor in case Shapoorji Pallonji becomes successful arbitration proceedings.” It is further stated that vide email dated 17.01.2025, the Resolution Professional informed the SRA that pursuant to order dated 07.01.2025 passed in IA 5858/2024 as per the verification of documents and records maintained with the Corporate Debtor, the claim lodged by Shapoorji Pallonji to the extent of Rs.66,91,63,284/- has been admitted as “conditional/contingent claim”. It is pertinent to note that the claim has been defined in Section 3 (6) of the Code includes disputed right to payment as well. Accordingly, the claim of Shapoorji Pallonji must be admitted as claimed from Operational Creditor and dealt with in accordance with the proposals dealing with other Operational Creditors. Hence, we direct the payments to Shapoorji Pallonji be made out of the contingency fund in the same ratio as the other Operational Creditors are proposed to be paid in the plan and the balance, if any, shall continue in the contingency fund to be dealt with in accordance with the plan.

19. As regards to charge, there is no debt outstanding in the name of the bank in whose name charge over the properties of the Corporate Debtor is registered in the records of Registrar of Companies and as per his information, such loan has already been paid since the last financial statement. Further, it was clarified that the said charge was to be deleted in the records however, due to inadvertence it remained in existence.
20. It was further clarified that the debt arising out of invocation of Corporate guarantee extended by the Corporate Debtor to various creditors were admitted after due verification of the deed of guarantee and documents submitted by such creditors. It was also explained that

the existence of such guarantees was confirmed from the erstwhile directors, however we find that none of such guarantee is acknowledged/disclosed as Contingent Liability in the audited financial statements of the Corporate Debtor. Further, the Resolution Professional could not furnish any explanation as to why counter claim was not filed in cases where the CIRP of Principal Debtor had commenced. We note that no person has objected to admission of claim of these financial creditors, accordingly, we do not consider it appropriate to look beyond the submission made by the Resolution Professional in this regard even though such Corporate Guarantees were not found acknowledged as contingent liabilities in the last available Financial Statements and such claims have been admitted merely on basis of documents produced by an interested party i.e. claimant. **We consider it appropriate to request IBBI to look into this aspect and issue necessary advisory to the Insolvency Professional to deal with such scenarios.** A copy of this order be sent to IBBI for their information.

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.

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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 along with the Addendum thereto annexed to the Application 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 paras 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,*

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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), Pune, 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.

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- 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.

24. Accordingly, IA No. 81/2024 is allowed.

Sd/-
Prabhat Kumar
Member (Technical)

Sd/-
Justice V.G. Bisht
Member (Judicial)