

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH, CHENNAI**

**MA/1238/2019  
IN  
CP/886/IB/2018**

*Application filed under section 30(6) of the IBC, 2016*

**In the matter of United India Shoe Corporation Private Limited**

Radhakrishnan Dharmarajan **...Applicant**  
Resolution Professional  
Representing Corporate Debtor  
(United India Shoe Corporation Private Limited)

**Order delivered on: 18.12.2019**

**CORAM:**

**B.S.V PRAKASH KUMAR, MEMBER (JUDICIAL)  
S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)**

Counsel for the Applicant: *Shri. A.G Sathyanarayana, Advocate*  
*For Shri. Radhakrishnan Dharmarajan, RP*

**ORDER**

**Per: S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)**

**Order Pronounced on: 18.12.2019**

It is an Application filed under Section 30 (6) of the Insolvency and Bankruptcy Code, 2016 ("the Code") by the Resolution Professional (RP) seeking approval of resolution plan on the ground that CoC meeting held on 26.07.2019 approved the Resolution Plan with 100% voting share of Financial Creditor in the e-voting.

2. Before looking into the Resolution passed by the CoC approving the Resolution Plan, this Bench on 26.08.2019 annulled that Resolution Plan and extended time for inviting fresh Resolution Plans. It was held that Provident Fund would not form part of the liquidation estate under Section 36(4) of the IBC with a direction to the Resolution Applicant make a revision to the Resolution Plan. Based on the request from the Resolution Applicant, the Resolution Professional took up the Provident Fund dues waiver with the Provident Fund authorities in Vellore being the jurisdiction for the Corporate Debtor and on 12.09.2019, the Provident Fund Commissioner replied to the Resolution Professional that the principal and interest to be paid in full, however, the Resolution Professional can seek waiver for damages by writing to the Central Board of Trustees. On request from the Resolution Applicant, the Resolution Professional wrote to the Provident Fund Authorities, Central Board of Trustees seeking the waiver.

3. In the meantime, the Resolution Applicant finalized the Revised Resolution Plan and the same was placed before the 7th

CoC meeting held on 25.10.2019 for approval. The Resolution Plan has been approved by 100% voting share of Financial Creditor (State Bank of India) after considering its feasibility and viability and other requirements specified by the CIRP Regulations. The plan provides for a Resolution of ₹12 crores to various creditors and is funded through Resolution Applicant. The key theme of the Resolution Plan presented by the Resolution Applicant is that, it is about revival and Resolution and not about buying an asset in distress. This is demonstrated by the fact that the liquidation value of Corporate Debtor is around ₹7 crores while the Resolution Applicant has offered to revive the business at a total payout of ₹12 crores and more importantly addressed the issues such as loss of economic value and loss of livelihood for 1400 workmen and employees who were working prior to CIRP and the Resolution Applicant intends to re-employ about 500 workmen who had lost their basic livelihood and thus the intent is to run the business of the Corporate Debtor with revival and restricting it with the available resources.

6. On hearing the Resolution Professional, it appears that the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code, 2016, the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of law for the time being in force as reflected in Form-H Compliance Certificate filed by the Resolution Professional. The Resolution Applicant (Mohib Shoes Private Limited) has submitted an affidavit pursuant to Section 30(1) of the Insolvency and Bankruptcy Code confirming its eligibility under Section 29A of the Code to submit the Resolution Plan. The said Resolution Plan has been approved by the CoC by 100% voting share in accordance with the provisions of the Code and the CIRP Regulations made thereunder.

7. Accordingly, this MA/1238/2019 is hereby approved.

**-Sd-**  
**(S. VIJAYARAGHAVAN)**  
**Member (Technical)**

**-Sd-**  
**(B. S.V. PRAKASH KUMAR)**  
**Member (Judicial)**

KNP/TJS