

S.No.4

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1**  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
**24-03-2023 AT 10:30 AM**

**IA (IBC) 1368/2022 in CP(IB) No.165/9/HDB/2020**  
u/s. 9 of IBC, 2016

**IN THE MATTER OF:**

Techno Craft

...Operational Creditor

VS

G.R. Cables Ltd

...Corporate Debtor

**C O R A M:-**

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)**  
**SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

**ORDER**

**IA (IBC) 1368/2022:** Orders Pronounced, recorded vide separate sheets. In the result resolution plan is approved as per the terms mentioned in the order.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH-1**

**IA(IBC) No. 1368 of 2022  
IN  
CP (IB) NO. 165/9/HDB/2020**

*Application under Section under Section 30(6) & 31(1) of IBC, 2016 R/W Regulations 39(4) of The IBBI (Insolvency Resolution Process for Corporate Persons), R/W Rule 11, 13, 32 Of NCLT Rules, 2016*

**IN THE MATTER OF G.R.CABLES LIMITED**

**Filed by**

Mr. Maligi Madhusudhana Reddy,  
Resolution Professional,  
G.R.CABLES LIMITED  
(CIN: L31300TG1992PLC013772)  
Having registered office situated at  
Santosh Nagar, Mehdipatnam,  
Hyderabad-500082, Telangana.

**...Applicant**

**Date of order: 24.03.2023**

**Coram**

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)  
Shri Charan Singh, Hon'ble Member (Technical)

**Appearance:**

For Applicant: Shri Mr. Maligi Madhusudhana Reddy, Resolution Professional.

**PER: BENCH****ORDER**

1. **IA No. 1368/2022** is filed by the Resolution Professional under Section 30(6) & 31(1) of IBC, 2016 r/w regulation 39(4) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, seeking approval of the resolution plan submitted by (**Resolution Applicants**) i.e Mr. Ratakonda Vivek Kumar jointly with Srinivas Pagadala, as duly approved by the Committee of Creditors with 100% voting.
2. To put concisely, the main petition filed by Operational Creditor M/s.Tecno Craft u/s 9 of IBC, 2016 was admitted by the Adjudicating Authority vide Order Dated 08.03.2022 and ordered commencement of CIRP against the Corporate Applicant. The Applicant herein was appointed as Interim Resolution Professional (IRP), who continued as Resolution Professional.
3. In terms of Regulation 6 of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, public announcement in Form-A was made by IRP on 12.03.2022 inviting claims from the creditors of Corporate Debtor. The IRP, after collating and verifying the same, admitted Claims and constituted Committee of Creditors on 01.04.2022 as under.

<b>S.No.</b>	<b>Name of the Creditor</b>	<b>Amount of Claim submitted Rs.</b>	<b>Final Claim admitted Rs.</b>	<b>% of Voting</b>
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<b>Secured Financial Creditor</b>				
1	The Asst. Commissioner (ST)	11392,66,373	7027,56,517	100.00%
<b>Operational Creditors - Others</b>				
2	Techno Craft	25,00,264	25,00,264	0.00%
<b>Operational Creditors - Govt Dues</b>				
3	Employees State Insurance Corporation	1,07,415	1,07,415	0.00%
4	The Asst. PF Commissioner	6,79,990	6,79,990	0.00%
5	Bombay Stock Exchange	28,09,129	28,09,129	0.00%
	<b>Total</b>	<b>11453,63,171</b>	<b>7088,53,315</b>	<b>100%</b>

4. It is averred that in the first COC meeting which was held on 09.04.2022 members of COC has passed a resolution in appointing the IRP as RP.
5. The Form-G inviting Expression of Interest (EOI) from Prospective Resolution Applicants for submission of Resolution Plan of the Corporate Debtor RP was made on 18.05.2022 and the last date for submission of EOI was 02.06.2022. In response, the Resolution Professional has received 3 EOI's fulfilling all requirements as per the conditions.

6. It is averred that RP has conducted the 5<sup>th</sup> CoC meeting held on 30.07.2022. The Members of the Committee of Creditors has discussed in detail with the Resolution Applicant and made deliberations on the credentials of the Applicant, Resolution amount and timelines on the payment. Further the members of COC requested the Applicant to reconsider the Resolution amount and timelines for payment of resolution amount and gave time to submit revised proposal within 10 days.
7. It is averred that all the three resolution applicants have submitted the revised, improved and final resolution plan to the RP on 10.10.2022. Thus RP conducted the 7<sup>th</sup> COC meeting on 15.10.2022 to discuss and consider Resolution plan in detail. The members of COC after having a detailed deliberation by RP approved the Resolution Plan submitted by the Resolution Applicant Mr.Ratakonda Vivek Kumar, Jointly with Srinivas Pagadala with 100% voting. Copy of Resolution Plan submitted by Successful Resolution Applicant is annexed to the Application as Annexure-12.
8. It is averred by RP that CIRP has been conducted in compliance of the IBC, 2016 and Regulations and has also submitted compliance Certificate Form-H under Regulation 30(4) of IBBI Regulations, 2016. The Compliance Certificate in Form-H in Annexure-11.
9. It is averred that successful resolution applicant has paid the 10% of bid amount of Rs.1,50,00,000/- towards Performance guarantee by way amount transfer, dated 21.10.2022 to bank account of corporate debtor. It is submitted that Resolution Applicant has filed an

Affidavit declaring that they are eligible to submit the plan under Section 29A of the Code and that the contents of the said affidavit are in order. The fair value and Liquidation value as submitted in Form-H is Rs. 9,29,24,125/- and Rs. 6,60,46,553/- respectively.

10. In the above backdrop we heard Shri Maligi MadhusudhanaReddy, Learned Resolution Professional. He submits that the Resolution Plan meets the requirement of Section 30 (2) of the Code, as under:-

- (a) Provides for payment of Rs. 25,00,000/- towards CIRP Cost within 30 days of the NCLT Approval Date.
- (b) The Plan provides for payment of amount provided under the Resolution Plan of the operational creditor on priority in terms of Section 30 (2)(b).
- (c) There are no dissenting creditors as such the plan does not provide for payment to the dissenting Operational Creditors.

11. The Resolution Plan is in compliance of Regulation 38 of the Regulations in the following manner:

- (a) The Plan provides for payment of claim amount restricted only to the extent specified in the resolution plan to the operational creditor on priority
- (b) Declaration by the Resolution Applicant that the Resolution Plan has considered the interest of all the stakeholders of the Corporate Debtor, keeping in view the objectives of the Code (Regulation 38 (1A)).

**In K. Sashidhar v. Indian Overseas Bank & Others (in Civil Appeal No. 10673/2018) 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. On receipt of such proposal, the Adjudicating Authority (NCLT) is required to satisfy itself that the resolution plan as approved by CoC meets the requirements specified in Section 30(2). No more and no less”.*

12. The Hon’ble Supreme Court has further held at para 35 of the above judgement that *the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan “as approved” by the requisite percent of voting share of Operational 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.*
13. The Hon’ble Supreme Court in *Committee of Creditors of Essar Steel India Limited Vs. Satish Kumar Gupta & Ors*, held that “*the limited judicial review available to AA has to be within the four corners of section 30(2) of the Code. Such review can in no circumstance trespass upon a business decision of the majority of the CoC. As such the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved”.*

14. The Hon'ble Supreme Court of India, in the recent ruling in re ***Vallal RCK vs M/s Siva Industries and Holdings Limited & Ors***, has held as under:-

*21. This Court has consistently held that the commercial wisdom of the CoC has been given paramount status without any judicial intervention for ensuring completion of the stated processes within the timelines prescribed by the IBC. It has been held that there is an intrinsic assumption, that Operational creditors are fully informed about the viability of the corporate debtor and feasibility of the proposed resolution plan. They act on the basis of thorough examination of the proposed resolution plan and assessment made by their team of experts. A reference in this respect could be made to the judgments of this Court in the cases of K. Sashidhar v. Indian Overseas Bank and Others, Committee of Creditors of Essar Steel India Limited through Authorised Signatory v. Satish Kumar Gupta and Others, Maharashtra Seamless Limited v. Padmanabhan Venkatesh and Others, Kalpraj Dharamshi and Another v. Kotak Investment Advisors Limited and Another, and Jaypee Kensington Boulevard Apartments Welfare Association and Others v. NBCC (India) Limited and Others.*

*27. This Court has, time and again, emphasized the need for minimal judicial interference by the NCLAT and NCLT in the framework of IBC. We may refer to the recent observation of this Court made in the case of Arun Kumar Jagatramka v. Jindal Steel and Power Limited and Another:*

*“95. ....However, we do take this opportunity to offer a note of caution for NCLT and NCLAT, functioning as the adjudicatory authority and appellate authority under the IBC respectively, from judicially interfering in the framework envisaged under the IBC. As we have noted earlier in the judgment, the IBC was introduced in order to overhaul the insolvency and bankruptcy regime in India. As such, it is a carefully considered and well thought out piece of legislation which sought to shed away the practices of the past. The legislature has also been working hard to ensure that the efficacy of*

*this legislation remains robust by constantly amending it based on its experience. Consequently, the need for judicial intervention or innovation from NCLT and NCLAT should be kept at its bare minimum and should not disturb the foundational principles of the IBC.....”*

15. As per the Resolution Plan *“The Insolvency Resolution Plan considers Insolvency Resolution Process Costs which have been estimated at an amount of Rs.25,00,000/- which includes a payment to Resolution Professional and all amount of expenses incurred by RP, to the extent duly ratified or approved by the COC and shall be paid in priority to all other debts by the Resolution Applicants. The source for the amount can be identified as a commitment by the resolution applicants. Any higher amount over and above this (as approved by the COC) shall be borne and paid by the Resolution Applicants on a priority basis in addition to the proposed amount as above”.*
16. In so far as the CIRP expenses are concerned the plan provides for Rs.25,00,000/- payable in priority in all other debts payable by Resolution Applicants. However, it is further stated that during pendency of Resolution Plan Application, RP filed an Application i.e IA no.304/2023 claiming for CIRP expenses over and above 37,45,567/- and the said Application stands adjourned to 14.04.2023. Therefore it is found that RP is entitled for the claim in IA No.304/2023, the higher amount over and above Rs.25,00,000/- shall be paid by the Resolution Applicants on priority basis in

addition to the sum of Rs.25,00,000/- within 30 days from the date of approval of Resolution plan.

17. Therefore, the resolution plan, when tested on the touch stone of the aforesaid facts and the rulings, we are of the view that the instant resolution plan satisfies the requirements of Section 30 (2) of the Code and Regulations 37, 38, 38 (1A) and 39 (4) of the Regulations. We also found that the Resolution Applicant is eligible to submit the Resolution Plan under Section 29A of the Code.
18. We therefore, hereby **approve** the Resolution Plan submitted by Mr.Ratakonda Vivek Kumar, Jointly with Srinivas Pagadala, along with annexure, schedules forming part of the Resolution Applicant annexed to the Application and order as under:
  - (i) The Resolution Plan along with annexures and schedules forming part of the plan 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) All crystallized liabilities and unclaimed liabilities of the Corporate Debtor as on the date of this order shall stand extinguished on the approval of this Resolution Plan.
  - (iii) 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 with by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned as held by Hon'ble Supreme Court in the matter of *Ghanashyam Mishra And Sons Private Limited Versus Edelweiss Asset Reconstruction Company Limited* in CIVIL APPEAL NO.8129 OF 2019 dated 13.04.2021.

- (iv) That amount deposited in lieu of Performance Bank Guarantee shall remain as performance guarantee till the amount proposed to be paid to the creditors under this plan is fully paid and the plan is fully implemented.
- (v) The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC) Hyderabad 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.
- (vi) Henceforth, no creditors of the erstwhile Corporate Debtor can claim anything other than the liabilities referred to supra.
- (vii) The moratorium under Section 14 of the Code shall cease to have effect from this date.
- (viii). 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.
- (ix). The Applicant shall forthwith send a copy of this order to the CoC and the Resolution Applicant.

- (x). The Registry is directed to furnish free copy to the parties as per Rule 50 of the NCLT Rules, 2016.
- (xi) The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data and also forward a copy to IBBI.
- (xii). Accordingly, IA 1368/2022 stands disposed of.

SD

(Charan Singh)  
MEMBER (TECHNICAL)

SD

(Dr. Venkata Ramakrishna Badarinath Nandula)  
MEMBER (JUDICIAL)

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