NATIONAL COMPANY LAW TRIBUNAL BENCH AT INDORE

ITEM No.205
IA(Plan)/2(MP)2025
in
CP(IB)/81(MP)2022

Order under Section 30(6)

IN THE MATTER OF:

Ashok Kumar Gulla Resolution Professional
Carnival Films Pvt Ltd

........Applicant

Coram:

Mohan P. Tiwari, Hon'ble Member(J)
Sanjeev Sharma, Hon'ble Member(T)

ORDER

Delivered on 28/08/2025

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

MOHAN P. TIWARI
MEMBER (JUDICIAL)

Neeraj

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
INDORE

IA/2 (Plan) (MP)2025 in **CP(IB)/81(MP)2022**

[An application under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process For Corporate Debtor) Regulations, 2016 seeking approval of Resolution Plan.]

In the matter of : **M/s Carnival Films Private Limited**

Mr. Ashok Kumar Gulla
Resolution Professional of
M/s. Carnival Films Private Limited
Having Address at :
RBSA Restructing Advisors LLP,
4th Floor, Tower -4B, DLF Corporate Park,
Gurgaon -122001

....Applicant/ Resolution Professional

Order pronounced on 28.08.2025

CORAM:

SH. M.P. TIWARI, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE

For the Applicant **:** Mr. Nakul Sachdeva, Adv. a.w.
: Mr. Sagar Arora, Adv &
: Mr. Abhinandan Sharma, Adv
: Mr. Ashok Kumar Gulla (Resolution Professional in Person)

O R D E R

Per: Sanjeev Sharma, Member (T)

1. This is an application filed on 16.04.2025 by the Applicant/ Resolution Professional ("RP") of the Corporate Debtor- M/s. Carnival Films Private Limited under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process For Corporate Debtor) Regulations, 2016 seeking the following prayers:-

A) Allow the present Application;

B) Approve and accept the Resolution Plan of M/s Cine Corp Filmdom Private Limited dated 10th April, 2025 as approved by the Committee of Creditors by 93.3% as submitted in respect of the Corporate Debtor i.e., M/s. Carnival Films Private Limited;

C) Declare that on approval of the Resolution Plan by this Hon'ble tribunal, the provisions of the Resolution Plan shall be binding upon the Company, its creditors including the Central Government, any State Government or any Local Authority to whom the debt is respect of payment of the dues arising under any law for time being enforced, such as authorities to whom statutory dues are owed, guarantors, members, employees and other stake holders in accordance with Section 3l of the Code, and shall be given effect to and implemented pursuant to the order of this Hon'ble Tribunal;

D) *Approve and grant reliefs and directions sought under the Resolution Plan by the Resolution Applicant; and*

E) *Pass such other or further order/ order(s) as may be deemed fit and proper in facts and circumstances of the instant case*

2. In support of the application, it is stated that:-

I. A Company Petition bearing CP(IB) No. 81 of 2022 was filed by the Operational Creditor - M/s Amar Construction against the Corporate Debtor - M/s. Carnival Films Private Limited under Section 9 of the Code seeking initiation of the Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor. This Adjudicating Authority vide its order dated 22.03.2024 admitted the Corporate Debtor in CIRP and appointed Mr. Satyendra Sharma as Interim Resolution Professional ("IRP").

II. Thereafter, the IRP made public announcement in Form-A, collated the claims from the creditors and constituted the Committee of Creditors ("CoC"). The updated list of CoC is comprising of following Financial Creditors:-

Sr. No.	**Name of the Financial Creditor(s)**	**% of voting right**
1.	CFM Asset Reconstruction Pvt. Ltd.	93.31%
2.	Big Tree Entertainment Pvt. Ltd	3.23%
3.	One 97 Communication Ltd.	2.20%
4.	Hewett Packard Financial Service Pvt. Ltd.	1.00%
5.	Vekatash Griha Nirman Pvt. Ltd	0.17%

III. In the 2nd meeting of CoC was held on 2nd May 2024, wherein the CoC, inter alia, decided to replace the IRP with the Applicant herein as the Resolution Professional of the Corporate Debtor. In furtherance thereof, the CoC, preferred an application bearing I.A No. 237 of 2024, under Section 23(3)(b) read with Section 60(5) of the Code, seeking leave to replace the IRP and appointment of the Applicant as the Resolution Professional, which was allowed by this Tribunal vide order dated 16.05.2024.

IV. In the interregnum, the IRP on 08th May, 2025 appointed two Registered Valuers, namely, M/s. Protocol Valuers Pvt. Ltd., and M/s. Informiner Valuation Services Pvt. Ltd. ("Registered Valuers"), as per Regulation 27 of the CIRP Regulations, to determine Fair value and Liquidation value of the assets of the Corporate Debtor. Furthermore, on the same date the IRP issued an engagement letter to one Pankaj Rajendra and Company, CA ("Transaction Auditor") for conducting the transaction audit of the Corporate Debtor.

V. The Resolution Professional on 05.07.2024 released the Form - G in "Jansatta" and on 07 .07.2024 in the "Financial Express" inviting EoI from PRAs. The last date for submission of Eol was 22nd Ju1y, 2024.

VI. The 4th meeting of the CoC was held on 11th July, 2024, wherein the CoC approved the Evaluation Matrix for evaluation of the Resolution Plan and Request for Resolution Plan (**"RFRP"**).

VII. The 5th meeting of the CoC was convened on 24th July, 2024. Since no EoI was received pursuant to issuance of Form - G, the CoC resolved to re-issue Form - G in terms of Regulation 36B(6A) of the CIRP Regulations, 2016. Accordingly, the Form - G was re-issued on 2nd August, 2024 inviting EoI from PRAs for (i) Resolution Plan for acquiring assets at one or more locations (ii) Resolution Plan for the corporate debtor as a whole (iii) Resolution Plan for the Corporate debtor after excluding assets at certain locations with the last date of submission of EoI as 23rd August, 2024.

VIII. The 6th meeting of the CoC was held on 12th August, 2024, wherein CoC approved the resolution to extend the CIRP period by 90 days beyond 180 days. In view of re-issuance of Form - G, the CoC after considering the EOIs were invited separately for acquiring different assets as per regulation 36B(6A) of CIRP regulations also approved the modified Evaluation Criteria and RFRP.

IX. The Applicant convened the 7th meeting of the CoC on 6th September, 2024, wherein the Applicant apprised the members that a total of 6 PRAs have been included in the final list.

X. In the 8th CoC meeting held on 4th October, 2024, the members of CoC, pursuant to the request of the PRAs, resolved to extend the last date of submission of the Resolution Plan by twenty-one (21) days i.e., from 4th October, 2024 to 25th October, 2024.

XI. Since the PRAs were not in the position of submitting a definitive Resolution Plan by the last date of extended time period, the CoC approved the extension for submission of the Resolution Plan till 28th November, 2024 in its 9th meeting dated 28th October, 2024.

XII. As 270 days of CIRP were to expire on 16.12.2024, the CoC decided to seek a further extension of 60 days in its 11th meeting dated 6th December, 2024. Furthermore, the CoC also approved the, last date of submission of the Resolution Plan from 28th November, 2024 till 15th December, 2024.

XIII. The 12th meeting of the CoC was held on 24th December, 2024, wherein the CoC discussed and deliberated upon the sole Resolution Plan submitted by the one PRA namely, M/s. Cine Corp Filmdom Pvt. Ltd. The initial resolution plan value offered by the Resolution Applicant was only to the extent of Rs. 3,00,00,000/-. The CoC found the proposal offered by the Resolution Applicant not up to its satisfaction and hence, requested it to consider increasing the resolution plan value.

XIV. In the 13th meeting of CoC held on 28th January, 2025, the CoC, inter alia, discussed and deliberated upon the status of various sites from where the Corporate Debtor was operating the business of exhibiting movies.

XV. The 14th CoC meeting was held on 10th February, wherein the CoC, inter alia, decided to extend the CIRP period by another 60 days beyond 330 days. The CoC further discussed and deliberated upon the Resolution Plan submitted by the Resolution Applicant.

XVI. The 15th CoC meeting was convened on 24th February 2025, wherein the CoC approved the offer received from one M/s. E-Square Leisure Pvt. Ltd. Subsequently, in the 16th CoC meeting, CoC dated 17th February, 2025, the members of the CoC approved the settlement agreement to be executed with M/s E-square Leisure Pvt. Ltd and authorized the Resolution Professional to sign the same on behalf of the Corporate Debtor.

XVII. In the 17th CoC meeting held on 6th March, 2025, the CoC discussed and deliberated upon the various steps undertaken by the Resolution Professional for seeking control and custody of the assets of the corporate Debtor.

XVIII. Subsequently, in the 18th meeting of the CoC dated 27th March, 2025 the CoC discussed and deliberated upon the revised proposal submitted by the Resolution Applicant. The CoC also requested the Resolution Professional to have the Resolution

Plan vetted to ensure its compliance with the provisions of the Code. As decided by the members of the CoC, the Resolution Professional appointed one Mr. Anhuj Sharma to vet the Resolution Plan of the Resolution Applicant (M/s Cine Corp Filmdom Private Limited), and the compliance certificate in respect thereof was submitted on 08th April, 2025.

XIX. Thereafter, the Applicant convened the 19th meeting of the CoC on 10th April, 2025, wherein the members discussed and deliberated upon the compliance report, and, pursuant to observation recorded therein, requested the Resolution Applicant to carry out certain modification to the Resolution Plan. On the same date, the Resolution Applicant submitted the Resolution Plan after incorporating the requisite changes and also increased the financial offer, with final resolution plan amount totalling of Rs.23,19,00,000/-.

XX. In the 20th CoC meeting dated 11th April, 2025, the CoC discussed and deliberated upon the Resolution Plan. Thereafter, the Resolution Plan dated 10th April, 2025 was put up for e-voting of the CoC and the all the members of CoC were requested to vote on the Resolution Plan and other Agenda Items on or before 14.04.2025. The said Resolution Plan was approved by CFM Asset Reconstruction Pvt. Ltd (CFMARC), holding Voting share of 93.31% vide email dated 12.04.2025.

XXI. Succinctly, the Applicant has filed the following applications seeking an extension of the GIRP period, the details whereof are reproduced hereinbelow: -

Sr. No.	*Application Details*	*CoC meeting*	*Status*
1.	*I.A No. 401 of 2024 - Seeking extension of CIRP period by ninety (90) days beyond one eighty days (180) i.e., from 19th September, 2024 till 11th December, 2024*	*6th CoC meeting dated 12th August, 2024*	*Granted vide order dated 9th October, 2024*
2.	*I.A 520 of 2024 Seeking extension of CIRP period by sixty (60) days beyond two seventy days (270) i.e., from l5th December 2024 till 15th February 2025*	*11th CoC meeting dated 06th December, 2024*	*Granted vide order dated 11th December, 2024*
3.	*I.A No. 66 of 2025 - Seeking extension of CIRP period by sixty (60) days beyond three thirty (330) days i.e., from 16th February 2025 till 16th April, 2025*	*14th CoC meeting dated 10th February 2025*	*Granted vide order dated 03rd March, 2025.*

XXII. The appointed registered Valuers have determined the fair value and liquidation value as per Regulation 35 of the CIRP Regulations. The average of the value determined by the Registered Valuers is as stated below:

Registered Valuers	Fail Value (In INR in Lakhs)	Liquidation Value (INR in lakhs)
Protocol Valuers P Limited	1457.27	919.69
Informer Valuation Services P ltd	1740.45	1345.70
Average	1599.86	1132.69

XXIII. At the time of filing of the application, Resolution Professional has received claims of Rs 1998.68 Crores and admitted total claim of Rs.1603.26 Crores filed by the creditors under the provisions of the Code and its applicable regulations, which are tabulated as below: -

Creditors	*Amount Claimed (INR in Lakhs)*	*Amount Admitted (INR in Lakh)*
Secured Financial Creditors	*121386.92*	*121386.92*
Unsecured Financial Creditors	*17361.06*	*8702.74*
Operational Creditors	*55311.36*	*25401.49*
Workmen/ Employees	*434.22*	*345.34*
Statutory Liabilities	*5374.98*	*4489.88*

XXIV. During the CIRP, one CoC member i.e., J.C. Flowers Asset Reconstruction Private Limited ("JCF ARC") assigned its debt in favour of CFM Asset Reconstruction Private Limited vide Assignment Agreement dated 02.12.2024. Pursuant thereto, the Applicant filed an application bearing I.A No. 515 of 2024, under Regulation 29 of the CIRP Regulation, 2016, to take on record the change in composition of the CoC, which was allowed vide order dated 16.12.2024. A copy of the order dated 16.12.2024 assed by this Tribunal in I.A No. 515 of 2024 is annexed at Annexure-34. The details of the members of the CoC along with voting percentage, are as under:-

Financial Creditor	Amount of Claim Filed (INR in Lakhs	Amount of Claim Admitted (INR in Lakhs)	Voting share%
CFM Asset Reconstruction Pvt. Ltd.* (Secured Creditor)	121386.92	121386.92	93.31%
Big Tree Entertainment Pvt. Ltd. (Unsecured Creditor)	8309.05	4320.71	3.23%
One 97 Communication Ltd. (Unsecured Creditor)	7532.21	2862.24	2.20%
Hewett Packard Financial Service Pvt. Ltd. (Unsecured Creditor)	1297.20	1297.20	1.00%
Vekatash Griha Nirman Pvt. Ltd. (Unsecured Creditor)	222.59	222.59	0.17%

XXV. The Applicant states that IRP vide Engagement Letter dated 08.05.2024 appointed Pankaj Rajendra and Co. (Chartered Accountants) as the transaction auditor ("Transaction Auditor''), in order to, inter alia, determine whether any preferential, fraudulent, undervalued and extortionate ("PUFE") transactions, were undertaken by the former management of the corporate Debtor. Subsequent to its engagement, the Transaction Auditor submitted the Transaction Audit Report on 09.11.2024 ("TRA Report") to the Applicant. That the Transaction Auditor identified certain transactions as being manifestly fraudulent in nature and in furtherance thereof, Applicant filed an application bearing I.A No. 524 of 2024, under Section 60(5) of the Code. In terms of the Resolution Plan, specifically Clause 4.23 thereof, the Resolution Applicant, post approval of the Resolution Plan, shall pursue the said application, and any recovery therefrom shall accrue to the Resolution Applicant. Similarly, in terms of Clause 3.2.2 of the Resolution Plan, the Resolution Applicant shall pursue all the Applications preferred by the Resolution Professional. The said Clause further specifies that the legal cost for the same shall be borne by the Resolution Applicant.

XXVI. As stated in the Resolution Plan which has been submitted by Resolution Applicant, there will be a change in management and control of the Corporate Debtor and such change satisfies the conditions stipulated under Section 32A of the Code, therefore the benefit of immunity under Section 32A of the Code will be applicable, in case the Resolution Plan is approved by this Tribunal.

XXVII. The Resolution Applicant, in compliance with Regulation 39(1)(a) of the CIRP Regulations has furnished an affidavit affirming its eligibility under Section 29-A of the Code to submit the Resolution Plan in respect of the Corporate Debtor.

Furthermore, Clause 1.7 of the Resolution Plan embodies the undertaking of the Resolution Applicant as stipulated in Regulation 39(1)(c) of the CIRP Regulations. A copy of the undertaking in form of Affidavit submitted by the Resolution Applicant affirming its eligibility under Section 29-A of the Code to submit the Resolution Plan in respect of the Corporate Debtor is annexed at Annexure - 36.

Control and possession of the Corporate Debtor's assets and offer/ settlement approved during the CIRP

XXVIII. The Corporate Debtor was engaged in the business of exhibiting movies, with pan-India presence across multiple cities. Its operations were predominantly focused in Tier - II and Tier - III cities, wherein it strategically targeted under construction and/or bare-shell as well as operational cinema theatre for development and expansion.

XXIX. Pertinently, the Corporate Debtor use to enter with long term lease with the respective parties [owners/developers] and as such, merely held the leasehold rights in the theatre premises. In order to operationalize the theatre premises for running a high-end cinema theatre therefrom, the Corporate Debtor installed various assets including Plant and Machinery Furniture and Fixtures, Lease hold improvements (comprising civil, electrical and sanitary works). Furthermore, the Corporate

Debtor, in terms of the executed agreements, deposited security deposit with the respective developers.

XXX. In essence, the Corporate Debtor business was to take property, owned by the third parties, on long terms lease and manage them so as to generate revenue through sale of movie tickets. In consideration thereof the Corporate Debtor was obligated to pay the developers/ owners monthly rents.

XXXI. Due to the advent of Covid-19 the financial health of the Corporate Debtor slumped, and the Corporate Debtor found it difficult to pay the rents to the developers. Consequently, the agreements were terminated by the developers and the Corporate Debtor was dispossessed from the premises. However, pursuant to the termination, the respective deployers/ owners confiscated the Corporate Debtor's assets.

XXXII. In discharge of his duties the Applicant, pursuant to his appointment, followed up with the respective developers/ owners and requested them to return the Corporate Debtor's assets. In response thereto, most of the developers/ owners refused to comply with the Resolution Professional's demand, primarily due to outstanding dues of the Corporate Debtor. Accordingly, the Resolution Professional was constrained to approach this Tribunal, inter alia, seeking directions against the Respondents therein to provide control and custody of the assets of the Corporate Debtor. A total of twenty (21) application has been preferred which are pending adjudication, and in terms of the Resolution Plan will be pursued by the Resolution Applicant.

XXXIII. Pursuant to extensive follow ups with the developers/owners, some of them came forward with proposals to amicably settle the dispute, and in consideration thereof submitted a proposal before the CoC for acquisition of the assets of the Corporate Debtor. The offers submitted by the respective developers/owners were time and again extensively discussed by the members of the CoC in the meetings. It would not be out of context to mention that most of the sites qua which the offer has been received are either being operated by the developers/ owners themselves or by third parties operators.

XXXIV. In view of the above, the CoC was left with the option of either removing the assets from the respective theatre or adopting a pragmatic approach by accepting the offers submitted in relation thereto. Had the CoC not followed the later, it would have invariably resulted in an additional financial burden upon the Corporate Debtor on account of the following reasons:

I. A major portion of the investment made in said theatre premises comprised primarily of lease hold improvements viz. involving civil, sanitary, electrical work, while the remaining investment was towards the instalment of furniture, fixtures and plant and machinery. It is pertinent to note that the removal of the assets would have necessitated the closure of the said cinema theatres on account of which the Corporate Debtor would be liable to compensate the respective developers. Furthermore, the Corporate Debtor would also have to incur additional fee associated with deployment of manpower to remove the assets as well as the cost associate with their storage and maintenance. Since the cost associated with such a course of action would have far exceeded the values of the assets itself, the CoC found it just and appropriate to approve the offer submitted by the respective parties so as to maximize the value of the Corporate Debtor.

II. It is apposite to note that the assets installed therein derived their value in situ, and removal thereof from the theatre premises would have materially diminished their value. Furthermore, even if the same were to be sold during the course of the CIRP, the value realizable therefrom would have been disproportionally negligible as compared to the offer made by the respective parties and hence, the CoC, in its commercial wisdom, found it appropriate to approve the said offers.

XXXV. Thus, in order to insulate the Corporate Debtor form additional financial liabilities as well as to maximize its value, the CoC in appropriate cases approved the offer submitted by the respective parties. The Resolution Applicant was, from time to time, duly intimated about the about such approval and as such, the sites settled thereunder does not form part of the resolution Plan. For ready reference a table depicting the offers approved by the CoC is annexed at Annexure - 37.

XXXVI. Section 30(6) of the Code mandates the Applicant being a Resolution Professional to submit the resolution plan as approved by the CoC to the Adjudicating Authority for approval under Section 31(1) of the Code. Accordingly, as the Resolution Plan submitted by the Resolution Applicant has been duly approved by the members of the CoC by a voting share of

93.31o/o in favour which is more than the requisite voting share of 66%, the Applicant, in discharge of its duties, is filing the instant Application for approval of the Resolution Plan.

3. In paragraph nos. 20 to 28 (page-19 to 33) of the application, the Applicant provided the brief details of the Resolution Plan. The same will be discussed in the later part of the order.

4. **Details of Resolution Plan**

I. The Resolution Applicant - Carnival Films Private Limited (CIN: U92100MP2012PTC027484) is a non-govt. company, incorporated on 16th January 2012. It is a private unlisted company and is classified as a company limited by shares. Its Registered Office is at FM-18 Mansarovar Complex, 7 No Stop Shivaji Nagar, Bhopal, Madhya Pradesh, India, 462016 and Corporate Office at Carnival House, Gen A K Vaidya Marg, Off Western Express Highway, Dindoshi, Malad East, Mumbai City 400097. The Company is engaged in Cinema Exhibitions at various locations.

II. The Corporate debtor is in the business of Exhibition of Cinema from different sites located in different states including but not limited to Punjab, Uttar Pradesh, Maharashtra, Tamil Nadu, Andhra Pradesh, Uttarakhand etc. at around 50 locations excluding sites managed on O&M model and sites exited pre-cirp (List of Sites attached as Annexure 1). The Company was operating its Cinemas under the Brand name of Carnival Cinemas. The Company had entered into long-term leases with all the developers for the exhibition of the Cinema. The company had installed various assets at these locations, including Plant and Machinery, Furniture and Fixtures, Office Equipment, and leasehold improvements and also had given security deposit to lessor/developers where the Cinema were operational and few sites where the Corporate Debtor had planned to open Cinema.

III. As per Clause 3 of the resolution plan, **the summary of the plan** is as under:-

3. CORPORATE INSOLVENCY RESOLUTION PLAN

3.1. Summary of the Plan

Total Resolution Plan amount of **Rs. 2 3 ,19,00,000/- (Rupees Twenty-Three Crores Nineteen Lakhs Only)**

Distribution of Plan Amount	Amount in INR
CIRP Cost	At Actual
Secured Financial Creditors	23,00,00,000 less CIRP cost at actual
Unsecured Financial Creditors	2,50,000
Operational Creditors (incl. Employee, Government Dues and also any other dues not covered in foregoing)	16,50,000
Other creditors, if any, (other than financial creditors and operational creditors)	-
Total payment under resolution plan	**23,19,00,000 Less CIRP cost at actual**

Consideration under this resolution plan will be discharge in following manner:

Particulars	**Amount (in Rs.)**	**Time Line**
Performance Security	**40,00,000**	Within 7 days of approval from COC
Balance Amount	**22,79,00,000** Less CIRP cost at actual	Within **180 days** from the approval of Resolution Plan by the Hon'ble NCLT.
Total	**23,19,00,000/- (Rupees Twenty Three Crores Nineteen Lakhs Only) Less CIRP cost at actual.**	

IV. As per Schedule 7 of the plan, the amounts to be paid to the stakeholders of the Corporate Debtor and the payment terms are as under:

2.1. CIRP Costs:

The CIRP Cost will be paid at actual in priority to other stakeholders. The CIRP Cost will require to be paid in priority to other stakeholders. The Insolvency Resolution Applicant is proposing to pay the entire CIRP Cost in full and in priority before making payment to any other creditor. We understand that the CIRP cost is presently being met through the internal accruals, the Resolution Applicant shall pay the balance unmet CIRP cost. Further, any balance available in the bank accounts of corporate debtor on the date of Approval of Resolution Plan to be first adjusted against CIRP costs. Any remaining balance of CIRP cost will be adjusted from the payment proposed to the secured financial creditor. Section [30(2)(a)].

Payment of CIRP cost includes any regulatory fees payable pursuant to approval of this resolution plan.

2.2. Secured Financial Creditors

The secured financial creditors shall be treated as follows;
Total amount of claim received from the secured financial creditor is as under:

Name of Secured FC	***Amount***
J.C Flowers Asset Reconstruction Private Limited (now stands assigned to CFM Asset Reconstruction Pvt Ltd.)	*1,23,86,92,130*
Total claim of Secured FC	***1,23,86,92,130***

The Secured Financial Creditor will be paid a total amount of Rs. 23,00,00,000/- (Rupees Twenty Three Crores Only) Less CIRP Cost at actual against their total admitted claims.

Upon approval of the plan, out of the entire Financial Debt (Secured and/or unsecured) of CID as admitted by RP, an amount of Financial Debt as appears in the books of the CD as per latest audited financials of CD, shall deem to be automatically converted into the "Optionally Convertible Debentures" (OCD) in books of accounts of CD (rounding off in 1000 Rs). The OCD shall be at 0% coupon rate for a period of 10 years, convertible on or at the end of duration at the option of Debenture Holder. The Optionally convertible debentures shall also deem to be assigned/transferred in favor of Resolution Applicant or any nominee of the Resolution Applicant on payment as proposed in this plan and complete implementation of the Resolution Plan and be effective from the effective date of completion of the implementation of the approved Resolution Plan, as per the certificate provided by the Monitoring Committee *regarding the completion of Implementation, without any further act, deed or instrument. i.e. to say such OCD shall be assigned to Resolution Applicant or any nominee of the Resolution Applicant for a total net consideration of an amount equal to pro rata payment due to each of the Financial of the CD. Upon such assignment, any type of claim from Secured and Unsecured Financial Creditors will be considered released, discharged, extinguished and all such rights will be taken over by the Resolution Applicant or nominee. Any duty, taxes, fees etc. payable on such assignment is deemed to be extinguished, waived and discharged. This is an integral part of this Resolution Plan. Implementation of the Resolution Plan in terms of the NCLT order, as certified by the Monitoring Committee, shall be deemed to be due compliance of all provisions of Applicable Law in this regard and no separate process or approval shall be required to be made for issuance and transfer of Optionally convertible debentures and by virtue of Section 238 of Insolvency and Bankruptcy Code, 2016, provisions of Insolvency and Bankruptcy Code, 2016 will prevail over all other laws for the time being in force including the Companies Act, 2013.*

The RA shall have a right to continue pursuing avoidance transactions application being presently pursued by the Resolution Professional and any recovery from the said avoidance transactions application or from any fraudulent transaction undertaken by the non-related secured financial creditor of the CD shall belong to the RA. Post approval of Resolution Plan, change of parties in NCLT will be submitted by the Resolution Professional.

The RA shall have a right to continue pursuing/pursue existing as well as future IA filed/to be filed by the Resolution Professional against Developers, Lessors, Service providers etc. under section 25 r.w.60(5) r.w. Rule 11 and Section 9 or any other relevant sections of IBC for taking possession of assets of the company (Refer Annexure 2). Legal cost for the same shall be borne by the Resolution Applicant post NCLT approval date.

The Resolution Professional can enter into a settlement before the NCLT approval date with developers or any other asset holder of the Corporate Debtor including IA filed/to be filed, post approval from COC. The amount recovered from such settlement shall be deposited in the Bank account of Corporate Debtor and shall be transferred to Resolution Applicant as per Resolution Plan and the site/asset shall be excluded from the Resolution Plan.

Based on the aforesaid consideration as proposed in this plan, any and all liabilities and all amounts due and/or payable by the Corporate Debtor whether admitted or not, due or contingent, asserted or unasserted, assessed or unassessed, crystallized or un-crystallized, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to the

Financial Creditors, shall stand settled, extinguished and written off as of the Approval Date pursuant to the NCLT Approval Order and the Corporate Debtor/the Resolution Applicant shall not be responsible and / or liable, directly or indirectly, for the same. The Resolution Applicant shall make payment to the Financial Creditors as set out as per the terms of the Resolution Plan.....”

2.3 Unsecured Financial Creditor:

The Unsecured financial creditors shall be treated as follows; Total amount of claims received from the unsecured financial creditor is Rs. 173,61,06,596/- and Rs. 87,02,74,874/-amount is admitted by the RP. Hence under this resolution plan, RA proposes Rs. 2,50,000 of payment to the unsecured financial creditors.

2.4 Operational Creditors (incl. Employees and Workmen, Government and Statutory Dues and also any other dues not covered in foregoing):

Resolution Applicant is desirous to consider the interest of all the stakeholders and ensure the long-term association with the Operational Creditors.
A) As per IM, Operational Creditors (incl. Employees and Workmen, Government and Statutory Dues and also any other dues not covered in foregoing) claims received, aggregating to approximately Rs. 561,37,81,659/- and Rs. 348,40,00,652/- have been admitted (as per the claims list available on IBBI) for other operational creditors by the Resolution Professional.
B) The claim regarding Sales Tax, Commercial Tax, GST Department, Provident fund etc have been received from the statutory authorities and said statutory authorities shall be treated as operational creditors (unsecured) and will be paid on pro-rata basis with other operational creditors.
C) Section 30(2)(b) of the IB Code provide that the payments of debt of the Operational Creditors (including that of Governmental Authorities) shall not be less than the amount as would have been paid to them in case of liquidation of the Corporate Debtor. Further, as per Regulation 38(1) of the IBBI (CIRP) Regulations, the amount due to the Operational Creditors under a Resolution Plan shall be given priority in payments to the Financial Creditors. It is understood that list of claims of Operational Creditor also include claims against the Corporate Debtor which may be pending or subjudice before a competent forum. Such claims are treated as “subjudice claims” or “contingent claims”. Each such subjudice or contingent claims a “claim” as defined under the IB Code........”

V. As per Clauses 3.2.5, 3.2.6, 4.1 and 4.3 of the plan respectively **the other stakeholders** (other than financial creditors),

Equity/Preference Shareholders, **Term and Implementation Schedule** and means of **Supervision of the Plan** are as under:-

3.2.5. Other stakeholders (other than financial creditors and operational creditors):

As per the Information Memorandum, no claims were received from other stakeholders comprising other than financial creditors and operational creditor. RA proposes Nil amount for the said stakeholder.

3.2.6. Equity/preference Shareholders

The company has authorized equity share capital of Rs. 50,00,00,000/-divided into 5,00,00,000 Equity share of Rs. 10/- each. Whereas issued, subscribed and equity paid up capital is Rs. 40,57,03,290/- divided into 4,05,70,329 Equity shares of Rs. 10/- each as per Master Data available on MCA website and latest available audited financial statement i.e., for the period 2019-20 shall be cancelled as part of the resolution plan without any further action being required to be taken by the Corporate Debtor. Corporate Debtor would not be required to comply with any of the provisions of Act or regulations made thereunder for cancellation of the said equity/preference shares, other than intimation to the office of Registrar of Companies of the master data in this. respect. No consideration of whatsoever nature would be paid/payable by the Corporate Debtor towards cancellation of the said equity/preference shares….

4.1. ***Term and implementation Schedule*** *(Regulation 38(2)(a))*
4.1.1. The term of the Resolution Plan shall commence on Approval of Resolution Plan by Adjudicating Authority and all the payment shall be cleared as per the resolution plan on or before six months. Notwithstanding anything contained in this Resolution Plan, no part of the Resolution Plan shall become effective and enforceable until the Resolution Plan is approved by NCLT. Upon approving of the Resolution Plan by NCLT, this Resolution Plan shall ipso facto form part of NCLT order approving the Resolution Plan.

4.3. ***Means of Supervision of the Resolution Plan (Reg. 38(2)(c) & Sec 30(2)(d))***

4.3.1. The Resolution Applicant proposes to settle the dues of the Financial Creditors, Operational Creditors, Statutory Creditors and other stakeholders within a period outlined under schedule 7 (Financial Plan). The Resolution Applicant would abide by the decision of the Committee of Creditors on formation of the committee to monitor the implementation of the Resolution Plan. The said Committee shall supervise the implementation of the Resolution Plan from date of approval by Adjudicating Authority, until the Effective date on such terms and conditions as may be *agreed by the COC. The Resolution Applicant proposes the members of monitoring committee as under*

i. ***Resolution Applicant or her authorized representative.***
ii. Representative of Secured Financial Creditor
iii. Erstwhile Resolution Professional

VI. As per Schedule 7, Clauses 3 and 4 of the plan, the Source of Funds and its applicability and payment schedule are as under:-

3. Source of Funds and its availability

3. Source of funds and its availability

Total Resolution Plan amount of **Rs. 23,19,00,000/- Less CIRP Cost at actual:**

Source of Fund	**Amount**
50,000 Equity Share of Rs. 10 each	5,00,000
Unsecured Loan/ Quasi Loan/ Funds generated from selling the assets of CD/Loan from Directors	23,14,00,000
Total Source of Fund	**23,19,00,000**
Distribution of Plan Amount	**Amount in Rs.**
CIRP Cost	At Actual
Secured Financial Creditors	23,00,00,000 Less CIRP Cost at Actual
Unsecured Financial Creditors	2,50,000
Operational Creditors (incl. Employee, Government Dues and other also any other dues not covered in foregoing)	16,50,000
Other creditors, if any, (other than financial creditors and operational creditors)	-
Total Application of Fund	**23,19,00,000 Less unpaid CIRP cost**

4. A)

Particulars	***Amount (in Rs.)***	***Time Line***
Performance Security	*40,00,000*	*Within 7 days of approval from COC*
Balance Payment	*22,79,00,000 Less CIRP Cost at actual*	*Within – 180- days from the approval of Resolution Plan by the Hon'ble NCLT.*
Total	*23,19,00,000 Less CIRP Cost*	*Rupees Twenty Three Crore Nineteen Lakhs Only*

b) Time for the implementationfo schedule

b) Timeline for the implementation schedule

The estimated timelines for the implementation of the Plan are as follows:

S. No	Event	Estimated Timeline
1	Approval of NCLT for the Plan	On the NCLT approval Date
2	Appointment of Monitoring Agent	Within 2 days from the NCLT approval Date
3	Extinguishment of promoter's shares, and reduction of public shareholding	within 60 days from the NCLT approval date
4	Directors appointment and changes in MOA/AOA	within 60 days from the NCLT approval date
5	Infusion of Capital in the Company	Within 60 days from the NCLT approval date
6	Payment to Operational and Other Creditor	Within 60 days from the NCLT approval date
7	Equity allotment against infusion of funds	Within 60 days from the NCLT approval date
8	Payment to Secured Financial Creditor	Within 180 days from the NCLT approval date

5. As mentioned earlier, in compliance of the order dated 30.04.2025, the Applicant had filed the additional affidavit dated 21.06.2025 a.w. Form H. In the said affidavit, as regards to the proof of performance guarantee given by SRA and proof of source of funds for the SRA, following averments have been made:-

"PROOF OF PERFORMANCE SECURITY GIVEN BY SRA

31. The Resolution Applicant had proposed Performance Security of Rs 40.00 lakhs to be deposited within 7 days of the approval of the resolution Plan by CoC. The said amount was lower than 10% of the resolution Amount as proposed in RFRP. The members of CoC approved the deviation with regard to payment of Performance Security of Rs 40.00 lakhs against 10% of the resolution Amount during the 20th meeting of CoC held on 11.04.2025. The Resolution Applicant has made the said payment to the credit of the account of CFPL maintained with Yes Bank and Kotak Mahindra Bank as under:

Date	Particulars	Amount
26.08.2024	EMD in Yes Bank	200000.00
16.04.2025	Inter bank transfer in Kotak Mahindra Bank from Cine Corp Filmdom P Ltd dated 16.04.2025.	3800000.00
	Total	**4000000.00**

Proof of sources of funds by SRA

32. As per the details given in email from Resolution Applicant vide email dated 20.06.2025: "The Shareholder of the Resolution Applicant earns Rental Income from Real estate property in Mumbai and the Ultimate shareholder is a well-regarded and credible individual within the country, known for a strong reputation and a track record of integrity. Backed by a respected and influential family, the shareholder brings with them significant social capital, longstanding business acumen, and a network that enhances both strategic and operational value to the organization. Their involvement reinforces confidence among stakeholders and underlines the long-term commitment to sustainable growth and governance. (Profile mentioned in Point 3 above)"

6. Section 31 of the IBC deals with the approval of the resolution plan. Section 31 reads as follows:

> *"**31. Approval of Resolution Plan***
>
> *(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section*
>
> *(4) of section 30 meets the requirements as referred to in sub- section (2) 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 stakeholders involved in the resolution plan.*
>
> ***Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy***

that the resolution plan has provisions for its effective implementation.

(2) Where the Adjudicating Authority is satisfied that the resolution plan does not confirm to the requirements referred to in sub-section (1), it may, by an order, reject the resolution plan.

(3) After the order of approval under sub-section (1),—

(a) the moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and

(b) the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.

(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later.

Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors."

7. To our understanding, section 31 requires satisfaction of the Adjudicating authority on two issues:

a) Whether the resolution plan has provisions for its effective implementation; and

b) Whether the resolution plan meets the requirements of section 30 (2) read with Regulations 38 and 39 of the CIRP Regulations.

8. Section 30 (2) of the IBC, 2016 reads as below:

*"**30. Submission of resolution plan.***

(2) The resolution professional shall examine each resolution plan received by him to confirm that each resolution plan—

(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor;

(b) provides for the payment of debts of operational creditors 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 a 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 distributed in accordance with the order of priority in sub-section (1) of section 53,

whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in *accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.*

Explanation 1.-For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.

Explanation 2.-For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-

(i) where a resolution plan has not been approved or rejected by the Adjudicating Authority;

(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or

(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;

(c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;

(d) the implementation and supervision of the resolution plan;

(e) does not contravene any of the provisions of the law for the time being in force;

(f) conforms to such other requirements as may be specified by the Board.

Explanation. -For the purposes of clause (e), if any approval of shareholders is required under the

Companies Act, 2013 (18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law."

Furthermore, Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, requires the CoC to evaluate the resolution plan based on its feasibility and viability.

9. FINDINGS OF THIS TRIBUNAL

9.1 An application under section 9 of the IBC, 2016 was filed by M/s Amar Construction against the Corporate Debtor and the application was admitted by an order passed by this Tribunal on 22.03.2024.

9.2 A Resolution Plan submitted by the Resolution Applicant, namely M/s Cine Corp Filmdom Private Limited and the plan was discussed and Deliberated by the CoC on 27.03.2025. The RP had appointed one consultant, Mr. Anuj Sharma to vet the Resolution Plan. The Plan submitted by the RA was approved by the CoC on 12.04.2025 with a 93.31 % majority vote and was submitted in this Tribunal on 16.04.2025.

9.3 This Tribunal vide order dated 03.03.2025, had granted extension of the CIRP period up to 16.04.2025 (a total of

390 days from the date of initiation of CIRP) and the CoC had approved the submitted plan on 12.04.2025.

9.4 During the CIRP period, the members of the CoC approved certain offers received from the owners/developers of the leased premises from where the Corporate Debtor operated its business of exhibited movies.

10. Perusal of the revised Form-H, submitted by the Resolution Professional along with the Additional Affidavit of 21.06.2025 (pages 286 to 298 of the Affidavit), reveals that:

A. Date of Initiation of CIRP is March 22, 2024
B. Date of public announcement is March 23, 2024
C. The date of constitution of CoC and first meeting of CoC respective are April 14, 2024 and April 24, 2024
D. Date of Expiry of 180 days of CIRP is September 18, 2024
E. Date of Expiry of Extended Period of CIRP is April 16, 2025
F. Fair Value - Valuer 1 , - Rs. 1459.27 lakhs and Valuer 2 - Rs.1740.45 lakhs. Average fair value - Rs. 1599.86 lakhs
G. Liquidation value - Valuer 1 - Rs. 919 .69 lakhs, Valuer 2 - Rs.1345.70 lakhs. Average liquidation value - Rs. 1132.69 lakhs
H. Total admitted claims - Rs 1613,10,98,641.52
I. Resolution Plan Value - Rs 23,19,00,000/-
J. Amount of Performance Guarantee furnished by SRA and its validity is Rs. 40,00,000.00/-. The amount was deposited in the CA of CFPL.
K. A total of 20 CoC meetings took place before the submitted plan was approved.

L. Source of funds (in brief) - Amount of Rs 40.00 lakhs already deposited, balance amount from the Resolution Applicant and its shareholders, as also funds available from the sale of assets.

M. Total Realisable amount under the plan (In case of real estate CDs, provide the monetary value of flats, etc., given to allottees) –Rs.23 ,19,00,000/-

N. Fair Value – Rs. 15,99,00,000/-

O. Liquidation Value – Rs. 11,32,00,000/-

P. As per clause 9 of Form H, the Steps to be taken by the concerned parties post approval of the Resolution Plan by AA are as follows:-

9. Steps to be taken by the concerned parties post approval of the Resolution Plan by AA:

Next Step(s)	Name of Party	Timeline
Formation of the Monitoring Committee	Members of the Monitoring Committee (Representative of CoC, Representative of RA and Ex RP)	Within 3 days of the approval of the Resolution Plan by AA
Intimation to all the authorities, including stakeholders, whose claims were admitted	Monitoring Committee	Within 7-15 days of the approval of the Plan by AA
Infusion of fresh equity resolution Amount	Resolution Applicant	Within 30 days of the approval by AA
Payment to operational creditors and IRPC	Resolution Applicant in coordination with the Monitoring Committee	Within 30 days of approval by AA
Payment to Financial Creditors	Resolution Applicant in coordination with the Monitoring Committee	Within 60 days of approval by AA
Satisfaction of charge with RoC and handing over of security documents to RA	Secured Creditors	On Full Payment by RA
Taking control of the assets of the CD	Resolution Applicant	On Full Payment to all the stakeholders.

Q. The Secured Financial Creditor had claimed an amount of Rs. 12,13,86,92,130.40 out of which an amount of Rs. 12,13,86,92,130.40 was admitted. The realisable amount under the plan is of Rs. 23,00,00,000/- which is 1.89% of the total claimed amount.

R. The Unsecured Financial Creditor had claimed an amount of Rs.1,73,61,06,596/- out of which an amount of Rs. 87,02,74,674.26 was admitted. The realisable amount under the plan is of Rs.2,50,000/- which is 0.014% of the total claimed amount.

S. The total realisable amount under the plan is of Rs. 23,19,00,000 which is 1.16% of the total claimed amount.

T. Paragraph 5 of the Revised Form H deals with the details of the implementation of the Resolution Plan.

U. The Applicant has filed an application under section 66 of the IBC, 2016 and this is pending for adjudication.

V. The Plan is not submitted by a suspended director/promoter of the CD.

W. Form H states that the Resolution Plan is not subjected to any contingency/condition.

X. The SRA does not have any relationship with the CD.

Y. The RP has submitted a Due Diligence Certificate under section 29A of the IBC for the SRA.

Z. Form H also give the Certificate of the RP regarding compliance of the Resolution Plan with all the provisions of the Insolvency and Bankruptcy Code 2016, the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The same is given in a Tabular Form on Pages 296 to 298 of the Additional Affidavit.

11. Pages 86 and 87 of the Additional Affidavit filed on 21.06.2025 contains an email from the RA that contains reasons for the default committed by the CD and how the same is dealt in the Plan submitted by the RA and it also replies in the negative to the query that, whether the Resolution Plan provides for any restructuring of the CD by way of merger, amalgamation and demerger. It also provides information on the business of the SRA and the plans of the

SRA regarding the business of the CD. The SRA also submitted declaration under section 29A of the IBC, 2016.

12. The RP has filed an additional affidavit 0n 02.08.2025 which states that the current directors of the RA are the proposed directors of the Carnival Films Private Limited. An Affidavit given by the SRA dated 31.07.2025 is also attached which affirms that the RA shall implement the Resolution Plan regardless of whether this Hon'ble Tribunal grants the reliefs, concessions, and/or waivers prayed in the Resolution Plan. Information on the source of funds with the RA and information on the ultimate beneficiaries of the RA is also provided. It has been submitted that the Resolution Applicant is a newly incorporated company with the object of entering into entertainment business. It has plans to run cinema business and hence plan to acquire the CD and other similar business. The RA has support from its Holding Company Arthdhara Financial Consultants Pvt Ltd and its ultimate shareholder. The ultimate shareholder is Renuka Talwar, who is daughter of DLF Ltd's Chairman Emeritius, Mr Kushal Pal Singh. Cash flow statement certificate issued by Anand Rajendra Joshi and Company in favour of Arthdhara Financial Consultants Pvt. Ltd is also submitted which shows that it receives gross lease rental of more than 9 crores per annum.

13. Page numbers 743 to 749 is a Compliance Report dated 08.04.2025 from Shri Anuj Sharma, an Advocate, which has evaluated the Resolution Plan submitted by the RA for compliance with all mandatory requirements under the IBC, 2016, and CIRP Regulations. It notes that the Resolution Plan does not contravene any provisions of the law for the time being in force.

14. In so far as the approval of the Resolution Plan is concerned, this Authority is convinced on the decision of the Committee of Creditors, following the Judgment of Hon'ble Supreme Court in the matter of **K. Sashidhar –Vs– Indian Overseas Bank** *(2019) 12 SCC 150,* wherein in para 19 and 62 it is held as follows;

> *"19……. In the present case, however, our focus must be on the dispensation governing the process of approval or rejection of resolution plan by the CoC. The CoC is called upon to consider the resolution plan under Section 30(4) of the I&B Code after it is verified and vetted by the resolution professional as being compliant with all the statutory requirements specified in Section 30(2).*
>
> *62. ………In the present case, however, we are concerned with the provisions of I&B Code dealing with the resolution process. The dispensation provided in the I&B Code is entirely different. In terms of Section 30 of the I&B Code, the decision is taken collectively after due negotiations between the financial creditors who are constituents of the CoC and they express their opinion on the proposed resolution plan in the form of votes, as per their voting share. In the meeting of the CoC, the proposed resolution plan is placed for discussion and after full interaction in the presence of all concerned and the Resolution Professional, the constituents of the CoC finally proceed to exercise their option (business/commercial decision) to approve or not to approve the proposed resolution plan. In such a case, non-recording of reasons would not per-se vitiate the collective decision of the financial creditors. The legislature has not envisaged challenge to the "commercial/business decision" of the financial creditors taken collectively or for that matter their individual opinion, as the case may be, on this count."*

15. Further the Supreme Court in the matter of **K. Sashidhar v. Indian Overseas Bank and Ors**. *(2019) 12 SCC 150* has lucidly delineated the scope and interference of the Adjudicating Authority in the process of approval of the Resolution Plan and held as follows;

> *"55. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite per cent 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. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. <u>The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.</u>*

58. <u>Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with Section 31(1) of the I&B Code. No other inquiry would be permissible.</u> Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the grounds specified in Section 61(3) of the I&B Code, which is limited to matters "other than" enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I&B Code and not to act as a court of equity or exercise plenary powers."

(emphasis supplied)

16. The Supreme Court in its recent decision in **Jaypee Kensington Boulevard Apartments Welfare Association & Ors. v. NBCC (India) Ltd. & Ors.,** in *Civil Appeal no. 3395 of 2020* dated 24.03.2021 has held as follows;

"..76. The expositions aforesaid make it clear that the decision as to whether corporate debtor should continue as a going concern or should be liquidated is essentially a business decision; and in the scheme of IBC, this decision has been left to the Committee of Creditors, comprising of the financial creditors. Differently put, in regard to the insolvency resolution, the decision as to whether a particular resolution plan is to be accepted or not is ultimately in the hands of the Committee of Creditors; and even in such a decision making process, a resolution plan cannot be taken as approved if the same is not approved by votes of at least 66% of the voting share of financial creditors. Thus, broadly put, a resolution plan is approved only when the collective commercial wisdom of the financial creditors, having at least 2/3rd majority of voting share in the Committee of Creditors, stands in its favour.

77. In the scheme of IBC, where approval of resolution plan is exclusively in the domain of the commercial wisdom of CoC, the scope of judicial review is correspondingly circumscribed by the provisions contained in Section 31 as regards approval *of the Adjudicating Authority and in Section 32 read with Section 61 as regards the scope of appeal against the order of approval.*

77.1. Such limitations on judicial review have been duly underscored by this Court in the decisions above-referred, where it has been laid down in explicit terms that the powers of the Adjudicating Authority dealing with the resolution plan do not extend to examine the correctness or otherwise of the commercial wisdom exercised by the CoC. The limited judicial review available to Adjudicating Authority lies within the four corners of Section 30(2) of the Code, which would essentially be to examine that the resolution plan does not contravene any of the provisions of law for the time being in force, it conforms to such other requirements as may be specified by the Board, and it provides for: (a) payment of insolvency resolution process costs in priority; (b) payment of debts of operational creditors; (c) payment of debts of dissenting financial creditors; (d) for management of affairs of corporate debtor after approval of the resolution plan; and (e) implementation and supervision of the resolution plan.

77.2. The limitations on the scope of judicial review are reinforced by the limited ground provided for an appeal against an order approving a resolution plan, namely, if the plan is in contravention of the provisions of any law for the time being in force; or there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period; or the debts owed to the operational creditors have not been provided for; or the insolvency resolution process costs have not been provided for repayment in priority; or the resolution plan does not comply with any other criteria specified by the Board

77.6.1. The assessment about maximisation of the value of assets, in the scheme of the Code, would always be subjective in nature and the question, as to whether a particular resolution plan and its propositions are leading to maximisation of value of assets or not, would be the matter of enquiry and assessment of the Committee of Creditors alone. When the Committee of Creditors takes the decision in its commercial wisdom and by the requisite majority; and there is no valid reason in law to question the decision so taken by the Committee of Creditors, the adjudicatory process, whether by *the Adjudicating Authority or the Appellate Authority, cannot enter into any quantitative analysis to adjudge as to whether the prescription of the resolution plan results in maximisation of the value of assets or not. The generalised submissions and objections made in relation to this aspect of value maximisation do not, by themselves, make out a case of interference in the decision taken by the Committee of Creditors in its commercial wisdom*

78. To put in a nutshell, the Adjudicating Authority has limited jurisdiction in the matter of approval of a resolution plan, which is well defined and circumscribed by Sections 30(2) and 31 of the Code read with the parameters delineated by this Court in the decisions above referred. The jurisdiction of the Appellate Authority is also circumscribed by the limited grounds of appeal provided in Section 61 of the Code. In the adjudicatory process concerning a resolution plan under IBC, there is no scope for interference with the commercial aspects of the decision of the CoC; and there is no scope for substituting any commercial term of the resolution plan approved by the CoC. Within its limited jurisdiction, if the Adjudicating Authority or the Appellate Authority, as the case may be, would find any shortcoming in the resolution plan vis-à-vis the specified parameters, it would only send the resolution plan back to the Committee of Creditors, for re-submission after satisfying the parameters delineated by Code and exposited by this Court.

17. Also, the Supreme Court of India in the matter of Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta and Ors. (2020) 8 SCC 531 after referring to the decision in K. Sashidhar (supra) has held as follows;

"73. There is no doubt whatsoever that the ultimate discretion of what to pay and how much to pay each class or sub-class of creditors is with the Committee of Creditors, but, the decision of such Committee must reflect the fact that it has taken into account maximising the value of the assets of the corporate debtor and the fact that it has adequately balanced the interests of all stakeholders including operational creditors. This being the case, judicial review of the Adjudicating Authority that the

resolution plan as approved by the Committee of Creditors has met the requirements referred to in Section 30(2) would include judicial review that is mentioned in Section 30(2)(e), as the provisions of the Code are also provisions of law for the time being in force. Thus, while the Adjudicating Authority cannot interfere on merits with the commercial decision taken by the Committee of Creditors, the limited judicial review available is to see that the Committee of Creditors has taken into account the fact that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; and that the interests of all stakeholders including operational creditors has been taken care of. If the Adjudicating Authority finds, on a given set of facts, that the aforesaid parameters have not been kept in view, it may send a resolution plan back to the Committee of Creditors to re-submit such plan after satisfying the aforesaid parameters. <u>The reasons given by the Committee of Creditors while approving a resolution plan may thus be looked at by the Adjudicating Authority only from this point of view, and once it is satisfied that the Committee of Creditors has paid attention to these key features, it must then pass the resolution plan, other things being equal</u>."

(emphasis supplied)

18. The Hon'ble Supreme Court in the case of Ramkrishna Forgings Limited vs. Ravindra Loonkar, Resolution Professional of ACIL Limited & Anr in Civil Appeal No. 1527 of 2022 also has reiterated that CoC wisdom is supreme.

19. Thus, from the catena of judgments rendered by the Supreme Court on the scope of approval of the Resolution Plan, it is amply made clear that only limited judicial review is available for the Adjudicating Authority under Section 30(2) and Section 31 of IBC, 2016 and this Adjudicating Authority cannot venture into the commercial aspects of the decisions taken by the Committee of Creditors.

20. On hearing the submissions made by the Ld. Counsel for the Resolution Professional, and perusing the record, we find that the Resolution Plan has been approved with 93.31% voting share. As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the RA for making the plan effective after approval by this Bench. On perusal of the documents on record, we are also satisfied that the Resolution Plan is in accordance with sections 30 and 31 of the IBC, 2016 and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

21. As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under Section 31(4) of the Code.

22. The Resolution Plan in question is hereby approved by this Adjudicating Authority, subject to the observations and condition made in this order. The Resolution Plan shall form part of this order. The Resolution Plan is binding on the Corporate Debtor and other stakeholders.

23. The RA is directed to make payment of the entire Resolution Plan amount within the time period stipulated under the Resolution Plan, failing which the entire amount paid by the Resolution Applicant (including the Performance Bank Guarantee, if any) as on the said date would stand automatically forfeited, without any recourse to this Tribunal.

24. Schedule 5 of the Resolution Plan (Pages 784 to 786 of the Plan Application (Pages 32 to 37 of the Resolution Plan) deals with the Reliefs and Concessions required by the RA. The Comments of this Tribunal on the same is given below:

Sr. No.	Particulars	Reliefs and Concessions sought	Comments of this Tribunal
1.	Waive of compliances from Government Authorities	All Government Authorities, including FEMA, Custom, Excise, VAT, GST, DGET & GIDC (A,B,C & D as below) to waive the non-compliance, if any of the Corporate Debtor prior to the Appointed Date without levying any fee, penalty or additional duty. The Resolution Applicant requests for an additional period of 12 months starting from the day following the Appointed Date to regularise such non-compliance and breach.	Allowed to the extent covered by the Section 32A of the IBC, 2016.
		A. All the liabilities confirmed, contingent past, present of future related to Foreign Exchange Management Act FEMA, RBI Act, Banking Regulation act with any bank in India or Foreign as regards pending Export/Import	Allowed to the extent covered by the provisions of section 32A of the IBC, 2016 and the judgment of

		obligations completed/ incomplete or pending partially or fully are all deemed to have been settled, all liabilities are extinguished and no formalities are required to be completed whether financial or nonfinancial or civil or criminal or otherwise.	the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Private Limited through the Director and Ors. (Civil Appeal No. 8129 of 2021) of 13 April 2021.
		B. All the Liabilities related to Custom Act, Excise, VAT, GST, Director General of Foreign trade on account of any export/import obligations confirmed/contingent or otherwise are deemed to have been extinguished and no obligation of any sort is pending. All Advance License Authorisation scheme open and pending licenses are considered to have been closed without any obligation and this Resolution plan is final for any sort of obligation and no liabilities have been assumed in this regard.	Allowed to the extent covered by the provisions of section 32A of the IBC, 2016 and the judgment of the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Private Limited through the Director and Ors. (Civil Appeal No. 8129 of 2021) of 13 April 2021.
		C. Any assets under any statute such as Custom, Excise, GST, DGFT, Advance Authorisation License capital or revenue or any other duty scripts in which any	Allowed to the extent covered by the provisions of section 32A of

		benefits are receivable under any scheme in cash or kind, Resolution Applicant shall be entitled to avail all benefits without assuming any liability under any case. In Other words, all liabilities are extinguished and all receivables under any form shall be asset of Resolution Applicant without any demur, damage or any obligation.	the IBC, 2016 and the judgment of the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Private Limited through the Director and Ors. (Civil Appeal No. 8129 of 2021)
		D. RA does not assume any product/usage/process/abuse liability past, present or future pending in any foreign country or in India of any sort by whatever name called.	Allowed to the extent covered by the provisions of section 32A of the IBC, 2016 and the judgment of the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Private Limited through the Director and Ors. (Civil Appeal No. 8129 of 2021)
2.	The Government Authority to provide reasonable time period after appointment to	Since commencement of CIRP, while Resolution Professional are putting their efforts to control and manage the business of the Corporate Debtor, there may be chances that certain business	To approach the relevant government authority and no directions are given.

	access the status of business permits etc.	permit of the Corporate Debtor lapsed, expired, suspended, cancelled, revoked, terminated or Corporate Debtor has Non-compliance in relation thereof. Accordingly, all government authority to provide reasonable time period after Appointed Date in order for the Resolution Applicant to access the status of these Business Permits and ensure that Corporate Debtor is compliant with the terms of the Business Permits and applicable law without initiating any investigation, actions or proceedings in relation to such non- compliance. Regulation [37(1)]	
3.	Government Authority to grant reliefs and concessions	All Government Authority to grant all relief, concession or dispensation as may be required for the implementation of the Resolution Plan in accordance with the	To approach the relevant government authority and no directions are given.
4.	The Income Tax Department shall be deemed to have waived the Corporate Debtor	Upon approval of the Resolution Plan by NCLT, The Income Tax Department shall be deemed to have waived the Corporate Debtor from levy or payment of income tax on waiver of principal and interest by Banks / Institutions/operational creditors. The Waiver of principal Loan amount/and/or waiver of any other creditors (operational/financial/ unsecured loan/other liabilities) as well as waiver of interest as appearing in the books of accounts of the Company as on the date of Upon approval of plan by NCLT and such written back amount will be credited to capital reserve in the books of account and shall not be taxed as perquisite or benefits under section 28(iv) and cessation of liability under section 41(1) or any other relevant sections/rules/regulations of the	The Income Tax Department to decide the issue based on the provisions of extant law and the decision of the Hon'ble Supreme Court in the case of Ghanshyam Mishra as noted above.

		Income Tax Act and shall also not be liable for MAT tax under the provisions of Income Tax Act, 1961.	
5.	All liabilities shall extinguished	Upon approval of the Resolution Plan, all beneficiaries of guarantee issued by the Company and all Liabilities of the Corporate Debtor with respect to such guarantees shall stand extinguished and such recipients shall not thereafter be entitled to raise any Claims against the Corporate Debtor.	Allowed to the extent covered by the provisions of section 32A of the IBC, 2016 and the judgment of the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Private Limited through the Director and Ors. (Civil Appeal No. 8129 of 2021)
6.	All matters/litigation pending before labour authorities shall stand disposed off	Upon approval of the Resolution Plan all matters/litigation pending before labour authorities shall stand disposed off and Corporate Debtor and/or Resolution Applicants shall not liable to make any payment including any penalty, damages cost or otherwise.	Allowed to the extent covered by the provisions of section 32A of the IBC, 2016 and the judgment of the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Private Limited through the Director and

			Ors. (Civil Appeal No. 8129 of 2021)
7.	Corporate Debtor should be permitted to carry forward its unabsorbed business losses	Corporate Debtor should be permitted to carry forward its unabsorbed business losses and unabsorbed depreciation notwithstanding a change in the shareholding of the Corporate Debtor pursuant to this Resolution Plan as per sec 79 of Income Tax Act. Non-Filing of ITR for the period from F.Y.2021 till F.Y. 2024, should not result in lapse of carry forward unabsorbed business losses and unabsorbed depreciation.	The Income Tax Department to decide the issue based on the provisions of extant law and the decision of the Hon'ble Supreme Court in the case of Ghanshyam Mishra as noted above.
8.	Extinguishment of past tax dues/non-compliances	All actions, proceedings or penalties under any Applicable Law for any past Tax dues/non-compliances and the same be permanently extinguished with effect from the NCLT Approval Date. Income tax department to quash assessment or re-assessment proceedings consequent to special audit or otherwise or any other proceedings against the Corporate Debtor that relates to the period prior to the Approval Date, the Corporate Debtor and consequently all pending assessments and reassessments u/s 143, 147, 153A, if any and other relevant provisions of Income Tax Act will be deemed to be completed and dropped	The Income Tax Department to decide the issue based on the provisions of extant law and the decision of the Hon'ble Supreme Court in the case of Ghanshyam Mishra as noted above.
9.	Governmental Authorities to grant complete reliefs from payment of Taxes, levies, fees	All relevant Governmental Authorities to grant complete reliefs from payment of Taxes, levies, fees, charges, transfer premiums, stamp duty, registration fees (including any fees payable to the jurisdictional ROC), dues of Security Trustee, Demat service provider etc. for various actions contemplated under this Resolution Plan (including for the Standalone	The Government departments to decide the issue based on the provisions of extant law and the decision of the Hon'ble Supreme Court in the case of

		Capital Reduction, increase in authorized share capital, issuance of Equity Shares as contemplated in this Resolution Plan and issuance of RA Equity Shares) and amendment of memorandum of association and articles of association of the Corporate Debtor for allotment of fresh shares to the Resolution Applicant and/or its Nominees and other relevant parties be waived and the ROC be directed to approve the relevant forms under the Companies Act and rules thereto without payment of fees in respect thereof.	Ghanshyam Mishra as noted above and provisions of section 32A of the IBC, 2016.
10.	Any modifications and/or non-acceptance by the Adjudicating Authority of such reliefs, concessions, waivers and exemptions shall be accepted unconditionally by the Resolution Applicant, and the Resolution Plan shall be implemented by the Resolution Applicant in accordance thereto.	The Resolution Applicant declares that the Resolution Plan is unconditional, irrevocable, and binding on the Resolution Applicant, and is prepared in accordance with the provisions of the Code and CIRP Regulations (as amended from time to time) and is not in contravention of any provisions of the law for the time being enforce. The reliefs, concessions, waivers and exemptions, if any, sought under the plan are an integral part of the Resolution Plan and shall not be conditional to the implementation of the Resolution Plan. Therefore, any modifications and/or non-acceptance by the Adjudicating Authority of such reliefs, concessions, waivers and exemptions shall be accepted unconditionally by the Resolution Applicant, and the Resolution Plan shall be implemented by the Resolution Applicant in accordance thereto.	The RA shall implement the Resolution Plan irrespective of it being granted or not the reliefs and concessions.
11.	All lease agreement done with group companies shall stand extinguished and	All lease agreement done with group companies shall stand extinguished and cancelled. This cancellation effectively nullifies all rights and obligations under the lease agreement, ensuring the	No comments.

	cancelled.	land reverts to the control of the Corporate Debtor so as to make revival of CD.	
12.		In order to ensure smooth implementation of the Resolution Plan, the Resolution Applicant makes prayers of concession, relief, waiver, exemption, dispensation & extinguishment, it is clarified that the prayers wherever contained in the Resolution Plan are not a precondition to the Resolution plan. The order passed by the Hon. NCLT/ Adjudicating Authority shall be binding on Resolution Applicant irrespective of approval or non-approval of any of the prayer or relief contained in the Resolution Plan.	The RA shall implement the Resolution Plan irrespective of it being granted or not the reliefs and concessions.
13.		Corporate Debtor has not prepared Financial statement post financial year ended 31st March, 2020 and all statutory returns in respect to the same are pending. Resolution Applicant shall not be responsible to prepare and file such financial statements and statutory returns in respect of the same.	The provisions of relevant law will apply.
14.		Corporate debtor had applicability of IND AS accounting system. Since Resolution Applicant has no applicability of IND As accounting system, Exemption be granted to Resolution Applicant from accounting under IND AS and permission to prepare financial statements under Indian GAAP.	Provisions of relenat laws will apply.

25. The Resolution Plan is approved subject to the following additional conditions:

- Form H notes that the Corporate Debtor has at present funds lying in the current account of around Rs 20.0 crores and states that the same is sufficient to meet the Insolvency Resolution Process Cost and Liquidation Cost, if any. The Tribunal directs that these funds shall be used for the business of the Corporate Debtor and only funds contributed by the RA as per Resolution Plan should be used to pay all the creditors as per the submitted Plan. The Monitoring Committee should monitor that the funds are not misused during the monitoring period.

- An IA is filed on 09.06.2025 by the Employees Provident Fund Organization and is pending for the Adjudication. The RP is directed to ensure that the pleadings are completed to enable this Tribunal to decide the application within a period of 60 days. The distribution of the Resolution Plan amount to the creditors will be subject to the decision on this Application filed by the EPFO.

26. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance.

27. Liberty is hereby granted for moving any application to this Tribunal, if required in connection with the implementation of this Resolution Plan.

28. A copy of this Order is to be submitted to the concerned Office of the Registrar of Companies ("RoC").

29. Accordingly, IA(Plan)/02(MP)2025 stands allowed and disposed off.

30. The Monitoring Committee is directed to file a status report after 180 days from the approval of the Resolution Plan.

31. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps. Files be consigned to the record.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

MOHAN PRASAD TIWARI
MEMBER (JUDICIAL)

Rajeev Sen/P.S