

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI, BENCH-V**

**I.A. No. 5391 of 2023**

**IN**

**C.P. No. 310 of 2022**

In the matter of an Application under  
Section 30(6) and Section 31 of the  
Insolvency and Bankruptcy Code, 2016.

**Mr. Rohit Ramesh Mehra**

**(Resolution professional of Reliance  
Broadcast Network Limited)**

...Applicant/Resolution Professional

In the matter of

**IDBI Trusteeship Services Limited**

... Financial Creditor

V/s.

**Reliance Broadcast Network Limited**

... Corporate Debtor

**Order Dated : 06.05.2024**

**Coram:**

Hon'ble Ms. Madhu Sinha  
Member (Technical)

Hon'ble Ms. Reeta Kohli  
Member (Judicial)

**Appearance:**

**For the Applicant/RP:** Sr. Adv. Mustafa Doctor a/w Adv. Nishant  
Sogani a/w Adv. Saurabh Bachhawat a/w Adv. Shrishti Agnihotri i/b  
Chandliok & Mahajan (PH)

**For the Respondent:** Sr. Adv. Gaurav Joshi a/w Adv. Kunal Kanungo,  
Adv. Nishant Chothani, Adv. Tanushree Sogani and Adv. Atishay Jain  
(R3) (PH)

**ORDER**

1. The above captioned Application was filed under Section 30(6) and Section 31, of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**Code**”) by the Resolution Professional (hereinafter referred as the “**Applicant**”), seeking approval of the Resolution Plan, submitted by the Resolution Applicant - Sapphire Media Limited, which was approved by 88.97% voting shares of the members of the Committee of Creditors (hereinafter referred to as ‘**COC**’).
  
2. The facts leading to the Application are as under:
  - a. Corporate Insolvency Resolution Process (**CIRP**) of the Corporate Debtor was initiated, vide an order dated 24.02.2023, under Section 7 of the Insolvency and Bankruptcy Code 2016 (hereinafter referred to as ‘**the Code**’) and Mr. Rohit Ramesh Mehra, was appointed as Interim Resolution Professional. The IRP, constituted the Committee of Creditors. The COC in its 1<sup>st</sup> meeting held on 24.03.2023 appointed **the present Applicant** as the Resolution Professional. The IRP published a public announcement as per Section 15 of the Code, inviting claims from the creditors of the Corporate Debtor.
  
  - b. The Applicant published a Public Announcement in Form A in accordance with Section 15 of the Code read with Regulation 6 of the CIRP Regulations, on 27.02.2023, inviting submission of proof of claims from the creditors of the Corporate Debtor, on or before 10.03.2023.
  
  - c. The claims **received** and **accepted** by Interim Resolution Professional are as under:

<b>Creditors</b>	<b>Claims Received</b>	<b>Claims Admitted</b>
Secured Financial Creditors	6,14,15,16,609	5,78,34,57,563
Unsecured Financial Creditor	8,44,13,94,809	3,47,47,28,308
Operational Creditors (Employees and Workmen dues)	27,89,099	23,14,620
Operational Creditors (Government dues)	47,34,03,443	4,25,06,553
Operational Creditors (Other than Employees and Workmen dues and Government dues)	1,82,13,37,672	17,29,15,207
Other Creditors	-	-
<b>Total</b>	<b>16,88,04,41,632</b>	<b>9,47,59,22,252</b>

3. After receiving the claims, the Committee of Creditors was constituted. The constitution of COC is as under:

<b>Sr. No.</b>	<b>Name of the Financial Creditor</b>	<b>Claim admitted (In Crores)</b>	<b>Voting Share (percentage %)</b>
1.	HSBC Asset Management (India) Private Limited on behalf of HSBC Credit Risk Fund	150.6	26.04
2.	HSBC Asset Management (India) Private Limited on	73.8	12.77

	behalf of L&T FMP - Series XIV A		
3.	HSBC Asset Management (India) Private Limited on behalf of HSBC Low Duration Fund	14.4	2.49
4.	IndusInd Bank Limited (“ <b>IndusInd</b> ”)	172.2	29.79
5.	IDBI Trusteeship Services Limited acting as Debenture Trustee for Franklin Templeton Mutual Fund (“ <b>IDBI Trusteeship</b> ”)	103.5	17.89
6.	Reliance Commercial Finance Limited (“ <b>RCFL</b> ”)	63.8	11.03
<b>TOTAL</b>		<b>578.2</b>	<b>100%</b>

4. The CoC decided to appoint valuers. The Resolution Professional accordingly appointed two Registered Valuers Jayesh Shah, Jayesh Mohan Kamat, Anil Pai Kakode (collectively, hereinafter referred to as “**Valuer 1**”) and GAA Advisory LLP (“**Valuer 2**”) for conducting valuation across three different asset classes, namely Land & Building, Plant & Machinery and Securities and Financial Assets to determine its fair value and liquidation value, as required under Regulation 27 of the IBBI (IRP for Corporate Persons) Regulations, 2016. The details of the Registered Valuers are as follows:
5. These Registered Valuers submitted their reports. **The Liquidation and fair value** is stated as under:

**Fair Value:-**

Asset Description	Valuer 1	Valuer 2	Average
Land & Building	INR 0.01 crore	INR 0.02 crore	INR 0.01 crore
Plant & Machinery	INR 8.5 crore	INR 6.8 crore	INR 7.6 crore

Securities & Financial Assets	INR 224.7 crore	INR 235.6 crore	INR 230.2 crore
Total	<b>INR 233.2 crore</b>	<b>INR 242.4 crore</b>	<b>INR 237.8 crore</b>

**Liquidation Value :-**

Asset Description	Valuer 1	Valuer 2	Average
Land & Building	INR 0.01 crore	INR 0.01 crore	INR 0.01 crore
Plant & Machinery	INR 7.2 crore	INR 6.4 crore	INR 6.8 crore
Securities & Financial Assets	INR 178.8 crore	INR 186.3 crore	INR 182.5 crore
Total	<b>INR 185.9 crore</b>	<b>INR 192.8 crore</b>	<b>INR 189.4 crore</b>

6. The Applicant submits that for inviting Expression of Interest (“**EOI**”) from Prospective Resolution Applicants as per section 25(2)(h) of the Code, Form G was published on 14.04.2023. **The last date for submission of Expression of Interest (EOI) from Prospective Resolution Applicants was 14.05.2023** which was further extended to 31.05.2023.
7. The Applicant further Submits that the COC approved with minimum eligibility criteria, Request for Resolution Plan (**RFRP**) along with evaluation matrix and the Information Memorandum to the PRAs on 15.06.2023.
8. In 5<sup>th</sup> COC meeting on the extension requests received from PRAs and keeping in view the objective of value maximization of the Corporate Debtor through receipt of maximum resolution plans, the CoC approved extension of the **last date for submission of resolution plans from 17.07.2023 to 17.08.2023**. In the 6<sup>th</sup> CoC meeting dated 10.08.2023, on the further request of the PRAs **the CoC extended the**

**last date of submission of the resolution plans from 17.08.2023 to 01.09.2023.**

9. On 8 September 2023, 6 (six) Resolution Plans were received for the Corporate Debtor from the following PRAs (“**Resolution Applicants**”/ “**RAs**”):

- (a) Cosmea Financial Holdings Private Limited (“**Cosmea**”);
- (b) Entertainment Network (India) Limited (“**ENIL**”);
- (c) Sapphire Media Limited/ Successful Resolution Applicant;
- (d) Abhijit Realtors and Infraventures Private Limited (“**Abhijit Realtors**”);
- (e) Creative Channel Advertising and Marketing Private Limited (“**Creative**”); and
- (f) Authum Investment & Infrastructure Ltd (“**Authum**”).

10. **The COC, in its 14<sup>th</sup> meeting held on 11.11.2023, approved Resolution Plan submitted by Sapphire Media Limited with a voting share of 88.97%. Thereafter, the Applicant has issued compliance certificate in Form “H”.**

11. **The Salient Features of the Resolution Plan are as under:**

**A. Brief Background of the Corporate debtor**

- i. Reliance broadcast Network Limited (hereinafter “**RBNL**” / “**Corporate Debtor**”), is a company incorporated under the Companies Act, 1965 on 27 December 2005, having its registered office at Unit No. 503, 5th Floor, ARC Plaza Industrial Estate, 48 Oshiwara Village, Jogeshwari (West), Mumbai, 400102, India.

Name	Reliance Broadcast Network Limited
ROC Code	ROC- Mumbai
CIN	U64200MH2005PLC158355
Date of Incorporation	27 December 2005
Class of Company	Public
Whether listed or not	Unlisted
Industry	Entertainment
Authorized Capital	INR 15,00,00,00,000
Paid-up Capital	INR 6,39,72,55,850
Activities	Unit No. 503, 5th Floor, ARC Plaza Industrial Estate, 48 Oshiwara Village, Jogeshwari (West), Mumbai, 400102, India.

- ii. The Corporate Insolvency Resolution Process (“**CIRP**”) of Reliance broadcast Network Limited has been initiated as per the provisions of the Insolvency and Bankruptcy Code (“**IBC**”) under Section 7. The application was moved before the Hon’ble National Company Law Tribunal, Mumbai Bench (“**NCLT**”) and was admitted vide its order dated 24.02.2023 (“**CIRP Order**”). Pursuant to such order, Mr. Rohit Mehra, (having IP Registration no. IBBI/IPA-002/IP-P00799/2017-18/11374),

Insolvency Professional, was appointed as the Interim Resolution Professional (**IRP**).

**B. Background of the Resolution Applicant**

- i. **SAPPHIRE MEDIA LIMITED**, the Resolution Applicant, was incorporated on October 21<sup>st</sup>, 2022, having its registered office at Mangla Estates 4<sup>th</sup> Km Stone Opposite Vrindavan gardens Kurukshetra Road, Kaithal Haryana-136027 incorporated under the provisions of the Companies Act, 1956. The corporate identification number of the Resolution Applicant is U74999HR2022PLC107331.

Name	Sapphire Media Limited
ROC Code	ROC- Delhi
CIN	U74999HR2022PLC107331
Date of Incorporation	21 December 2022
Class of Company	Public
Whether listed or not	Unlisted
Industry	Advertisement, Media, News Paper and News Channel
Authorized Capital	INR 25,00,00,000



Paid-up Capital	INR 21,00,99,900
Address and Activities	Mangla Estate, 4 <sup>th</sup> KM Stone, Opposite Vrindavan Gardens, Kurukshetra Road, Kaithal, Haryana-136027

- ii. The Resolution Applicant is eligible to act as a Resolution Applicant of the Corporate Debtor and is not ineligible under section 29A of Insolvency and Bankruptcy Code and also satisfies the eligibility criterion as mentioned in clause (h) of sub-section (2) of section 25 of the Code.

**12. Summary of Payments under the Resolution Plan**

Category	Admitted Amount	Amount Proposed	Percentage
<b>Secured Financial Creditors</b>	578.35	255	44.09
<b>Unsecured Financial Creditors</b>	347.47	Nil	0
<b>Operational Creditors</b>	21.77	6	27.5
<b>a) Towards upfront payment of Workmen &amp; Employees</b>	0.23	0.23	100
<b>b) Towards upfront payment of Operational Creditors – MIB and AIR Resources Prashar Bharati</b>	4.25	4.25	100
<b>c) Towards upfront payment of</b>	17.29	1.52	

<b>remaining Operational Creditors</b>			
<b>Total payout to creditors</b>	947.59	261	27.54

13. **Sources of Funds**

<b>S.NO</b>	<b>SOURCE OF FUNDS</b>	<b>Amount (Rs.)</b>
<b>1.</b>	<b>As Equity Contribution (200000000 shares @ Rs. 5 each ) in the first year</b>	<b>100.00</b>
<b>2.</b>	<b>As unsecured loan @10%annual interest in the first year from Resolution Applicant</b>	<b>151.00</b>
<b>3.</b>	<b>Existing Bank Balances used for capex</b>	<b>15.00</b>

The RA represents that the funds are backed by ICD (Inter Corporate Deposits) of Rs. 80.00 Crores by private limited companies.

The RA further represents that the funds are backed by a comfort letter/ term sheet of Rs 200 crores issued by various bankers and NBFC, which is attached hereto as Annexure 4 (Colly).

The Resolution Applicant hereby represents and warrants that the funds required for the implementation of the Resolution Plan have been arranged and are backed by a separate comfort letters of Rs. 130.00 Crores issued by Director and Shareholders of Resolution Applicant Mr. Sahil Mangla, Mr. Madan Lal Mangla and Ms. Usha Mangla along with their CA certified Net Worth Certificates , which are attached hereto as Annexure 4 (Colly), and that such funds shall be disbursed in terms of the Payment Schedule to ensure the successful implementation of the Resolution Plan.

14. **Payments proposals of the various stakeholders under the Resolution Plan:**

**A. CIRP Costs**

- i. The Corporate Debtor is having operating revenue from business and CIRP cost shall be paid out of internal cash accruals and bank balances of Corporate Debtor. In case the internal cash accruals and bank balances are insufficient, the Resolution Applicant agrees to fund the outstanding CIRP costs, if any as on the Approval Date, which shall be infused by the Resolution Applicant in the Designated Bank Account on or before the Transfer Date on an actual basis over and above the Upfront Cash Payment.
- ii. It is clarified that the CIRP Costs shall be paid in full and in priority to the payment of other debts of the Corporate Debtor as per the provisions of Section 30(2)(a).

**B. Payment to Financial Creditors**

- i. As per the Information Memorandum, the claims of the Financial Creditors against the Corporate Debtor verified / admitted by the Resolution Professional as on the Insolvency Commencement Date (“**Financial Creditor Claims**”) are set out below:-

*Figures in INR cr.*

<b>Sr. No.</b>	<b>Category of Financial Creditors</b>	<b>Amount Claimed</b>	<b>Amount Admitted</b>	<b>Amount not Admitted</b>
1	Financial Creditors- Secured	614.15	578.35	35.80

2	Financial Creditors- Unsecured	844.14	347.47	496.67
3	<b>Total Financial Creditors</b>	<b>1458.29</b>	925.82	<b>532.47</b>

**Financial Creditors (Secured)**

Sr. No	Name of Creditor	Amount Claimed	Amt of Claim Admitted	% Voting Share in CoC
1	HSBC Asset Management (India) Private Limited on behalf of HSBC Credit Risk Fund	1 ,50,59,27,288	1 ,50,59,27,288	26.04%
2	HSBC Asset Management (India) Private Limited on behalf of L&T FMP - Series XIV A	7 3,83,04,723	7 3,83,04,723	12.77%
3	HSBC Asset Management (India) Private Limited on behalf of HSBC Low Duration Fund	1 4,41,30,219	1 4,41,30,219	2.49%
4	IndusInd Bank Limited	1 ,72,27,39,356	1 ,72,27,39,356	29.79%

5	IDBI Trusteeship Services Limited acting as Debenture Trustee for Franklin Templeton Mutual Fund	1,03,45,28,414	1,03,45,28,414	17.89%
6	Reliance Commercial Finance Limited	8,01,29,15,568	6,37,82,75,563	11.03%
7	Yes Bank Limited	1,94,59,50,41	--	0.00%
		<b>6,14,15,16,609</b>	<b>5,78,34,57,563</b>	<b>100.00%</b>

**Financial Creditors (Unsecured)**

Sr. No	Name of Creditor	Amount Claimed	Amt of Claim Admitted	% Voting Share in CoC
1	Reliance Capital Limited	7,79,78,30,156	3,47,47,28,308	-
2	Azalia Distribution Private Limited	27,63,13,980	-	-
3	Adhar Project Management & Consultancy Private Limited	7,88,27,371	-	-
4	Gamesa Investment Management Private Limited	2,91,31,685	-	-

5	Arion Movie Production Private Limited	12,20,10,862	-	-
6	Wallace Movies & Entertainment Private Limited	13,72,80,755	-	-
		<b>8,44,13,94,809</b>	<b>3,47,47,28,308</b>	

**C. Payment to Operational Creditors**

- i. As per the list of claims as uploaded in the VDR of the Operational Creditors against the Corporate Debtor verified/ admitted/ under-verification by the Resolution Professional as on the Insolvency Commencement Date (“**Operational Creditor Claims**”) are set out below:-:-

*Figures in INR cr.*

<b>Sr. No.</b>	<b>Category of Operational Creditors</b>	<b>Amt. Claimed</b>	<b>Amt. Admitted</b>	<b>Amt not Admitted</b>
1	Operational Creditors- other than workmen and employees and Government Dues	182.13	17.29	8.49
2	Operational Creditors- workmen and employees	0.28	0.23	0.05

3	Operational Creditors – Government Dues (MIB & AIR Resources Prasar Bharati)	47.34	4.25	30.66
	<b>Total Operational Creditors</b>	229.75	21.77	39.20

**Detail of Operational Creditors other than Workmen**

Sr. No	Name of Creditor	Amount Claimed	Amt of Claim Admitted	% Voting Share in CoC
1	DNP Tech Services	1 1,89,590	7 ,18,450	-
2	Kfin Technologies Limited	1 ,49,090	1 ,49,090	-
3	Technomedia Solution Private Limited	1 7,16,274	1 5,97,912	-
4	Innovent Space Private Limited	1 ,35,22,311	1 ,12,07,000	-
5	The Indian Performing Right Society Limited	1 ,41,55,64,727	1	-
6	LeazeOn Private Limited	2 ,60,780	2 ,55,780	-
7	Holidayz	2 2,79,031	1 4,18,998	-
8	powernest solutions	9 5,360	5 4,560	-
9	TAM MEDIA RESEARCH PRIVATE LIMITED	1 8,53,677	1 8,30,288	-

10	Yashraj Films pvt Ltd	1 ,88,450	1 ,85,982	-
11	Sai Johan enterprises	8 8,500	8 1,821	-
12	Nidhishree technology services	5 ,00,933	3 ,35,154	-
13	SAMAIRCON	2 ,09,214	1 ,62,376	-
14	Videocon Industries Limited	1 8,47,484	1 7,25,970	-
15	Silicon Rental Solutions Limited	1 ,45,00,000	1,35,40,000	-
16	ABHAY SAHARE	6 0,000	6 0,000	-
17	Hirezzone Systems Private Limited	3 0,386	2 9,983	-
18	Phonographic Performance Limited	1 ,50,23,445	1,46,05,159	-
19	BOOKNOW DIGITAL PRIVATE LIMITED	7 2,414	3 9,766	-
20	Greysell Marketing Promotions Pvt Ltd	6 ,78,500	6,21,000	-
21	Equilibrio Advisory LLP	2 ,12,400	1 ,88,614	-
22	Broadcast Engineering Consultants India Limited	1 3,09,99,855	10,76,21,058	-
23	Sony Music Entertainment India Private Limited	2 6,86,173	24,83,011	-
24	CHIRAG SARVAIYA & CO	4 ,24,800	3 ,59,871	-
25	TMT Law Practice	1 7,500	1 5,750	-
26	Soundkraft	7 ,79,461	5,73,845	-



27	MRN Digital Services Private Limited	32,69,585	15,03,304	-
28	Elite Enterprises & Events	8 2,600	8 1,200	-
29	Uptrendic events	2 ,77,338	2 ,72,637	-
30	Event Managers	6 ,37,700	6 ,37,700	-
31	Client Linx Software Private Limited	3 9,34,955	33,19,200	-
32	Outcry Entertainment	1 ,17,000	1 ,17,000	-
33	Associated Warehousing	75,41,830	-	-
34	Associated Assemblies & Repackers	82,69,109	2,94,551	-
35	Market Info INC.	7,200	7,200	-
36	Tips Industries Limited	4,42,50,000	81,910	-
37	Mad Over Marketing	2,95,000	2,90,000	-
38	Accutech Power Solutions Private Limited	3,26,176	3,26,176	-
39	Deb Enterprises	59,000	58,000	-
40	Amulya Chandra	10,266	6,055	-
41	Cool Air System	28,320	25,354	-
42	SS Net Com Pvt Ltd	12,390	12,390	-
43	MP Engineers	14,702	14,577	-
44	Deccan Sales and Services Private Limited	18,450	18,137	-
45	URSS Techservices Private Limited	13,939	2,062	-
46	Sheen telecom	7,080	4,226	-
47	Guru Nanak Engineers	1,418	1,418	-

48	Scube airconditioning Pvt Ltd	4,039	4,039	-
49	Plumsoft	2,950	2,700	-
50	Celest technologies LLP	25,960	20,963	-
51	Keya Sales	7,504	7,504	-
52	Reliance Entertainment studios Pvt Ltd	15,15,138	9,43,425	-
53	Trinity Mahalasa Durga Sales & Services	24,777	-	-
54	Stereo Adventures	1,05,138	1,03,356	-
55	Sunrise Sales and Servisces	13,450	13,450	-
56	Servoll Solution	7,63,638	7,33,556	-
57	Nexgen ISP	7,965	-	-
58	Shubh Enterprises	5,310	3,224	-
59	AS Syetem	5,46,991	5,20,365	-
60	Guru Nanak Electro Controls	1,10,920	1,09,040	-
61	RSC Generators	10,298	10,298	-
62	BSIX Engineering Pvt Ltd	31,860	19,016	-
63	Weartech Engineers Pvt Ltd	76,800	76,800	-
64	Digitcom India Technologies	1,61,774	1,59,050	-
65	AS Global Aircon Solution	95,580	81,656	-
66	S M Gensets Spares and Solutions	45,809	-	-
67	Indeft Technologies Solution Pvt Ltd	1,27,178	1,27,178	-
68	Satellite Cable TV Services	11,328	11,328	-

69	JS Genset Power Solution	28,550	-	-
70	Eaton Power Quality Pvt Ltd	3,39,753	2,40,996	-
71	Inure Interiors	22,000	11,000	-
72	Quest Offices Private Limited	4,98,337	4,27,784	-
73	Prototact Digital Network	10,620	10,620	-
74	Raghav Outdoor & Events	59,000	58,000	-
75	Delhi Metro Rail Corporation Ltd	13,99,68,828	1	-
76	Zee Media Corporation Limited	3,54,602	3,35,000	-
77	Balaji Generator	4,084	4,084	-
78	Torrent Power Limited	32,570	32,570	-
79	Leonard Corporate Solution Private Limited	2,86,740	-	-
80	Konasth Travels Private Limited	6,37,633	6,37,633	-
81	FTC Talent Media & Entertainment Private Limited	12,76,136	12,76,136	-
		<b>1,82,13,37,672</b>	<b>17,29,15,207</b>	-

**Operational Creditors -Employees**

Sr. No	Name of Authorized representative	Amount Claimed	Amt of Claim Admitted	% Voting Share in CoC
1	Nilpesh Mahendra Shah	27,89,099	23,14,620	-
		<b>27,89,099</b>	<b>23,14,620</b>	-

**Operational Creditors -Government Dues**

<b>Sr. No</b>	<b>Name of Creditor</b>	<b>Amount Claimed</b>	<b>Amt of Claim Admitted</b>	<b>% Voting Share in CoC</b>
1	Ministry of Information and Broadcasting	20,68,92,270	1,52,97,352	-
2	AIR Resources, Prasar Bharati	13,01,04,077	2,72,09,200	-
3	Department of Tax & Trade/ Delhi GST	1,16,41,512	-	-
4	The Assistant Commissioner Division III, CGST	12,43,28,506	-	-
5.	Shri K.N. Zala State Tax Officer, State Tax Department, Govt of Gujarat	4,37,078	-	
		<b>47,34,03,443</b>	<b>4,25,06,553</b>	

**15. Contingent Claims**

The Resolution Applicant acknowledges that as per the Information Memorandum and List of Creditors as on 15th June 2023, the certain claims are categorised as Contingent Liabilities against the Corporate Debtor, by the Resolution Professional. However, for the purpose of this Resolution Plan, the Applicant has considered the Contingent Liabilities, including those pertaining to Operational creditors, as reflected in the list of claims uploaded in the Virtual Data Room (VDR), and may not reflect the full liability towards Contingent Liabilities.

*Figures in INR cr.*

Sr. No.	Name of Operational Creditor	Amount Claimed	Amount of Contingent Claims
1	The Indian Performing Right Society Limited	141.55	141.55
2	Associate Assemblies and Repackers	82.69	79.75
3	The Delhi Metro Rail Corporation Ltd	14.00	14.00
4	The Assistant Commissioner CGST Division III, GST	12.43	12.43
	<b>Total</b>	<b>250.67</b>	<b>247.73</b>

16. **Implementation Schedule:**

S. No	Activity	Indicative Timeline	Responsibility
<b>Part I- Approval Process of Resolution Plan</b>			
	Approval of Plan by CoC and issuance of Letter of Intent	A	CoC / Resolution Professional
	Unconditional acceptance of Letter of Intent	A + 2 Working Days	Resolution Applicant
	Submission of Performance Bank Guarantee	A + 3 Working days	Resolution Applicant
	Application to NCLT for approval of Resolution Plan	B	Resolution Professional

<b>S. No</b>	<b>Activity</b>	<b>Indicative Timeline</b>	<b>Responsibility</b>
	Approval by NCLT of Resolution Plan and receipt of order.	C	Resolution Professional
	Notice on the Corporate Debtor's website		Corporate Debtor / Resolution Applicant
	Intimation to all creditors (including the Governmental Authorities), existing shareholders, and other stakeholders about the approval of Resolution Plan by the Adjudicating Authority.	Within C + 10 Working Days	Corporate Debtor / Resolution Applicant/ Monitoring Professional
<b>Part II- Implementation of Plan</b>			
1.	Receipt of consent letters by Resolution Professional or Monitoring Committee, as applicable, from the nominees of the Resolution Applicant and Financial Creditors to be appointed on Monitoring Committee and immediate constitution of Monitoring Agency.	C	Resolution Applicant/ Resolution Professional/ Financial Creditors
2.	Constitution of the Monitoring Committee until the Transfer Date	C	Members of Monitoring Committee
3.	Appointment of Monitoring Professional	C	Members of Monitoring Committee
4.	Application to MIB for approval of change of shareholding and board of	C+7	Resolution Applicant/

<b>S. No</b>	<b>Activity</b>	<b>Indicative Timeline</b>	<b>Responsibility</b>
	the Corporate Debtor as per the Resolution Plan		Monitoring Committee
5.	Receipt of approval from MIB	D	
6.	Infusion of Upfront Cash Payment and CIRP Cost unpaid as on the Approval Date (if any), in the Designated Bank Account by the Resolution Applicant as per the Annexure-1	D+30 (Transfer Date)	Resolution Applicant
7.	Distribution of CIRP Costs in priority to any other payment under the Plan	Transfer Date	Monitoring Committee / Corporate Debtor
8.	Distribution of the Upfront Cash Payment amongst the creditors in accordance with the Resolution Plan (Schedule -2)	Transfer Date	Monitoring Committee / Corporate Debtor
9.	Issue and allotment of Equity Shares to the Resolution Applicant	Transfer Date	Monitoring Committee
10.	Reconstitution of the Board of Directors of the Corporate Debtor with the new directors on the Board of Directors as given by Resolution Applicant in the Resolution Plan.	Transfer Date	Monitoring Committee
11.	Passing of necessary entries giving effect to the terms of Resolution Plan (including extinguishment of liability)	Transfer Date	Corporate Debtor

17. **Performance Security**

In accordance with Regulation 36B (4A) of the CIRP Regulations, the Resolution Applicant, in case its Resolution Plan is approved under sub-section (4) of section 30 of the Code, shall provide performance security . The amount of performance security as envisaged under the RFRP will be Rs. 25.00 Crores, in favour of the IndusInd Bank Limited, which is acting on behalf of all the members of Committee of Creditors. The Performance Security shall be valid till the term of the Resolution Plan however the said amount of Performance Security will be paid by the Resolution Applicant after the approval of the plan by the Committee of Creditors.

18. **Earnest Money Deposit**

The Resolution Applicant has submitted Bid Bond of Rs. 3.00 Crores in the shape of Bank Guarantee Number 169BG01232370001 of Yes Bank Limited in favour of IndusInd Bank of Corporate Debtor along with Resolution Plan as a pre-requisite condition for submission of Resolution Plan

19. **Structuring the Shareholding**

The Promoter Shareholders as on the Transfer Date shall cease to be the owner, shareholder, promoter of the Corporate Debtor and their entire shareholding shall be extinguished, and simultaneously fresh equity shares shall be issued to the Resolution Applicant.

It is further stated that the Resolution Applicant will be at liberty to use any implementation structure including but not limited to conversion of debt of financial creditors to equity and then reduction of equity to Nil as per applicable law. Provided that the same shall not impact the timelines and amounts to be paid to the stakeholders as per this Resolution Plan.



20. **Monitoring Committee**

During the period commencing from the date of approval of the Resolution Plan by the Adjudicating Authority up to the Transfer Date, the day-to-day operation and management of the business and operations of the Corporate Debtor shall be carried out by the Monitoring Committee who shall be vested with the powers of the Board of Directors. The Monitoring Committee shall be constituted comprising of the 2 members of Resolution Applicant and 2 representatives of Financial Creditor and Mr. Rohit Mehra, current Resolution Professional (collectively referred to as “**Monitoring Committee**”).

21. **Avoidance Transactions**

In case there are any non-monetary benefits from the Avoidance Transactions Applications then the same shall accrue to the Corporate Debtor and in that case the Corporate Debtor/Resolution Applicant shall pursue the Avoidance Transaction Litigation and bear all the costs as may be incurred in relation thereto.

In the event the benefits from the Avoidance Transaction Applications are only in the nature of monetary benefits, then the costs and expenses for pursuing such Avoidance Transaction Applications will be borne by the Secured Financial Creditor without any liability on the Corporate Debtor or the Resolution Applicant.

22. **The compliance of the Resolution Plan is as under:**

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
Section 25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	NA	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	NA	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	NA	Yes

Section 30(2)	Whether the Resolution Plan-		
	(a) provides for the payment of insolvency resolution process costs?	Clause 5.2.1	Yes
	(b) provides for the payment to the operational creditors?	Clause 5.2.3	Yes
	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	Clause 5.2.2	Yes
	(d) provides for the management of the affairs of the corporate debtor?	Clause 6.11.2	Yes
	(e) provides for the implementation and supervision of the resolution plan?	Clauses 6.11, 6.12 and 6.13	Yes
	(f) contravenes any of the provisions of the law for the time being in force?	Clause 11	Yes

Section 30(4)	Whether the Resolution Plan:		
	(a) is feasible and viable, according to the CoC?	NA	Yes
	(b) has been approved by the CoC with 66% voting share?	NA	Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	NA	Yes
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Clause 5.2.3	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause 6.16	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code.	Clause 6.6	Yes
	(ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	NA	Yes
Regulation 38(2)	Whether the Resolution Plan provides:		
	(a) the term of the plan and its implementation schedule?	Clause 5.3	Yes
	(b) for the management and control of the business of the corporate debtor during its term?	Clauses 6.9 and 6.11	Yes
	(c) adequate means for supervising its implementation?	Clauses 6.11, 6.12 and 6.13	Yes
Regulation 38(3)	Whether the resolution plan demonstrates that –		
	(a) it addresses the cause of default?	Clause 6.19	Yes
	(b) it is feasible and viable?	Clause 6.5	Yes
	(c) it has provisions for its effective implementation?	Clauses 6.6, 6.10.1, 6.10.1.1, 6.11, 6.12,	Yes
		6.13, 6.15, 6.18, 11	
	(d) it has provisions for approvals required and the timeline for the same?	Clause 7.3	Yes
	(e) the resolution applicant has the capability to implement the resolution plan?	Clause 6.13 and Annexure 4	Yes
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	NA	Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Clause 6.10.3	Yes

23. **Observations and Findings:**

- i. As per IBC Code 30(2)(a) – A Resolution Plan 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.
- ii. As per Section 30(2)(b), the Respondent has agreed to pay Operational Creditors an amount which shall not be less than liquidation value or the amount that would have been paid to such creditors if the amount to be distributed under the Resolution Plan is distributed in accordance with priority under Section 53(1), whichever is higher.
- iii. The Resolution Applicant has also agreed that dissenting financial creditors shall be paid not less than the value they would have been paid in the event of liquidation of the Corporate Debtor.
- iv. The plan provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan. Section 30(2)(d).
- v. The Resolution Plan does not contravene any of the provisions of the law for the time being in force - Resolution Plan provides for the implementation and supervision of the resolution plan as per Section 30(2) (e)
- vi. The Resolution Applicant has given a declaration that the Resolution Plan does not contravene any provisions of the law for the time being in force as per Section 30(2)(f).
- vii. The resolution applicant or any of its related parties has not failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.
- viii. The Resolution Plan is in compliance of the Regulation 38 of the Regulations in terms of Section 30(2)(f) as under:

- a. The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors. Regulation 38(1).
- b. The Resolution Plan has all the adequate means of supervising of the implementation of the Plan as required under Regulation 38(2) (c), of the IBBI, Insolvency resolution process for corporate persons, Regulation 2016.
- c. Provides for the payment of CIRP Costs in priority to the repayment of any other debts of the Company (Regulation 38(1)(a)).
- d. Provides for the manner of implementation and supervision of the Resolution Plan and adequate means for implementation and supervision of the Resolution Plan.
- e. The Resolution Applicant confirms that to the best of the knowledge of the Resolution Applicant, the Resolution Plan is not in contravention of the provisions of Applicable Law and is in compliance with the Code and the CIRP Regulations.
- f. The Resolution Applicant confirms that the Resolution Applicant and its connected persons are not disqualified from submitting a resolution plan under Section 29A of the Code and other provisions of the Code and any other Applicable Law.
- g. The plan provides for the management and control of the business of the Corporate Debtor during its term.
- h. All the above factors demonstrate that the plan address as the cause of default and the Resolution Applicant has the capacity to implement the Resolution Plan.
- i. That the Resolution Applicant or any of its related parties has never failed to implement or contributed to the failure of implementation of any other Resolution Plan approved by the Adjudicating Authority at any time in the past. This is in compliance of Regulation 38(1)(b) of the Regulations.

- j. The interests of all stakeholders (including Financial Creditors, Operational Creditors and other creditors, guarantors, members, employees and other stakeholders of the Company, keeping in view the objectives of the Code (Regulation 38(1A)).
24. The Resolution Plan has been approved in the 14<sup>th</sup> COC meeting held on 11.11.2023 with 88.97% voting in accordance with the provisions of the Code.
25. In ***K. Sashidhar v. Indian Overseas Bank & Others: 2019 SCC Online SC 257 (2019) 12 SCC 150*** the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2). The Hon'ble Court observed that the role of the NCLT is 'no more and no less'. The Hon'ble Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. 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.
26. In ***India Resurgence Arc Private Limited vs. Amit Metaliks Limited and Ors. (2021)*** the Hon'ble Apex Court held that the process of consideration and approval of resolution plan is essentially within the commercial wisdom of Committee of Creditors (CoC).The scope of judicial review remains limited under Section 30(2) of the Insolvency and Bankruptcy Code (IBC), 2016 by which the court would examine

that the resolution plan does not contravene any statutory provisions and it conforms to such other requirements as may be specified by the Board. The court held that the process of judicial review cannot be stretched if all the above-mentioned requirements have been duly complied with and that dissenting financial creditor, expressing dissent over the value of security interest held by it, cannot seek to challenge an approved Resolution Plan. Lastly, it was held that Section 30 of the IBC, 2016 only amplified the considerations for the CoC while exercising its commercial wisdom so as to take an informed decision in regard to the viability and feasibility of resolution plan, with fairness of distribution amongst similarly situated creditors; and that the business decision taken in exercise of the commercial wisdom of CoC does not call for interference unless creditors belonging to a class being similarly situated are denied fair and equitable treatment.

27. The Hon'ble Apex Court at para 42 in ***Committee of Creditors of Essar Steel India Limited Vs. Satish Kumar Gupta & Ors.: (2019) SCC Online***, has clearly laid down that the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved.

*“Para 42- Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of section 30(2) of the Code, insofar as the Adjudicating Authority is concerned, and section 32 read with section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameters of such review having been clearly laid down in **K. Sashidhar** (supra).”*

28. In view of the above cited case law, the legislature has given paramount importance to the commercial wisdom of committee of creditors (CoC)

and the scope of judicial review by the Adjudicating Authority (AA) is limited to the extent of scrutiny provided under section 31 of Code and the direction of the Appellate Authority is limited to the extent provided under sub-section (3) of section 61 of the Code.

29. In view of the discussions, this Bench is of the considered view that the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A) and 39(4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The Resolution Plan is feasible and viable. The Resolution Plan balances the interest of all the stakeholders and thus it deserves to be approved.

### **ORDER**

- a) The Interlocutory Application No. 5391 of 2023 is **allowed**. The Resolution Plan submitted by **Sapphire Media Limited**, is hereby approved. **It shall become effective from this date and shall form part of this order**. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of payment of dues arising under any law for the time being in force is due.
- b) The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), concerned 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.
- c) The moratorium under Section 14 of the Code shall cease to have effect from this date.



- d) The Monitoring Committee shall supervise the implementation of the Resolution Plan and shall file status of its implementation before this Authority from time to time, preferably every quarter.
- e) 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.
- f) The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for necessary compliance.
- g) The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- h) The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.
- i) The Registry is directed to send copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- j) The Interlocutory Application **No. 5391 of 2023** is accordingly **allowed.**

**SD/-**

**Madhu Sinha**

**Member (Technical)**

/Abhay/

**SD/-**

**Reeta Kohli**

**Member (Judicial)**