

**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**MUMBAI BENCH COURT III**



**CP No.(IBPP)1(MB) OF 2024**

**ORDER UNDER SECTION 54C OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 READ WITH RULE 4 OF THE INSOLVENCY AND BANKRUPTCY (PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS) RULES, 2021**

**G-Security (India) Private Limited**

Registered office at:

Office No.711, B-Wing, NSIL Lodha Supremus II,  
Road No.22, Waghale Estate, Thane, Maharashtra  
400 604.

*...Petitioner/Corporate Applicant*

**Order pronounced on: 10.12.2024**

**Coram:**

Hon'ble Ms. Lakshmi Gurung, Member (Judicial)

Hon'ble Sh. Charanjeet Singh Gulati Member (Technical)

**Appearances:**

For the Petitioner

Adv.Aniruth Purusothaman a/w.

Adv.Tanmay Kelkar

**PER: MS. LAKSHMI GURUNG, MEMBER (JUDICIAL)**

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**ORDER**

1. The present Petition is being filed under section 54C of the Insolvency and Bankruptcy Code, 2016 **(the Code)** read with Rule 4 of the Insolvency and Bankruptcy (Pre-Packaged Insolvency Resolution Process) Rules, 2021 (PPIRP Rules) seeking initiation of Pre-Packed Insolvency Resolution Process (PPIRP) under Chapter III-A of the Code



with respect to G-Security (India) Private Limited (Corporate Debtor/Corporate Applicant).

2. The Corporate Debtor is a private limited company incorporated on 27.12.2004. The Authorized Share Capital of the Corporate Debtor is INR 25,00,000/- and Paid-Up Share Capital is INR 25,00,000/-.
3. It is submitted that the Corporate Debtor is under a default of Rs.15,00,000/- which is owed to 2 (**Unrelated Financial Creditors**) ie.  
(i) Dr. Chandramani Tiwari (amount of Rs.12,00,000/-) and Mr. Ajay Kumar Mishra (amount of Rs.3,00,000/-).
4. Copy of the Base Resolution plan was submitted by the Petitioner. Part -II of the Base Resolution Plan provides for settlement proposal, relevant portion of which is extracted below:

*“PPIRP Cost Based on information received from the RP, the approximate PPIRP costs shall be Rs. 10.00 Lakhs from the commencement of PPIRP till the approval of the Resolution Plan by the Adjudicating Authority. PPIRP costs as approved by CoC shall be paid in priority to any payments within 30 days from the Effective date. The difference in the estimated PPIRP cost and the actual PPIRP cost as approved by CoC (if any) shall be accordingly adjusted from the amount offered to the Secured Creditors and the total consideration offered by us shall remain intact. The PPIRP cost shall be paid against the GST invoice in the name of Corporate Debtor received from vendors so that Input Tax Credit of GST amount paid on the said invoices can be availed by Corporate Applicant in future.*

*Financial Creditors*

<b>Sr. No</b>	<b>Creditor</b>	<b>Debt Amount</b>	<b>Payout Plan</b>	<b>Waived</b>

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		<b>(Rs In Lakhs )</b>	<b>(Rs In Lakhs )</b>	<b>(Rs In Lakhs )</b>
1	Ajay Kumar Mishra	3.00	0.60	2.40
2	Chandramani Tiwari	12.00	2.40	9.60
	Subtotal	15.00	3.00	12.00

- i. *As per the records of the Company the dues from Financial Creditor being Chandramani Tiwari are of Rs. 12.00 Lakhs and Ajay Kumar Mishra are of Rs. 3.00 Lakhs. As per section 30(2), CA proposes to apportion of Rs. 2.40 Lakhs and Rs. 0.60 Lakhs, respectively, against full and final settlement of their dues as on the PPIRP commencement date. The Balance Amount of Rs. 12.00 Lakhs over and above the said amount will be written off/ waived off in totality.*
- ii. *The payout of Rs. 3.00 Lakhs shall be made in a span of 45 days from the Effective Date.*
- iii. *The difference in the estimated PPIRP cost and the actual PPIRP cost as approved by CoC (if any) shall be accordingly adjusted from the amount offered to the Secured Financial Creditors and the total consideration offered by us shall remain intact.*

**Operational Creditors:**

- i. *As per the records of the Company the dues from Unrelated Operational Creditor has an accumulated debt of Rs. 23.93 Lakhs. As per section 30(2), Corporate Applicant proposes to apportion Rs. 10.00 Lakhs against full and final settlement of their dues as on the PPIRP*



*commencement date. The Balance Amount over and above the said amount will be written off/ waived off in totality.*

- ii. The pay out of Rs. 10.00 Lakhs shall be made in a span of 45 days from the Effective Date.*
- iii. On payment of aforesaid dues as mentioned in the Resolution Plan, all the dues of Statutory Authorities including Interest, Penalty and charges (if any) would be deemed to be settled/paid. The above amounts to be accepted in FULL AND FINAL SETTLEMENT of any and all claims arising till the Effective Date. It would be full and final settlement of dues with no right to claim further. The total consideration offered by us shall remain intact.*
- iv. Further the liabilities/claims / pending litigation / investigation / enquiry on behalf of any statutory Authority/ies) will be deemed to be absolved / terminated on the payment of aforesaid dues would be payable.*

**Contingency Fund:**

- i. An amount of Rs. 2.00 Lakhs have been set aside for any contingent liabilities which may i. arise/crystallize after the Effective Date that relates to the period prior to PPIRP commencement date whether it is mentioned or not in this plan. Each such liabilities shall be paid maximum of Rs. 10,000 per claim, whichever is lower, on issue of full and final settlement letter, 'No Dues' letter, receipt of the amount paid and withdrawal of all litigation including delayed payment interest and penalty.*
- ii. The payment will be made only against receipt of No Dues/ Full and Final settlement ii. within a span of 45 days from the Effective Date. However, in case payment is made after 45 days. RA shall in no case delay/ fail*



*to make a payment beyond 45 days and no further amounts will be payable on account of contingent liabilities. Upon such payments all legal suits/dispute pending, shall be deemed to be quashed/abated and no further liability shall be due against the same on the part of CA/CD from any stakeholders.*

*iii. Any claim by an Operational Creditor and statutory dues after the approval of the Resolution Plan the Corporate Applicant shall not honoured / entertained or taken cognizance of the same and it shall be deemed to be settled / NIL / waived off totally. The Corporate Applicant has made a provision of Rs. 2.00 Lakhs from this contingency in this Resolution Plan.*

**STATUTORY COMPLAINCE:**

5. The Petitioner has stated that it is duly registered as MSME (Micro, Small and Medium Enterprise) under the MSME Act, 2002 in the category "Small Enterprise") and the copy of UDYAM (Udyog Aadhar Memorandum) Registration Certificate dated 11.01.2021 of the Corporate Debtor is annexed as Exhibit G with the Petition. Therefore, as per the Petitioner, it is eligible to file this Petition as per Section 54A (1) of the Code.
6. A special resolution by the Members of the Corporate Debtor to initiate the PPIRP under Section 54A (2) (g) of the Code was passed on 28.12.2023. The meeting of the members was held at the office of the Company situated at 810, Solus, Hiranandani Estate, Patlipada, Thane west 400607. The special resolution is annexed as Exhibit I with the Petition.
7. A copy of declaration dated 29.12.2023 given by the majority of the directors of the Corporate Debtor for filing a Petition for initiating PPIRP as referred to in Section 54A (2) (f) of the Code is set out in Form P6 of



the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021 (PPIRP Regulations) is Annexed as Exhibit L to the Petition.

8. A copy of the approval of Non-Related Financial Creditors of the Corporate Debtor under Section 54(3) of The Code for filing a Petition for PPIRP of the Petition is annexed to the Petition.
9. Further a copy of List of Creditors of Corporate Debtor as set out in Form P-2 of the PPIRP Regulations is annexed as Exhibit K to the Petition.
10. The Non-Related Financial Creditors of the Corporate Debtor under Section 54A(2)(e) of the code, approved the appointment of Insolvency Professional, Mr. Shekhar Kumar Agrawal having Registration No. IBBI/IPA-002/IP-N00883/2019-2020/12874 as the Resolution Professional for conducting Prepacked Insolvency Resolution Process of the Corporate Debtor.
11. The said Insolvency professional is proposed to be appointed as Resolution Professional to conduct the PPIRP and to discharge duties before initiation of PPIRP.
12. The Resolution Professional's written consent under Regulation 7(1) of the PPIRP Regulations in Form-P1 is annexed as Exhibit P to the Petition and the Resolution Professional's report dated 30.01.2024 under section 54(1)(a) of the Code read with Regulation 17 of the PPIRP Regulations in Form-P8 is also annexed as Exhibit R to the Petition.
13. A copy of declaration regarding the non-existence of avoidance transaction relating to Corporate Debtor as per Section 54C(3)(c) of The Code, read with Regulation 16(2) of the PPIRP Regulations dated



29.12.2023 filed by Siddhanath Ramshiromani Singh, Director, (DIN-08337257) in Form P-7 is annexed as Exhibit M to the Petition.

14. A copy of affidavit dated 18.06.2024 stating that the Corporate Debtor is eligible under Section 29A of the Code to submit a Resolution Plan has also been annexed as Exhibit 20 A to the Petition. Thus the provision of Section 54A(2)(d) of the code are complied with.
15. The Corporate Debtor has also produced the audited financial statement of the company for the FY 2022-2023 and 2021-2022 along with provisional balance sheet for the period of 01.04.2023 to 15.12.2023 is annexed as Exhibit S to the Petition. Thus the Corporate Debtor has complied with the provisions of 54C(3)(d) of the Code.
16. The Corporate Debtor has furnished the name of the Insolvency Professional to be appointed as Resolution Professional (RP) as per the provision of Section 54C(3)(b) of the Code. Thus the Corporate Debtor has complied with the provisions of 54C(3)(b) of the code.
17. The Corporate debtor has also annexed Agreement dated 12.12.2022 between the Corporate Debtor and Mr. Chandramani Tiwari.
18. The list of creditors is reproduced herein under:

<b>List of financial Creditors (unrelated)</b>			
<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
<b>Sl.No</b>	<b>Name of creditor</b>	<b>Amount of claim</b>	<b>% of claim</b>
1.	Ajay kumar Mishra	3,00,000	2.41%
2.	Chandramani Tiwari	12,00,000	9.63%
	Subtotal	15,00,000.00	12.04%



<b>List of Financial Creditors (Related)</b>			
1	Geeta Singh	4,09,945.00	3.29%
2	Pradeep Singh	38,71,617.00	31.07%
3	S.R.Singh	38,67,918.28	31.04%
4	G HI Tech Systems	4,17,114.07	3.35%
	Subtotal	85,66,594.35	68.75%
<b>List of Operational Creditors (unrelated)</b>			
1.	Arvind Bansal & Co.	300.00	0.00%
2.	AVM Apparels	22,290.00	0.18%
3.	Diti Software	24,920.00	0.20%
4.	Diti Software Solutions	2,950.00	0.02%
5.	Ekal Enterprises	413.00	0.00%
6.	First Choice	5,664.00	0.05%
7.	Human Empower	98,200.00	0.79%
8.	Sai Computer and Mobile	5,500.00	0.04%
9.	Work India	5,000.00	0.04%
10.	CGST-6%	863.00	0.01%
11.	CGST-9%	1,77,940.10	1.42%
12.	GST Payable	5,58,828.00	4.48%
13.	GST Payable - Bhopal	12,68,275.56	10.18%
14.	IGST-18%	45,687.69	0.37%
15.	SGST-6%	863.00	0.01%
16.	SGST-9%	1,76,940.10	1.42%

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	<b>Subtotal</b>	<b>23,93,634.45</b>	<b>19.21%</b>
<b>List of Operational creditors (related)</b>			
1.	None	-	0.00%
	<b>Subtotal</b>	-	<b>0.00%</b>
<b>List of other creditors (unrelated )</b>			
1.	None	-	0.00%
	<b>Subtotal</b>	-	<b>0.00%</b>
<b>List of others creditors (related)</b>			
1.	None	-	0.00%
	<b>Subtotal</b>	-	<b>0.00%</b>
	<b>Grand Total</b>	<b>1,24,60,288.80</b>	<b>100.00%</b>

19. According to the Base Resolution Plan following amount is offered to the creditors.

<b>Particulars</b>	<b>Debt Amount (Rs in lakhs)</b>	<b>Pay-out Plan (Rs in lakhs)</b>	<b>Percentage</b>	<b>Timeline for payment from effective Date</b>
PPIRP Cost	10	10	100%	On due basis directly from the company. Any shortfall to be met by RA within 30 days
Financial Creditors unrelated	15.00	3.00	_____	30 days
Operational Creditors	23.94	10.00	_____	45 days
Contingent Liability	_____	2	_____	45 days

20. Further, we note that as per the Base Plan:



*“The liabilities/claims / pending litigation / investigation / enquiry on behalf of any statutory Authority/lies) will be deemed to be absolved / terminated on the payment of aforesaid dues would be payable”.*

21. It is settled law that under the Code on approval of Resolution Plan the liability of the Corporate Debtor gets extinguished but any investigation, inquiry against the directors or any criminal liability of the Corporate Debtor would not get terminated. In the Base Plan no details of inquiry or investigations are given.
22. We note that the CoC consists of Dr. Chandramani Tiwari and Mr. Ajay Kumar Mishra who are not financial institutions. The RP to examine the Resolution Plan and ensure that the proposed plan is in accordance with Section 30 of the IBC as envisaged in Section 54K of the Code.
23. It would be relevant to note that the Resolution Professional and the Committee of Creditors would be responsible to check whether the Corporate Debtor should receive the benefits of being categorized as "MSME". In the event of the Corporate Debtor losing its status of MSME at a later point of time on account of turnover from operations being above the threshold limit, the RP will report this to the Adjudicating Authority for appropriate orders as per law.
24. On perusal of the proceedings, we find that the Corporate Debtor has produced the required documents and material to comply with Section 54 A of the Code. The documents annexed to the Application as per 54 C of the Code are as follows:
  - a) A copy of declaration dated 29.12.2023 given by the majority of the directors of the Corporate Debtor and a special resolution by the Members of the Corporate Debtor for filing a Petition for initiating PPIRP under Section 54A.



- b) The written consent of Mr. Shekhar Kumar Agrawal dated 16.01.2024 and the Resolution Professional's report dated 30.01.2024.
- c) Copy of declaration dated 29.12.2023 stating that the Corporate Debtor has not been subject to any transaction within the meaning and scope of Chapter III or Chapter VI of the Insolvency and Bankruptcy Code 2016(Code).
- d) Copy of audited financial statement of the company for the FY 2021-2022 and 2022-2023 along with provisional balance sheet and provisional Profit and Loss account for the period of 01.04.2023 to 15.12.2023.

25. Therefore, we say that the Petition is complete and meets the requirement of the law. Therefore, we are inclined to admit this Petition under Section 54C of the Code.

#### **ORDER**

- i. The Petition for Pre-Packed Insolvency Resolution Process of **G-Security (India) Private Limited** stands admitted under Section 54C of the Code.
- ii. In view of the commencement of PPIRP, the moratorium is declared as envisaged under the provisions of Section 14 of the Code, as per mandate of 54 E of the Code.
- iii. The Resolution Professional (RP) as proposed by the Financial Creditor namely Mr. Shekhar Kumar Agrawal having Registration No. IBBI/IPA-002/IP-N00883/2019-2020/12874 is having AFA validity upto 06.11.2024, However, upon verification we note that AFA is valid upto 31.12.2025 is appointed as a Resolution Professional to conduct



“PPIRP” as per the provisions of the Code. Further, the Resolution Professional shall also perform his duties and functions as per the provisions given under Section 54F of the Code.

- iv. The RP is directed to make public announcement of PPIRP of the Corporate Debtor as per Section 54E of the code and invite and collate claims of the creditors.
- v. In case of non-cooperation, the RP can approach this Adjudicating Authority under Section 19 as provided under Section 54 F of the Code. The management of the Corporate Debtor shall remain vested with the Board of Directors of the Corporate Debtor as per the provisions of 54H subject to action under 54J of the code, if any. The Board of Directors shall discharge their duties as specified under 54H(b) and Section 54H(c) of the Code. Also, In the event of the Corporate Debtor losing its status of Small Enterprise at a later point of time on account of turnover from operations being above the threshold limit, the RP will report this to the Adjudicating Authority for appropriate orders as per law.
- vi. We direct the RP to file an interim report within 30 days to this authority.
- vii. The Registry is directed to communicate a copy of this order to Financial Creditor, the Corporate Debtor and to the RP and the concerned ROC, after completion of necessary formalities, within 7 working days and upload the same on the website immediately after pronouncement of the order. The Registry is further directed to send a copy of the order to the IBBI also for their record.
- viii. Certified copy of the order may be issued to all the concerned parties, if applied for, upon compliance with all requisite formalities.

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- ix. Copy of the order also be issued to Govt. Of India, Ministry of Micro, Small and Medium Enterprise and Ministry of Corporate Affairs.
- x. Accordingly, this Petition is **Admitted**.

**SD/-**

**Charanjeet Singh Gulati**  
**Member (Technical)**  
Apurva, LRA

**SD/-**

**Lakshmi Gurung**  
**Member (Judicial)**