IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH, COURT - III

I.A. 96/2024

IN

C.P. NO. 4481(IB)/MB/2019

Under Section 30(6) of the Insolvency and Bankruptcy Code, 2016

Mr. Prabhjit Singh Soni

Resolution Professional of M/s Card Pro Solutions Pvt. Ltd.
GG-1/144C, Vikas Puri,
New Delhi – 110 018.
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.... Applicant/ Resolution Professional

In the matter of:
M/s Knowell Corporation

.... Petitioner/ Operational Creditor

Versus

M/s Card Pro Solutions Private Limited

.... Corporate Debtor/ Respondent

Order Pronounced on: 04.03.2025

Coram:

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

Hon'ble Shri Charanjeet Singh Gulati (Technical)

Appearances:
For Applicant: Adv. Rajshree Dhole i/b Adv. Pratibha Rupnawar
For Resolution Professional: Adv. Swarnika Agarwal a/w Adv. Prabhjit Singh Soni

PER: Ms. LAKSHMI GURUNG, MEMBER (JUDICIAL)

ORDER

1. The instant application has been filed by Mr. Prabhjit Singh Soni, the Resolution Professional of M/s Card Pro Solutions Private Limited **('the Applicant'/ 'Resolution Professional')**, under Section 30(6) and Section 31 of the Insolvency and Bankruptcy Code, 2016 **('IBC'/ 'the Code')**, read with Rule 11 of NCLT Rules, 2016 seeking approval of the Resolution Plan submitted by M/s Subhalaxmi Investment Advisory Private Limited and M/s Radinuts Dry Fruits Private Limited which was approved by the Committee of Creditors **('CoC')** in its 5th Meeting held on 12.08.2024 with 100% voting under section 30(4) of the Code.

Brief Facts:

2. The Corporate Insolvency Resolution Process **('CIRP')** of M/s Card Pro Solutions Private Limited **('said corporate debtor')** was initiated by this Tribunal vide order dated 16.02.2024 under Section 9 of the Code **('said order')**. The said order was passed in Company Petition (IB) No. 4481 (MB) of 2019 filed by one operational creditor, M/s Knowell Corporation on 02.02.2019. Pursuant to the said order, Mr. Prabhat Singh Soni was appointed as an Interim Resolution Professional **('IRP')**.

3. Subsequent to admission of the petition for CIRP, a Public Announcement inviting claims from creditors was made by the IRP on 17.02.2024. The

Public Announcement was made in the prescribed Form A in Financial Express (English) and Lakshdweep (Marathi) newspaper in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process of Corporate Persons) Regulations, 2016 **('CIRP Regulations, 2016')**.

4. Following the Public Announcement, the IRP received claims from the stakeholders/creditors and collated them as under:

Sr. No.	**Category of Creditors**	**Amount Claimed**	**Amount Admitted**	**% Share in Total Amount of Claims Admitted**
1.	Secured Financial Creditors -Bank of Baroda	7,46,60,092.00	7,46,60,092.00	92.62
2.	Operational Creditors (other than Workman and Employees)			
	-M/s Knowell Corporation	59,51,545.00	59,51,545.00	7.38

	-JKH Herbs and Spices Private Limited	29,50,856	29,50,856	3.53
3.	Workmen Claims	0	0	0
4.	Employee Claims	0	0	0
5.	Government Dues	0	0	0
	Total	**8,35,62,493**	**8,35,62,493**	**100.00**

<u>Constitution of CoC</u>

5. Subsequent to collation of claims, the CoC was constituted in accordance with Section 21 of the Code. A report certifying the constitution of CoC was filed before this Tribunal on 08.03.2024. The CoC consists of the sole Financial Creditor (and no claim was received from any government agency and authority) as per details given below:

Particulars	Amount Claimed (In Rupees)	Amount of Claim Admitted (In Rupees)	Percentage of Voting (%)
Bank of Baroda	7,46,60,092.00	7,46,60,092.00	100

CoC Meetings

6. The Applicant submits that 5 (Five) COC meetings have been held during CIRP period, as follows:

Particulars	**Date of CoC Meeting**
1st CoC Meeting held on	13.03.2024
2nd CoC Meeting held on	15.04.2024
3rd CoC Meeting held on	05.06.2024
4th CoC Meeting held on	02.08.2024
5th CoC Meeting held on	12.08.2024

Valuation

7. The Applicant convened the 1st CoC meeting on 13.03.2024, wherein the IRP was appointed as a Resolution Professional **('RP')** of the corporate debtor. Further, in pursuance to the decision taken in the 1st CoC meeting, the Applicant for the purpose of determining Fair Value and Liquidation Value of Assets of the corporate debtor, appointed registered valuers on 20.03.2024 in accordance with Regulation 27 of the said IBBI (CIRP) Regulations, 2016 as follows:

Sr. No.	**Category**	**Details of Professional**
1.	Registered Valuer (Plant and Machinery)	**Tembe Pravin Vasant** (IBBI/RV/07/2021/13975) and **Mr. Yogesh Rasal** (IBBI/RV/04/2019/11502)

8. Later, the publication for invitation of Expression of Interest **('EoI')** in Form-G was approved in the 2nd CoC Meeting held on 15.04.2024.

9. Further, the above-mentioned valuers have submitted their Valuation Reports to the Applicant/RP, which is given at **Annexure – '12'** to the Petition. The Valuation Reports comprise an estimate of fair value and liquidation value of the assets of said corporate debtor, which is as follows:

i. <u>Plant and Machinery</u>

(A) Fair Value

Sr. No.	Estimate of Fair Value	Amount (INR)	
a.	**Vr.Er. Tembe Pravin Vasant** (Report as on 07.05.2024)	Machinery and Equipment	16,28,445.81/-
Total Fair Value of Plant and Machinery			16,28,445.81/-
b.	**Mr. Yogesh Rasal** (Report as on 03.05.2024)	Plant and Machinery	15,05,525.00/-
Total Fair Value of Plant and Machinery			15,05,525.00/-

(B) Liquidation Value

Sr. No.	Estimate of Liquidation Value	Amount (INR)	
a.	**Vr.Er. Tembe Pravin Vasant** (Report as on 17.05.2024)	Machinery and Equipment	6,51,378.32/-
Total Fair Value of Plant and Machinery			6,51,378.32/-

b.	**Mr. Yogesh Rasal** (Report as on 03.05.2024)	Plant and Machinery	5,26,933/-
Total Liquidation Value of Plant and Machinery			5,26,933/-

10. Further, as the two estimates are not significantly different, the average of the two values are considered as 'Fair Value' and 'Liquidation Value' of Plant and Machinery, which is calculated as under:

Particulars of Assets	**Average Valuation**	
	Fair Value (in Rs.)	**Liquidation Value (in Rs.)**
Plant and Machinery	15,66,985.405	5,89,155.66
Total	**15,66,985.405**	**5,89,155.66**

11. The publication for Invitation of Expression of Interest in Form-G from Prospective Resolution Applicants **('PRA')** was made in The Free Press Journal (English) and Pratakal (Marathi) Newspaper in their Mumbai Edition as per Section 25(2)(h) of the Code read with Regulation 36A of the CIRP Regulations on 11.05.2024, wherein the last date for submission of EoI was 26.05.2024 and last date for submission of Resolution Plan was 17.07.2024.

12. The RP issued Information Memorandum, Evaluation Matrix and Request for Resolution Plan (RFRP) on 20.05.2024 to eligible PRA and invited the resolution plan by 17.06.2024.

13. In the 4th meeting of the CoC held on 02.08.2024, the resolution plan submitted by PRA was duly considered on an assessment of its feasibility, viability, and proposed distribution methodology.

Details of the Resolution Applicant

14. The Applicant submits, as detailed in Annexure – 'A' of the Petition, that M/s Subhalaxmi Investment Advisory Limited and M/s Radinuts Dry Fruits Private Limited, entered into a consortium arrangement. This arrangement was formalized through a Memorandum of Understanding **('MoU')** dated 09.08.2024, for the express purpose of participating in the EoI process for the Corporate Debtor.

15. Following the publication of EoI in Form-G on 11.05.2024, the applicant received a 'Resolution Plan' from one PRA, that is, M/s Subhalaxmi Investment Advisory Private Limited and M/s Radinuts Dry Fruits Private Limited (said **'Resolution Applicant'**), on 17.07.2024 and was later amended on 10.08.2024. Further, the Resolution Applicant submitted an Affidavit under Section 29-A of the Code dated 17.07.2024 and was later refiled on 01.08.2024 incorporating the details of MoU stating it is eligible to submit a resolution plan.

16. The Resolution Plan underlines that the Resolution Applicant is engaged in providing financial advisory and consultancy services pertaining to purchase, sale, acquisition, holding and disposition of shares, stocks, bonds and other securities. Whereas, the said Corporate Debtor is engaged in the manufacture, export, import and supply of efficient smart card solutions, including but not limited to PVC cards, plastic cards, and hotel key cards to clients (existing clientele includes Bharti Airtel Limited, Etisalat and Tata Telecom).

17. The said Resolution Applicant in its Resolution Plan states to diversify its business portfolio by leveraging the corporate debtor's existing

market presence and established business relationships with its own vision, experience and resources. Therefore, reviving and rehabilitating the business of the corporate debtor so as to mitigate current financial distress and concurrently advance the Resolution Applicant's strategic objectives within the field of advanced manufacturing techniques.

18. The Applicant submits that the said Resolution Applicant make available the CoC following proposal:

> *"The Resolution Applicant is hereby offering a lump sum amount of Rs. 7,20,000/- (Rupees Seven Lakhs Twenty Thousand Only) towards the CIRP Cost and the creditors. The RP can allocate and utilize this amount in consonance with the provisions of the Code and Regulations.*
>
> *The Resolution Applicant proposes to introduce an amount of Rs. 50,000/- (Rupees Fifty Thousand Only) towards contingency fund. The said fund shall be used in case of any uncertain expenses such as PF dues, ESI dues, gratuity or any other statutory obligations, etc. The RA reserves the right to utilize the unused contingent fund during the implementation of the resolution plan or withdrawal of the said fund if remain surplus."*

19. The RP submits that the Resolution Plan was discussed in the fifth CoC meeting held on 12.08.2024 and was approved on 27.09.2024 with 100% voting (said **'date of approval of Resolution Plan by CoC'**), that is, M/s Subhalaxmi Investment Advisory Private Limited and Radinuts Dry Fruits Private Limited (Previously known as Ram Kumar Ajay Jain Dry Fruits Pvt. Ltd. in consortium) (said **'Successful Resolution Applicant (SRA)'**).

20. A Letter of Intent **('LoI')** dated 29.09.2024, was issued to Subhlaxmi Investment Advisory Pvt Ltd., the SRA. Following clarifications and requests communicated by the SRA, and subsequent deliberations in the CoC meeting, it was confirmed that all such commitments would form an integral part of the Resolution Plan and have been duly incorporated into the LoI.

21. The Applicant submits that on approval of the resolution plan by the CoC, the Resolution Applicant submitted a cheque bearing number 434190 dated 03.10.2024 towards Performance Security and Guarantee for Rs. 1,40,000/-, which is 20% of resolution plan amount. This Tribunal vide order dated 09.12.2024 noted the submission made by the learned counsel of the applicant that the said cheque had been deposited in HDFC Bank in an interest earning fixed deposit.

22. Further, the Applicant submits that the CIRP commenced vide said order dated 16.02.2024. However, the completion of CIRP was to exceed beyond 180 days as per the provisions of the code. Hence, in the fourth CoC meeting convened on 02.08.2024, the members approved to file an application for extension of CIRP period which was due for completion on 14.08.2024. On the direction of CoC, the applicant filed an Interlocutory Application No. 5776 of 2024 on 13.08.2024 (refiled on 28.11.2024) for seeking extension of time of 90 days from 14.08.2024 to 14.11.2024 under Section 12(2) of the Code for completion of CIRP ('said **application for extension of CIRP'**), which was allowed by this Tribunal on 12.12.2024.

<u>CIRP Cost:</u>

23. The SRA in its Resolution Plan provides that the CIRP cost is payable as Rs. 7,20,000/- to the Resolution Professional within 30 days of approval of Resolution Plan from NCLT.

<u>Provident Fund Dues/ Employee State Insurance dues, Gratuity/ Government Dues:</u>

23.1 The Resolution Plan stipulates the allocation of a sum of Rs. 50,000/- (Rupees Fifty Thousand Only/-) to Contingency Fund. In the event that such a liability arises hereafter, this sum shall be distributed pari passu. The fund is to be utilized in case of any uncertain liability such as PF dues, ESI dues, gratuity or any other statutory obligations, etc.

23.2 The SRA retains the right to utilize any unexpended portion of the contingency fund during the implementation of the resolution plan. Furthermore, the SRA reserves the right to withdraw any remaining surplus from the said fund, if remaining surplus.

<u>Sources of Fund:</u>

25. The SRA has certified net worth of Rs. 22.39 Crores. With leveraging capabilities to the extent of Rs. 40 Crore, the financial resources of the SRA and its proprietors are more than sufficient to provide funds required to meet the payments proposed the implementing the Resolution Plan. The SRA has liquidity of owned funds.

<u>Upfront Cash</u>

25.1 The Resolution Plan contemplates a total resolution Plan amount of Rs.7,20,000/- (Rupees Seven Lakhs Twenty Thousand Only) **('Upfront Cash')** which shall be paid by the Successful resolution applicant within 30 days from date of approval **('Approval Date')** of Resolution Plan. The Approval Date/ Effective Date mean the date of approval of the Successful Resolution Plan, as approved by the CoC, by the Adjudicating Authority and the uploading date of order.

25.2 In accordance with Regulation 38(1-A) of the IBBI Rules, 2016, the statement showing the treatment given to stakeholders is given below:

Sr. No.	Particulars	Amount Admitted (in Rupees)	Amount provided under the Plan	Settlement (%)
1.	**Secured Financial Creditors**	7,46,60,092	Nil	0
2.	**Unsecured Financial Creditors**	0	00	0
3.	**Operational Creditors**			
a.	**Related Party of Corporate Debtor**	0	00	0
b.	**Government Dues**	-	--	-
c.	**Workmen**	-	--	-
d.	**Employees**	-	--	-
e.	**Supplier**	89,02,401	00	0
4.	**Other debts and dues -CIRP Cost**	10,77,237	7,20,000	Balance to be paid by CoC
Grand Total		8,46,39,730	7,20,000	

Earnest Money Deposit (EMD):

26. At the stage of submission of the Expression of Interest for the said corporate debtor, the Successful Resolution Applicant has submitted an

amount of Rs. 50,000/- (Rupees Fifty Thousand Only/-) at the time of submission of resolution plan.

<u>Performance Bank Guarantee:</u>

27.1 As per the Resolution Plan, the SRA was to provide a Performance Bank Guarantee of Rs. 1,40,000/- (20% of the Resolution Plan Amount) as per RFRP within 3 business days of the date of approval of successful plan by the CoC.

27.2 The SRA, through its legal counsel, responded to a query raised by this Tribunal on 09.12.2024. It was confirmed that cheque number 461490, dated 03.10.2024, was deposited as Performance Bank Guarantee of Rs. 1,40,000/-. This cheque has been successfully encashed by the Resolution Professional. Additionally, the funds have been placed into an interest-earning fixed deposit account with HDFC Bank.

<u>Supervision of the Resolution Plan from the NCLT Approval date:</u>

28.1 A Monitoring Committee would be formed immediately on receipt of the order from this Tribunal approving the Resolution Plan. The composition of this committee would comprise of the members as the Resolution Professional, serving as Chairman; (ii) one individual representing the SRA; and (iii) one representative nominated by the financial creditor.

28.2 During the implementation of this Resolution Plan, the management and control of the Corporate Debtor shall be vested in the Monitoring Committee.

28.3 The Monitoring Committee shall be dissolved immediately upon the full implementation of the Resolution Plan. The costs associated with implementation, as approved by the Monitoring Committee, shall be borne by the SRA.

Change in name of said Corporate Debtor

29. The Applicant submits that the resolution plan provides that the SRA shall be at liberty to change the name of the said corporate debtor on approval of the resolution plan resulting which the MoA, AoA or any other constitutional documents might get changed.

Nature of Company after approval of Resolution Plan

30.1 Pursuant to Regulation 37(j) of the CIRP Regulations, the SRA has not proposed any changes to the portfolio of goods or services produced or rendered by the Corporate Debtor within this Resolution Plan. However, should the SRA deem it necessary, in the best interests of the Corporate Debtor, to alter the portfolio of goods or services, the SRA shall have the discretion to implement such changes.

30.2 Similarly, pursuant to Regulation 37(k) of the CIRP Regulations, no changes to the technology currently employed by the Corporate Debtor are proposed in this Resolution Plan. However, should the SRA, during the course of implementing this Resolution Plan, determine that technological changes are necessary for the Corporate Debtor's benefit, the SRA shall have the discretion to implement such changes.

30.3 The SRA do not propose presently any restructuring of the corporate debtor, by way of merger, amalgamation and demerger in the resolution plan.

Treatment of Existing Shareholders of Corporate Debtor

31.1 The existing shareholders of the corporate debtor shall be paid, discharged and settled as **NIL** amount and the existing shares held by shareholders shall be compulsorily cancelled.

31.2 It is stated that consequent to the aforesaid cancellation of shares, all the shares of the Corporate Debtor held by the existing shareholders shall be deemed to be extinguished without any act deed and things or approvals/requirements envisaged under Section 66 of the Companies Act, 2013 or such other provisions under any other applicable law. Such cancellation for extinguishment of the paid-up share capital of the Corporate Debtor shall be binding on Corporate Debtor and its stakeholders (including its creditors and shareholders); and is effective from the Effective Date.

Issue of New Shares

32.1 An issue of new 10,000 fresh equity shares of Rs. 10 each at par amounting to Rs. 1,00,000/- (Rupees One Lakhs Only/-) shall be made within thirty (30) days of the Effective Date and such new capital would be issued in the manner as detailed in the Resolution Plan.

32.2 Further, for balance consideration the SRA propose to issue Equity / quasi equity / debt instrument in the name as may be decided by the SRA at that time.

32.3 The approval of this Resolution Plan by this Tribunal shall be deemed to be an approval for the purpose of issuance of fresh shares and increase in authorized share capital as envisaged under the plan, if required, under the provisions of Section 42 (Private Placement), Section 62 (Further Issue of Share Capital); or Section 61 (Alteration of Share Capital) of the Companies Act, 2013, respectively, or any other applicable provisions of the Companies Act, 2013, read with rules made thereunder and/or such other provisions under any other applicable law.

Appointment of New Board of Directors:

33.1 With effect from the Effective Date, the Corporate Debtor's management shall be reconstituted with a Board of Directors nominated by the SRA. The SRA will appoint the necessary number of directors, including any independent directors required by Applicable Law/ Companies Act, 2013. These appointed directors will assume responsibility for the Corporate Debtor’s day-to-day operations and will be legally bound to protect and preserve its assets, all without requiring further approval from the shareholders.

33.2 Further, the SRA is to recognize the inherent complexities of business of Corporate Debtor and shall evaluate the necessary human resources required for its revival and at its sole discretion, may retain existing employees, technical team members, or management personnel.

33.3 In order to successfully drive the operations of the Corporate Debtor, the team of experts of relevant field will work under the direct supervision and control of the new management.

Compliance Certificate in Form – H

34. Pursuant to Regulation 39(4) of Said IBBI (CIRP) Regulations, 2016, the Successful SRA has prepared a Compliance Certificate dated 14.10.2024 in Form H as given at ‘Annexure-2’ from page nos. 93-107 of the application.

a. **Compliance of mandatory requirements under the Insolvency & Bankruptcy Code, 2016:**

Sr. No.	Particulars	Compliance
1	**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 Said corporate debtor?	Yes.
2	**Section 29A:** Whether Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	Yes.
3	**Section 30:**	
	(1) Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Yes.
	(2)(a) Whether the Resolution Plan provides for payment of insolvency resolution process costs?	Yes.

	(2)(b) Whether the Resolution Plan provides for the payment of the debts of operational creditors?	Amount is not sufficient and covers only CIRP cost.
	(2)(c) Whether the Resolution Plan provides for the payment to the financial creditors who did not vote in favor of the resolution plan?	
	(2)(d) Whether the Resolution Plan provides for the management of the affairs of the Said corporate debtor?	Yes.
	2(e) Whether the Resolution Plan Provides for implementation and supervision of the resolution plan?	Yes.
	(2)(f) Whether the resolution plan contravenes any of the provisions of the law for the time being in force?	No contravention.
	(4)(a) Whether the Resolution Plan is feasible and viable, according to the CoC?	Yes.
	(4)(b) Whether the Resolution Plan has been approved by the CoC with 66% voting share?	Yes.
4	**Section 31(1):**	Yes.

	Whether the Resolution Plan has provisions for its effective implementation Plan, according to CoC	

b. Compliance under mandatory requirements under IBBI (Insolvency Resolution Process of Said corporate debtors) Regulations, 2016

Regulation 38		
1	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Yes. Amount is only covering CIRP Cost.
1A	Whether the resolution plan includes a statement as to how it has dealt with the interest of all stakeholders?	Yes.
1B	i) Whether the SRA or any of its related parties has filed to implement or contribute to the failure of implementation of any resolution plan approved under the Code? ii) If so, whether SRA has submitted the statement giving details of such non-implementation?	No default.
2(a)	Whether the Resolution Plan provides the term of the plan and its implementation schedule?	Yes.
2(b)	Whether the Resolution Plan provides for the management and control of the business of the said corporate debtor during its term?	Yes.

2(c)	Whether the Resolution Plan provides adequate means for supervising its implementation?	Yes.
3	Whether the Resolution Plan demonstrates that –	
(a)	It addresses the cause of default?	Yes.
(b)	It is feasible and viable?	Yes.
(c)	It has provisions for its effective implementation?	Yes.
(d)	It has provisions for approvals required and the time for the same?	Yes.
(e)	The SRA has the capacity to implement the Resolution Plan?	Yes.
Regulation 39		
2	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Nothing came out in PUFE in Transaction Audit.
4	Provide details of performance security received as referred to in sub-regulation (4A) of Regulation 36.	Rs. 1,40,000 given

<u>Additional Affidavit for Clarification dated 08.02.2025– Valuation Report and Memorandum of Understanding (MoU)</u>

35. During the course of hearing certain questions were raised and the extract from order dated 10.01.2025 is reproduced as under:

“xxx

1. *In Form-H and in the application Fair Value is mentioned as Rs. 11,66,985 whereas in Valuation Report which is annexed to the application shows following Valuation: -*

Sr. No.	***Name of the Valuer***	***Fair Value***
1.	*Tembe Pravin Vasa*	*Rs.16,28,446*
2.	*Yogesh Rasal*	*Rs.15,05,525*

Applicant to explain the differences in valuation report & Form-H.

2. *According to the PRA list the name of the PRA is M/s Subhlaxmi Investor Advisory Pvt Ltd., however, consortium agreement signed by M/s Subhlaxmi Investor Advisory Pvt Ltd. and M/s Radinuts Dry Fruits Pvt. Ltd. was formed as per the MoU on 09.08.2024. Applicant to explain the said consortium.*

xxx"

36. The Applicant in compliance with the said order filed an additional affidavit dated 08.02.2025 clarifying the questions, which is reproduced as under:

"xxx

3. *In Form H Fair Value was mentioned was Rs.11,66,985 which was wrongly typed as Rs. 11,66,985. The average value of fair value of both the valuers is Rs. 15,66,985 for which RP apologise.*

The valuation given by two valuers was Rs.16,28,446 and 15,05,525 and their average comes to Rs. 15,66,985. The liquidation value is Rs. 589,155.

4. *Memorandum of Understanding for consortium was executed on 20th May, 2024 between Subhalaxmi Investment Advisory Ltd and Ram Kumar Ajay Jain Dry Fruits Private Limited and Indo Jatalia Holding Limited. Hence Consortium was made on 20th May,2024. The resolution plan was given on 17/07/2024.*

5. *Ram Kumar Ajay Jain Dry Fruits Private Ltd name was changed on 31st May,2024 to Radinuts Dry Fruits Pvt Ltd. The plan was placed in August,2024 in the COC and COC had asked PRA to give new consortium agreement in the changed name of Ram Kumar Ajay Jain Dry Fruits Private Limited to Radinuts Dry Fruits Pvt Ltd. and they gave revised consortium agreement on 9th August,2024 in the revised name and that's why another consortium agreement dated 9th August,2024 was taken and placed in 12th August,2024 along with addendum to resolution plan. Copy of the consortium Agreement dated 20th May,2024 which was given at the time of providing EOI dated 24thMay,2024. This agreement was by mistake was not enclosed in IA /96/2024.*

6. I say that the Annexures being filed along with the accompanying Application are true copies of their respective originals.

xxx"

37. Given the above clarification, we are satisfied by the information provided by the Applicant.

38. Further, the timeline for completion of Resolution Plan is outlined as under:

Sr. No.	**Particulars ('Action')**	**Timeline (Effective Date = 'T')**
1.	Payment of the CIRP Cost	Within T+30 days
2.	Payment to Secured Financial Creditors	Not Applicable
3.	Payment to Operational Creditors excluding Employees, Workmen and Government Dues	Not Applicable
4.	Payment to Operational Creditors (Government Dues)	Not Applicable
5.	Payment to Workmen and Employees (along with PF, ESIC, and Gratuity)	Not Applicable

6.	Unsecured Financial Creditors	Not Applicable
7.	Related Party Dues	Not Applicable

39. On perusal of Form-H, it is seen that the Resolution Plan is in compliance with the mandatory compliances as stipulated under Section 30(2) of the Code. The Resolution Plan also meets the requirements of Regulations 37, 38, 38(1A) and 39 (4) of the IBBI Regulations, 2016. The SRA has submitted an Affidavit dated 01.08.2024 along with Form-H in Annexure-'2' of the application stating that Successful Resolution Applicant nor any other person who is a connected person (as defined under the IBC) are ineligible under Section 29 A of the IBC. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law.

40. The Applicant identifies that there are no avoidance transaction applications pending before this Tribunal.

41. In ***K Sashidhar v. Indian Overseas Bank & Others (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 Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex 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.

42. In view of the law laid down by Hon'ble Supreme Court, the commercial wisdom of the COC is to be given paramount importance for approval / rejection of the resolution plan. As the Resolution Plan meets the requirements of the Code and the IBBI (CIRP) Regulations, 2016 the same needs to be approved. Accordingly, the **Resolution Plan is approved** with the following directions:

i. The Resolution Plan submitted by M/s Subhalaxmi Investment Advisory Private Limited and M/s Radinuts Dry Fruits Private Limited is hereby approved. It shall become effective from this date and shall form part of this order. It shall be binding on the Said corporate debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.

ii. No person will be entitled to initiate or continue any proceedings in respect to a claim prior to CIRP which a part of the Resolution Plan is not.

iii. The Monitoring Committee shall supervise the implementation of the Resolution Plan and shall review operational performance of the Said corporate debtor.

iv. The Resolution Professional is further directed to handover all records, premises / documents to Resolution Applicant to finalise further line of action required for starting of the operation as contemplated under the Resolution Plan. The Resolution Applicant shall have access to all the records premises / documents through Resolution Professional to finalise further line of action required for starting of the operations.

v. As per the Resolution Plan, extinguishment of existing shares of the said corporate debtor, allotment of shares to the Resolution Applicant and to New Investor and reduction of share capital do not require the consent of shareholders as required under the Companies Act or any other authority for implementation of the Resolution Plan.

<u>Reliefs and Concessions:</u>

a. Approval of the Resolution Plan shall not be a ground for termination of any existing consents, approvals, licenses, concessions, authorizations, permits or the like that has been granted to the Said corporate debtor or for which the Said corporate debtor has made an application for renewal, grant permissions, sanctions, consents, approvals, allowances, exemptions etc.

b. Any exemption as sought for in relation to the payment of registration charges, stamp duty, taxes and fees arising out of the implementation of the Resolution Plan is not granted but the Resolution Applicant is at liberty to approach Competent Authorities for the exemptions if permitted under the law.

c. For past non-compliances of the Said corporate debtor under applicable laws the Resolution Applicant shall not be liable for any liabilities and offences committed prior to the commencement of CIRP and as stipulated under Section 32A of IBC, 2016.

d. It is hereby clarified that in terms of the Judgement of Hon'ble Supreme Court in the matter of ***Ghanshyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited***, on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect of a claim which is not a part of the Resolution Plan.

e. With regard to other concessions and reliefs, most of them are subsumed in the reliefs granted above. The relief which is not expressly granted above, shall not be construed as granted. The exemptions if any sought in violation of any law in force, it is hereby clarified that such exemptions shall be construed as not granted.

f. Any amount out of the action taken against other persons for Preferential/ Fraudulent Transactions u/s. 43 and 66 of the IBC, 2016 as found in the Audit Report and also Unauthorized Transaction post CIRP order, shall be appropriated towards the unsatisfied claims of Secured Financial Creditors.

g. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the concerned Registrar of Companies (RoC), 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.

h. The moratorium under Section 14 of the Code shall cease to have effect from this date.

i. 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.

j. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

38. Accordingly, the Resolution Plan in I.A. No. 96 of 2024 is hereby allowed and **approved**.

Sd/-	**Sd/-**
Charanjeet Singh Gulati	**Lakshmi Gurung**
Member (Technical)	**Member (Judicial)**

Akshita, L.R.A.