

**IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD**  
**COURT - 2**

ITEM No159

IA/197(AHM)2021 in CP(IB) 770 of 2019

**Order under Section 30(6) IBC,2016**

**IN THE MATTER OF:**

Kailash T Shah RP  
for GSL Nova Petrochemicals Ltd  
V/s  
Sandeep Shivkumar Goyal & Ors

.....Applicant

.....Respondent

**Order delivered on ..05/10/2021**

**Coram:**

Madan B. Gosavi, Hon'ble Member(J)  
Virendra Kumar Gupta, Hon'ble Member(T)

**PRESENTS:**

For the Applicant :  
For the Respondent :

**ORDER**

The matter is listed today for pronouncement of the order.

The order is pronounced in the open court, vide separate sheet.

  
(VIRENDRA KUMAR GUPTA)  
MEMBER (TECHNICAL)

  
(MADAN B GOSAVI)  
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH  
AHMEDABAD  
COURT-2**

**IA No. 197 of 2021**

**IN**

**CP(IB) No. 770/9/NCLT/AHM/2019**

**(Application under section 30 (6) of Insolvency and Bankruptcy  
Code, 2016 for approval of Resolution Plan)**

**In the matter of;**

**Mr. Kailash T. Shah**

(RP of M/s GSL Nova Petrochemicals Limited)

**....Applicant**

**Versus**

Sandeep Shivkumar Goyal & Ors.

**....Respondent**

**Memo of parties**

**Mr. Kailash T. Shah**

Resolution Professional of,  
M/s GSL Nova Petrochemicals Limited  
Having Addressed at,  
502, 21<sup>st</sup> Century Business Center,  
Nr. World Trade Center Ring Road,  
Surat, Gujarat- 395002

**.....Applicant**

**Versus**

- 1. Sandeep ShivKumar Goyal**  
(member of suspended Board)  
Having Address at;  
C-505, Shiromani Apartment,  
Satellite Road, Opp. Ocean Park, Ambawadi,



Ahmedabad, 380015

**2. Shyamsunder Nandkishor Gupta**

Member of suspended Board

Having Address at;

8, Sanjay Co. Opp Society, Somnath Mahadev Road,  
Behind, Sargam Shopping Center, Athwalines,  
Surat- 395007

**3. Sunilkumar Nandkishor Gupta**

Member of suspended Board

Having Address at;

C-501, Shiromani Apartment,  
Satellite Road, Opp. Ocean Park, Ambawadi,  
Ahmedabad, 380015

**4. Anilkumar Shyamsunder Singhal**

Member of suspended Board

Having Address at

9-A, Sagar Apartment, Behind Sargam Shopping Center,  
Parle Point, SVR, College, Surat- 395007

**5. Mr. Bhurchand Khatana**

(Financial Creditor)

Having Address at;

B-1, Kamdhenu Tenament, Nr.  
Vrajbhumi Society, Isanpur Cross Road,  
Ahmedabad- 382443

**6. M/s Garden Silk Mills Limited**

(Operational Creditor & COC Member)

Having Address at;

1<sup>st</sup> Floor, Tulsi Krupa Arcade, Puna-Kumbharia  
Road, Dumbhal, Surat, 395010

**7. Income Tax Department**

Through Commissioner/ Principal Commissioner,  
Of Income Tax-2,

Circle, 2(1) (1) Ahmedabad,

Aayakar Bhawan, Anand Nagar, Road, Vejalpur,  
Ahmedabad- 380015

**8. Mr. Sunil Kataria & ors**

(Resolution Applicant)



44, Ghass Bazar, Ratlam,  
Madhya Pradesh-457001  
Sunilkataria1966@gmail.com

....Respondents

**Reserved on 27.09.2021**

**Delivered on 05.10.2021**

**Coram: Madan B. Gosavi, Member (Judicial)  
Virendra Kumar Gupta, Member (Technical)**

**Appearance:**

For the applicant: Nipun Singhvi along with Vishal Dave Advocate.

**ORDER**

**[Per Bench]  
(Through Video Conferencing)**

1. The instant application has been filed by the applicant/ Resolution Professional for approval of resolution plan under section 30 (6) of Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "**IB Code**") read with section 31 of IB Code and Regulation 39 (4) of The Insolvency and Bankruptcy Board of India (Insolvency Process of Corporate Persons) Regulations, 2016 (hereinafter referred to as "**CIRP Regulations**") after approving the plan by COC with 100% percent vote.
2. The Corporate Debtor was admitted in CIRP vide order dated 18.03.2020 passed by this Authority in an application filed by the Operational Creditor u/s 9 of IB Code, wherein, the

moratorium was declared, Corporate Insolvency Resolution Process was initiated and Mr. Kailash T. Shah was appointed as Interim Resolution Professional ( hereinafter referred to as **“IRP”**).

3. It is submitted by the applicant that after receiving the claim from the creditors the IRP had constituted the Committee of Creditors (hereinafter referred to as **“COC”**) comprises of 1 (one) Financial Creditor and one operational creditor i.e. Garden Silk Milk without voting right as the operational debt of this creditor is more than 10% (ten). In the first meeting dated 27.06.2020 COC resolved to appoint Interim Resolution Professional as a Resolution Professional subject to approval from this Authority. The COC has also resolved to appoint two registered valuers and a Chartered Accountant for the valuation of the Financial assets of the Corporate Debtor. The registered valuers have submitted the valuation report wherein the assets of the Corporate Debtor were valued for Rs. 4,16,763/- as a fair value and Rs. 4,08,031/- as a liquidation value. The COC, in its third meeting dated 06.11.2020 has rejected the proposal to conduct the transaction audit of the Balance Sheet of the Corporate Debtor as the expenditure proposed for the same was approximately Rs. 3 Lakhs.

4. The COC has also resolved to file the application before this Adjudicating Authority for Extension of CIRP period of 3 (three) months and exclusion of 76 days for the gap of pronouncement of order and date of receipt of the order as the CIRP period was to be expired by 29.11.2020, the same was allowed by this Authority vide order dated 06.01.2020 in IA 945 of 2020 and the CIRP was extended for 90 days beyond 180 days, and also excluded 76 days.
5. In the third meeting dated 06.11.2020 COC resolved for the publishing the Expression of Interest (hereinafter referred to as **"EOI"**). Thereafter, the Resolution Professional published the EOI in two newspapers **"Western Times"** English newspaper and **"Western Times"** Gujrati newspaper in form **"G"** under regulation 36A of CIRP Regulations. One Expression of Interest was received by the Resolution Applicant jointly namely I. Mr. Sunil Kataria, II. Rani Kataria III. Anokhilalji Kataria IV. Harsh Kataria V. Nagina Devi Kataria VI. Praveena Devi Kataria VII. Subhadra Kataria VIII Yash Kataria (hereinafter jointly referred to as **"Resolution Applicant"** ). The prospective Resolution Applicant has submitted the resolution plan on 06.01.2021.

6. In the fifth COC meeting dated 27.01.2021, after a detailed discussion in respect to the resolution plan the COC has approved the resolution plan with 100% voting right.
7. The amount provided for the stakeholders under the Resolution Plan are as under;

{Amount in Rs. Lakh}

Sr. No	Catagory of Stakeholder	Amou nt Claim ed	Amou nt admitt ed	Amount provided under the plan	The amount provided to the amount claimed
1.	Dissenting secured financial creditors	NIL	Nil	Nil	Nil
2.	Other secured financial creditors	Nil	Nil	Nil	Nil
3.	Dissenting unsecured financial creditors	Nil	Nil	Nil	Nil
4.	Other unsecured financial Creditors	1041.57	1041.57	12.00	1.15%
5.	Operational Creditors	377.33	377.33	2.8838	0.76%

	Government		15.20	15.20	0.1162	0.76%
	Workmen		Nil	Nil	Nil	Nil
	Employee		Nil	Nil	Nil	Nil
6.	Equity	Pro	NA	NA	NA	NA
	shareholders	mote				
		rs				
		Publi	00	00	1.21	0.1%
		c				
Tot			1434.	1434.	16.21	
al			1	1		

8. The total claim made by all the claimants is Rs. 14.33 Crores and the amount proposed against the total claim to be paid of Rs. 1,620,667/-. The total haircut under the proposed plan is 98.7%.

### **Reliefs and concession**

9. As per clause 3.15 of the Resolution Plan, the resolution applicant stated that with the approval of the Resolution Plan by the Adjudicating Authority, it is assumed that an exemption shall be deemed to have been granted to the Corporate Debtor from the obligation to pay taxes in accordance with the Finance Act, 2020.

Further, it is submitted by the Resolution Applicant that with the approval of this Resolution Plan by the Adjudicating Authority. It is assumed that a reasonable opportunity of hearing has been given to the Jurisdictional Principal Commissioner of Income Tax and the Corporate Debtor shall be entitled to carry forward the unabsorbed depreciation and accumulation losses under Income Tax and minimum alternate Tax and to utilize such amount to set off against future tax obligation.

10. It is submitted by the RA that upon approval of the Resolution Plan it is deemed to have been given all the claims raised by the Central excise, Customs, GST, Textiles, committees, and PCBs and acknowledge by the management of the corporate debtor be write off and waiver off. It is also submitted that all the cases pending against the company shall be discontinued which has either been initiated by Central excise, Customs, GST, Textiles, committees, and PCBs.
11. It is prayed by the resolution applicant that the direction is given to the concerned ROC and State Government to waive stamp duty and fees applicable to the implementation of the Resolution Plan.
12. It is submitted by the RA that the name of the Company shall be changed from GSL Nova Petrochemicals Limited to Kataria Tradecon Private Limited or Kataria Contrade Private Limited or

such other name as may be approved by the Registrar of the Company. The resolution applicant further wants to change the address of the registered office of the company to any other place within the Jurisdiction of ROC, Ahmedabad, from 396, 403, Moraiya Village, Sarkhej Bavla Highway, Sanad, Ahmedabad Gujarat. The approval of the Resolution Plan shall be deemed to consent by all the members and creditors of the company for changing the name and address of the Company.

13. It is submitted by the Resolution Applicant that the provision of section 29A of the IBC any other applicable law does not disqualify the Resolution Applicant in presenting this Resolution Plan. The relevant disclosure to establish the eligibility of the Resolution Applicant and not disqualify under section 29A of the IBC are annexed with the Resolution Plan.
14. It is also submitted that neither the Resolution Applicant nor any of its related parties have failed to implement or contributed to the failure of implementation of any other Resolution Plan.
15. Learned Counsel for the successful Resolution Applicant appeared and narrated the basic facts. He drew our attention to the Resolution Plan in detail. Based upon the contents of the Plan, it was submitted that the proposed Resolution Plan complied with all

the requirements of Section 30(2) of IBC, 2016 and r.w. relevant Regulations made there-under.

16. Now, we consider the facts and submissions made on behalf of the Resolution professional. It is noted that the Resolution Plan, submitted for our approval, has been duly approved by the CoC in its meeting dated 06.11.2020 by 100% votes. The Resolution Professional has given the requisite certificate that the plan complies with all requirements Section 30(2) of IBC, 2016 r.w. relevant CIRP Regulations, 2016. The perusal of the Resolution Plan shows that the Unsecured Financial Creditor will get a sum of Rs. 12,00,000/- against their total claimed amount of Rs.10.41 crores/- The Operational Creditors would receive a sum of Rs. 3,00,000/- lakhs as against their total claim of Rs. 3.92 crores including claims of statutory Liabilities. The CIRP cost has been kept by the Resolution applicant of Rs. 12,00,000/- The shareholders of the company shall be paid Rs. 1,20,667/-.The total amount paid to shareholders and creditors stands at Rs. 28,20,667/- All the amount proposed for the payment either to the shareholders or creditor be paid within 30 days from the receipt of the order. Apart from the aforesaid payment to the shareholders and creditors, the Resolution applicant has proposed to infuse the fund of Rs. 100,00,000/- (one Crore), the said amount which will be

infused by the Resolution Applicant in two installment amounts of Rs. 50,00,000/- once the takeover is complete and an additional Rs. 50,00,000/- to maintain working capital. Thereafter no claim is submitted by the workmen. Thus, in sum and substance, the Resolution Plan provides for the settlement of the claims of various stakeholders. The Resolution Plan also provides the background of the successful Resolution Applicant and its associates, and the financial capabilities of the successful Resolution Applicant. Hereafter, Resolution Plan is both feasible and viable, Resolution Plan also contains the procedure for its effective implementation of the Resolution Plan.

17. The Resolution plan also provides for the appointment of RP as the person in charge to look after the implementation of the Resolution Plan. The Resolution Plan has also addressed the issues which resulted in the Insolvency of the Corporate Debtor and future business plan so as to such a situation does not arise again.

18. Thus, the Resolution Plan' filed with the Application meets the requirements of Section 30(2) of IB Code, 2016 and Regulations 37, 38, 38(1A) and 39 (4) of IBBI (CIRP) Regulations, 2016. An affidavit under section 29A has also been filed by the Resolution Applicant. The Resolution Professional has also certified that the 'Resolution Plan' approved by the CoC does not contravene any of the

provisions of the law for the time being in force. The Compliance Certificate is placed on record. The 'Resolution Plan' has been approved by the CoC with a 100% voting share. We are satisfied that Resolution Plan is in compliance with all relevant provisions of the IB Code 2016, and CIRP Regulations.

19. In view of the above, the 'Resolution Plan' annexed with IA 197 of 2021 filed in CP (IB) No. 770 of 2019 is hereby approved, which shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors, and other stakeholders involved in the Resolution Plan including Resolution Applicant.

20. The Resolution Applicant has the liberty to approach Competent Authorities for any concession, relief, or dispensation as the case may be as when required for proper and effective implementation of the Plan. As per relevant provisions of applicable laws. The competent authority shall consider the same keeping in view the object and provisions of the IB Code, 2016.

21. The Resolution Applicant claimed various reliefs and concessions in the resolution plan. However, we grant the reliefs in the following manner and to this extent;

- I. After the payment of the dues to the creditors, as per the resolution plan, all the liabilities of the said stakeholders shall stand permanently extinguished after the approval of the resolution plan. We further hold that other claims including Government/Statutory Authority, whether lodged during CIRP or not, shall stand extinguished after the approval of the resolution plan. We further hold that contingent/unconfirmed dues shall also stand extinguished;
- II. On the effective date, all claims except provided in the plan of the suspended management, erstwhile directors, and erstwhile shareholders shall stand permanently extinguished;
- III. On the effective date and with effect from the appointed date, all encumbrances on the assets of the Corporate Debtor prior to the plan shall stand permanently extinguished on completion of procedural formalities as provided in Companies Act, 2013;
- IV. For reliefs and concessions sought from the Government/Statutory Authorities, we direct the Resolution Applicant to approach the concerned Authorities who shall decide the issues.

- V. As regard to relief prayed under various provisions of Income Tax Act, 1961, the corporate Debtor / Resolution Applicant may approach the Income Tax Authorities who shall take a decision on relief and concessions sought by the Resolution Applicant in accordance with the provisions of Income Tax Act, 1961.
- VI. The Resolution Applicant shall be entitled to review, revise or terminate any appointments/agreements entered into by or on behalf of the Corporate Debtor in accordance with the terms and conditions of such agreements/MoUs/contracts;
- VII. The RP shall complete the accounting entries to give effect to the resolution plan in the Books of Account as per the applicable Accounting Standards and provisions of the Companies Act, 2013;
- VIII. The management of the Corporate Debtor shall be handed over to the Board of Directors as may be nominated by the Resolution Applicant for proper running operations of the business of the Corporate Debtor;

- IX. The Board of Directors of the Corporate Debtor shall also be reconstituted and procedural compliances shall be done to give effect to such reconstitution;
- X. The Resolution Applicant shall, pursuant to the resolution plan approved under Section 31(1) of the Code, obtain necessary approvals 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 Section 31 or within such period as provided for in such law, whichever is later, as the case may be;
- XI. All the approvals of shareholders/members of the Corporate Debtor shall be deemed to have been obtained and the provisions made in the resolution plan as regard to the restructuring of capital shall be binding on them. This order shall be treated as evidence of compliances of all formalities as may be required in this regard under the provisions of the Companies Act, 2013.
- XII. For changing of name and address of the Corporate Debtor the consent of the member/ shareholders is deemed to have been obtained and the resolution applicant shall approach the concerned authorities

under provisions of the Companies Act, 2013 for complying with the procedural aspects.

XIII. On the effective date and with effect from the appointed date, the entire existing share capital of the Corporate Debtor shall stand extinguished without any payment (including any cancelled value of the said equity shares or preference shares) to shareholders of the Corporate Debtor holding such existing share capital. The Resolution Applicant would be entitled to issue new equity share capital in accordance with the provisions of Companies Act, 2013 r.w. rules and regulations made there-under.

**XIV. Apart from the above observations and directions, it is further directed that:**

- I. The approved 'Resolution Plan' shall become effective from the date of passing of this order.
- II. The order of moratorium dated 18.03.2020 passed by this Adjudicating Authority under Section 14 of I&B Code, 2016 shall cease to have effect from the date of passing of this order.




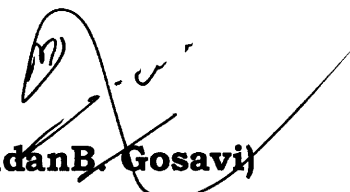
III. The Resolution Professional shall forthwith send a copy of this Order to the participants and the Resolution Applicant(s).

IV. The Resolution Professional shall forward all records relating to the conduct of the corporate insolvency resolution process and Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database

22. Accordingly, IA 197 of 2021 is allowed with the above said observations and directions and stand disposed of.

23. Urgent certified copy of this order, if applied for, to be issued to all concerned parties upon compliance with all requisite formalities.

  
**(Virendra Kumar Gupta)**  
**Member (Technical)**

  
**(Madan B. Gosavi)**  
**Member (Judicial)**

RB