

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**JAIPUR BENCH**

**CORAM:** SHRI DEEP CHANDRA JOSHI,  
HON'BLE JUDICIAL MEMBER

SHRI RAJEEV MEHROTRA,  
HON'BLE TECHNICAL MEMBER

*IA No. 384/JPR/2024*  
*In CP No. (IB)- 47/9/JPR/2018*

**IN THE MATTER OF:**

M/S TACK INNOVATIONS

...OPERATIONAL CREDITOR

VERSUS

M/S AUTOPAL INDUSTRIES LIMITED

...CORPORATE DEBTOR

**MEMO OF PARTIES**

*IA No. 384/JPR/2024*

**AJAY GUPTA**

*Resolution Professional of*  
M/s Autopal Industries Limited  
C-618, Tower C, KLJ, Noida One  
Sector 62, Noida, 201309  
*cirp.autopal@gmail.com*

...Applicant

**For Applicant**

: Milan Singh Negi, Adv.

: Nikhil Jha, Adv.

: Prashant Chari, Adv.

**For Respondent**

**Order Pronounced On: 23.09.2024**

**ORDER**

Sd/-

Sd/-



**Per: Shri Rajeev Mehrotra, Technical Member**

1. The present Application bearing *IA No. 384/JPR/2024* vide Dairy No. 1766/2024 dated 23.07.2024 has been filed by *Mr. Ajay Gupta*, Resolution Professional ('Applicant'/ 'Resolution Professional') of *M/s Autopal Industries Limited* ('Corporate Debtor') under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ('IBC') read with rule 11 of the National Company Law Tribunal Rules, 2016 ('NCLT Rules') seeking exclusion of 431 days i.e. ( 24.04.2023, date on which Resolution Plan were put for voting to 28.06.2024, last date for payment of CIRP cost in terms of the Order dated 07.06.2024 passed by this Tribunal) from the total time period of the Corporate insolvency resolution process ('CIRP').
2. This Adjudicating Authority had admitted the Application filed by *M/s Tack Innovations* ('Operational Creditor') under Section 9 of the Code for initiation of Corporate Insolvency Resolution Process ('CIRP') of the Corporate Debtor and appointed *Mr. Ajay Gupta*, as Interim Resolution Professional ('IRP') *vide* Order dated 16.08.2022.
3. The Present Application has been filed by the Applicant, who submits that a crucial time-period has been lost due to the indecisiveness of the CoC member holding the majority voting rights regarding the Resolution Plan, as well as due to the adjudication of I.A. No. 352 of 2023, filed by the Applicant on 17.06.2023. This application was decided by this Tribunal on 07.06.2024.

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4. Further, it is submitted that the majority stakeholder in the CoC expressed their assent via email dated 01.07.2024, to make efforts for the resolution of the Corporate Debtor by providing opportunities to the existing PRAs. Subsequently, with the consent of the CoC members, the Applicant informed the existing PRAs to submit their Resolution Plans by 12.07.2024, so that these may be considered by the CoC.
5. In the aforementioned-context, the Applicant scheduled 11<sup>th</sup> CoC meeting (subject to the grant of exclusion of the time by this Tribunal) on 03.07.2024, wherein sought exclusion of 431 days (from 24.04.2023 till 28.06.2024) from the total CIRP period. Further, the consolidated table depicting the timelines of the CIRP in the instant case is as follow:

Date	Days	Particulars
16.08.2022	0	The CIRP in the instant case was initiated.
12.02.2023	180	Expiry of 180 days as per Section 12(1) of the IBC code.
06.04.2023	180	After, applying the exclusion of 53 days (from 16.08.2022 to 26.08.2022 & 31.12.2022 to 12.02.2023), as granted by this Tribunal vide Order dated 30.03.2023, passed in I.A. No. 151/JPR/2023.
05.07.2023	270	After applying the 90 days extension beyond 180 days granted by this Hon'ble Tribunal vide Order dated 10.05.2023, passed in I.A. No. 255/JPR/2023.
08.09.2024	270	Proposed exclusion of 431 days (from 24.04.2024 till 28.06.2024).

6. Heard the submission made by the learned counsels of the parties and perused the files including the documents placed on record.






7. At, this juncture it is important to refer the judgement in the matter of *Mr. Ravi Shankar Deverakonda Vs Committee of Creditors of Meenakshi Energy Limited (2021)* wherein Hon'ble NCLAT held that the exercise of power by the Adjudicating Authority to extend the time period under section 12(3) of the Code in negation of statutory provision of the Code may be desirable in an exceptional/extraordinary circumstances by exercising sound judicial discretion with a view to find a suitable Resolution Plan to prevent an aberration of justice.
8. We find that an Application *IA (IBC) Plan No. 07/JPR/2024* for approval of the Resolution Plan was filed on 26.08.2024, and the same is pending adjudication before this Tribunal, and Order is reserved in that IA. Accordingly, this Bench is of considered view that *IA No. 384 /JPR/2024* be allowed by further exclusion of 431 days from the CIRP period.
9. Accordingly, *IA No. 384 /JPR/2024* is disposed of as allowed.

Sdr

**DEEP CHANDRA JOSHI  
(JUDICIAL MEMBER)**

Sdr

**RAJEEV MEHROTRA  
(TECHNICAL MEMBER)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**JAIPUR BENCH**

**CORAM:** SHRI DEEP CHANDRA JOSHI,  
HON'BLE JUDICIAL MEMBER

SHRI RAJEEV MEHROTRA,  
HON'BLE TECHNICAL MEMBER

*IA (IBC) Plan No.07 /JPR/2024*  
*In CP No. (IB)- 47/9/JPR/2018*

**IN THE MATTER OF:**

M/S TACK INNOVATIONS

...OPERATIONAL CREDITOR  
VERSUS

M/S AUTOPAL INDUSTRIES LIMITED

...CORPORATE DEBTOR

**MEMO OF PARTIES**

*IA (IBC) Plan No.07 /JPR/2024*

**AJAY GUPTA**

*Resolution Professional of*  
M/s Autopal Industries Limited  
B-7/45, 1<sup>st</sup> Floor, Safdarjung  
Enclave Extension, New Delhi-  
110029  
cirp.autopal@gmail.com

...Applicant

**For Applicant** : Milan Singh Negi, Adv.

: Nikhil Jha, Adv.

**For Respondent** : Prashant Chari, Adv.

**Order Pronounced On: 23.09.2024**

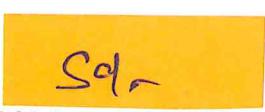
**ORDER**

**Per: Shri Rajeev Mehrotra, Technical Member**

Sdr

Sdr

-  1. The present Application bearing *IA (IBC) Plan No.07 /JPR/2024 vide* Dairy No. 2138/2024 dated 02.09.2024 has been filed by *Mr. Ajay Gupta*, Resolution Professional ('Applicant')/ 'Resolution Professional') of *M/s Autopal Industries Limited* ('Corporate Debtor') under Section 30(6) and Section 31 of the Insolvency and Bankruptcy Code, 2016 ('IBC' / 'Code') read with Regulation 39(4) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') seeking approval of Resolution Plan envisaging the Scheme of Arrangement ('Scheme') .
2. This Adjudicating Authority had admitted the Application filed by *M/s Tack Innovations* ('Operational Creditor') under Section 9 of the Code for initiation of Corporate Insolvency Resolution Process ('CIRP') of the Corporate Debtor and appointed *Mr. Ajay Gupta*, as Interim Resolution Professional ('IRP') *vide* Order dated 16.08.2022.
3. The IRP issued a public announcement on 28.08.2022 as per Regulation 6 of the CIRP Regulations, thereby calling upon the creditors/stakeholders of the Corporate Debtor to submit their claims with the Resolution Professional. Pursuant to the public announcement, initially only two financial creditors namely, *M/S Reliance Commercial Finance Limited* and *Bhagwant Singh Solanki* (now deceased) had submitted their claims. As a result, the Committee




 of Creditors ('CoC') was constituted, comprising these financial creditors. In the first CoC meeting held on 24.09.2022, the IRP *Mr. Ajay Gupta* was appointed as the Resolution Professional.

4. Subsequently, on 31.10.2022, the Resolution Professional received another claim from *M/S Paisalo Digital Limited*. Meanwhile, the Resolution Professional discovered that the claims of *Reliance* and *Paisalo* were based on an Arbitral Award and therefore categorized them as 'Other Creditors' rather than 'Financial Creditors.' However, when *Reliance* and *Paisalo* objected to this categorization, the Resolution Professional filed an Application bearing no. *IA 629/JPR/2022* seeking clarification regarding the said categorisation. This Adjudicating Authority *vide* Order dated 22.02.2023 directed that *Reliance* and *Paisalo* be included as Financial Creditors, not 'Other Creditors.'
5. Further, it is submitted that the Applicant had reconstituted the CoC in terms of the Order dated 22.02.2023 of this tribunal and the reconstituted CoC (as of now) stands as under:

<i>S. No.</i>	<i>Name of Financial Creditor</i>	<i>Amount Claimed</i>	<i>Admitted amount (in Rs.)</i>	<i>Voting share in the CoC</i>
1	<i>Reliance Commercial Finance Ltd. (Now Authum Investment)</i>	1,69,13,729	1,28,99,728.00	64.20%






	<i>and Infrastructure Private Limited</i>			
2	<i>Bhagwat Singh Solanki (Through its Legal heir of Sh. Sai Ji Maharaja Sarjanik Parmarth Trust)</i>	31,93,000	30,26,200.00	15.06%
3	<i>Paisalo Digital Ltd.</i>	41,66,538	41,66,538.00	20.74%

6. It is submitted that in the 2<sup>nd</sup> CoC Meeting convened on 19.10.2022, the Applicant appointed the following Registered Valuers to determine the fair value and liquidation value of the Corporate Debtor for all classes of assets. The said meeting held on 19.10.2022 approved the appointment of Registered Valuers as well as also ratified the appointment of *M/s D Pathak & Co.* as the transaction auditor for determination of avoidance transactions. The list of Registered Valuers as follows:

<i>Name</i>	<i>Category</i>
<i>M/s Value Edge Professionals Pvt. Ltd.</i>	<i>Plant &amp; Machinery and Securities &amp; Financial Assets</i>
<i>M.s GN Fair Valuation Pvt. Ltd.</i>	<i>Plant &amp; Machinery</i>
<i>Mr. Gyaneshwar Sahai</i>	<i>Securities &amp; Financial Assets</i>

7. Additionally, in terms of Section 25(2)(h) of IBC, the Applicant also prepared the eligibility criteria for the Prospective Resolution Applicants ('PRAs') which was approved by the 2<sup>nd</sup> CoC Meeting. Further, the Applicant in accordance with the provisions of Regulation 36A of CIRP Regulations, i.e. invitation for expression of interest

Sd/-

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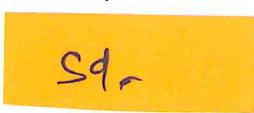
(‘EOI’) on 22.10.2022, and in pursuance of which the Applicant received 11 EOIs before the last date of submission i.e. 22.11.2022, out of which 10 PRAs were found to be eligible to submit resolution plans.

8. Further, on 27.11.2022, the Applicant issued the Request for Resolution Plan (RERP) documents, evaluation matrix, and Information Memorandum (IM) to the eligible PRAs. The deadline for submission of resolution plans was initially set for 27.12.2022, but was extended to 06.01.2023, following requests from the PRAs and subsequent approval by the CoC at its 4<sup>th</sup> meeting held on 29.12.2022.
9. It is submitted that the Applicant received three resolution plans by the submission deadline of 06.01.2023. However, these plans could not be presented to the Committee of Creditors (CoC) until 22.02.2023, due to the demise of *Mr. Bhagwant Singh Solanki*, the then sole CoC member. Additionally, on 22.02.2023, the Tribunal issued an order directing the Applicant to classify the claims of *Reliance and Paisalo* as financial creditors. Consequently, the CoC was reconstituted by the Applicant, and an addendum to the Information Memorandum was issued to the eligible PRA’s. Subsequently, revised resolution plans were submitted by only two PRAs, namely:

- i) *Mr. Vivek Kumar Ratakonda.*
- ii) *Masatya Technologies Private Limited*




-  10. Further, the aforementioned resolution plan from the PRAs was placed for consideration and voting in the 7<sup>th</sup> CoC meeting which failed to obtain the requisite voting shares i.e. 66% from the CoC members. Similarly, between the 8th and 10th CoC meetings, the Applicant made multiple attempts to place agendas for the issuance of a fresh Form G and for inviting revised resolution plans from the existing PRAs. However, a successful CoC meeting could not be held, as the majority stakeholders in the CoC abstained from voting.
11. It is submitted that in the meantime, the Applicant filed an application before this Adjudicating Authority seeking directions against the CoC members. Subsequently, this Adjudicating Authority issued an order dated 07.06.2024, directing the CoC members to contribute towards the CIRP costs and instructing the Applicant to convene a CoC meeting within 15 days of the aforementioned order. The CoC members were also directed to participate. Consequently, the 10<sup>th</sup> CoC meeting was held on 14.06.2024 but was attended by only one CoC member while the members with the majority voting shares once again abstained from voting on the agenda presented at the meeting.
12. The Applicant *vide* email dated 24.06.2024 again inquired of the existing PRAs in respect to their willingness to participate in the process and submission of revised plans. However, both existing PRAs confirmed on 25.06.2024, that they would submit their revised




resolution plans. Furthermore, *Reliance Commercial Finance Ltd.* as the majority stakeholder expressed its assent *vide* email dated 01.07.2024, to make attempts to resolve the issues of the Corporate Debtor by providing opportunities to the existing PRAs. *Reliance Commercial Finance Ltd.* also requested that the Applicant withdraw the liquidation application pending before this Tribunal.

13. Subsequently, in order to enable the members of the CoC and PRAs to deliberate on the possibilities of considering a resolution plan, the 11<sup>th</sup> meeting of the CoC was held on 03.07.2024. During this meeting, the CoC expressed its willingness to consider revised resolution plans that could be submitted by the PRAs by 12.07.2024. Consequently, in the 12<sup>th</sup> CoC meeting held on 16.07.2024, the members reported that resolution plans had been received from the aforementioned two PRAs within the stipulated timeframe. However, one of the PRAs, *Masatya Technologies Private Limited* had submitted its Earnest Money Deposit (EMD) via a post-dated cheque. However, on 16.07.2024, at 2:00 AM, the authorized signatory of *Masatya Technologies Private Limited* informed the Applicant, “*Due to some reason, I don't wish to continue with the proposal submitted to you. Sorry for the inconvenience.*” It is important to note that no official communication was made by the PRA regarding this matter.

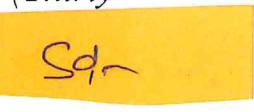



 14. Further, in the 13<sup>th</sup> CoC meeting held on 31.07.2024, the Applicant informed the members of the CoC that the cheque from *Masatya Technologies Private Limited* could not be encashed due to insufficient funds. As a result, the resolution plan from *Masatya Technologies Private Limited* could not be considered by the CoC. Consequently, the only plan left for consideration was that submitted by *Mr. Vivek Kumar Ratakonda*, jointly with *Mr. Raja Srinivas Nandigam*, which was discussed and deliberated upon by the CoC. The CoC requested the Applicant to consider increasing the financial proposal in the resolution plan and to submit a revised plan within one day. In response the resolution applicants, *Mr. Vivek Kumar Ratakonda and Mr. Raja Srinivas Nandigam*, submitted a revised plan on 01.08.2024. This revised plan was then presented to the CoC members in the 14<sup>th</sup> CoC meeting held on 05.08.2024, and was duly approved by the CoC with 100% voting share.

15. The Applicant further issued a Letter of Intent (LOI) to the resolution applicants on 16.08.2024, which has been unconditionally accepted by them. Furthermore, it is submitted that the resolution applicant have provided a Performance Bank Guarantee of Rs. 12,70,000 (Rupees Twelve Lakh Seventy Thousand Only), representing 10% of the resolution plan amount, in the bank account of the Corporate Debtor.

-  16. The resolution applicant proposes a Scheme of Arrangement that contemplates a corporate restructuring involving the merger of *M/s RNIT Solution & Services Limited* with and into the Corporate Debtor, *M/s Autopal Industries Limited* (the “Transferee” or “Resulting Company”). Consequently, shares of the Corporate Debtor will be allotted to the shareholders of *M/s RNIT Solution & Services Limited* (“Transferor Company”) as part of the Corporate Debtor’s insolvency resolution.
17. Further, it is submitted that the aforementioned Scheme of Arrangement is in accordance with all provisions of the applicable law. This scheme will result in the consolidation of the businesses of the Transferor Company (RNIT) and the Transferee Company (Autopal Industries Ltd.) as they existing as on the Appointed Date. Additionally, this Scheme complies with the provisions of Section 2(19AA) of the Income Tax Act, 1961. The restructuring of the share capital is as follows:

- 17.1. *Cancelation and extinguishment of 9% redeemable non-cumulative preference shares;*
- 17.2. *Extinguishment of existing Promoter shareholding;*
- 17.3. *Cancellation and capital reduction of the existing equity shares of public shareholders. The Corporate Debtor shall issue and allot One Equity Share of Rs. 10/- each for every 4 Equity Shares of Rs. 10/- each held by the public shareholders other than existing promoters;*
- 17.4. *Preferential allotment of Equity Shares to Resolution Applicant(s) and to their associates, if any, against their Infusion of funds. The Corporate Debtor shall issue 30,00,000 (Thirty*



*Lakh) equity shares of Rs. 10/- (Ten) each to the Resolution Applicant(s) and to their associates if any, in proportion contribution/infusion of money.*

- 17.5. *Allotment of 5 equity shares of the corporate debtor for every one equity shares of RNIT Solutions & Services Limited held by the shareholders of the transferor company as contemplated in the Scheme of Arrangement;*
- 17.6. *Preferential allotment of 1,00,00,000 equity shares of Rs. 10/- of the corporate debtor to strategic investors;*
18. Further, the indicative proposed Shareholding of the Corporate Debtor post CIRP, as follows: -

S No	Category	No. of shares held before CIRP (Rs. 10/- each)	Voting Shares (%) before CIRP	No of Shares held after CIRP (Rs. 10/- each)	Voting Shares (%) held after CIRP
1.	<i>Promotor</i>	18,28,396	52.29%	0	0
2.	<i>Public Shareholders</i>	16,67,972	47.71%	4,16,993	0.49%
3.	<i>Resolution Applicant(s)</i>	0	0	30,00,000	3.54%
4.	<i>Shares allotted to the Shareholders of RNIT Solutions &amp; Services Ltd Consequent To the merger under this Plan</i>				
	<i>i. Promoters holding (74.64%)</i>	0	0	5,21,54,340	61.51%
	<i>ii. Public holding 0 (25.36%)</i>	0	0	1,92,20,650	22.67%
5.	<i>Preferential Allotment to the 0 Strategic Investors (Public Shareholders)</i>	0	0	1,00,00,000	11.79%

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	<b>Total</b>	<b>34,96,368</b>	<b>100%</b>	<b>8,47,91,983</b>	<b>100%</b>

19. The Resolution Applicant(s) contemplate shifting the corporate debtor's registered office from the State of Rajasthan to the State of Telangana as part of the Resolution Plan's implementation upon approval of the Resolution plan by the Adjudicating Authority. Additionally, as part of the Resolution Plan, amendments are contemplated to the Memorandum of Association (MOA) and Articles of Association (AOA) of the Corporate Debtor (Transferee Company/ Autopal Industries Ltd), to implement the provisions of the Resolution Plan.
20. Accordingly, the Applicant is duty bound to prefer an application under Sections 30(6) and 31 of the Code read with Regulation 39(4) of the CIRP Regulations seeking approval of the Resolution Plan which was duly accepted by the CoC, from this Adjudicating Authority. The Applicant has submitted the Resolution Plan dated 01.08.2024 along with a compliance certificate in Form-H dated 26.08.2024 under Regulation 39(4) of the CIRP Regulations. The copy of the Resolution Plan dated 01.08.2024 and the compliance certificate in Form H are annexed as Annexure A-1 (Colly.) and Annexure A-3 of the present Application, respectively.

Sd/-

Sd/-



21. The Applicant has filed its Additional Affidavit *vide* Diary No. 2308/2024 dated 18.09.2024 whereby the Applicant submits that this Tribunal on 09.09.2024 sought some clarification on aspects of the resolution plan. The sought clarifications are as follows: -

<b>Sl. No.</b>	<b>Clarification sought by the Hon'ble Tribunal</b>	<b>Relevant document</b>	<b>Particulars</b>
1.	<i>Board Resolution and shareholders' resolution of RNIT transferor company towards proposed merger of RNIT into the corporate Debtor under the Resolution Plan.</i>	<i>Board Resolution dated 10.07.2024 passed by the proposed merger. Resolution passed by the shareholders of RNIT in their EoGM dated 11.07.2024, thereby approving the proposed merger. Copy of Board resolution dated 10.07.2024 and shareholders' resolution dated 11.07.2024 are annexed herewith and collectively marked as ANNEXURE A-1 (Colly)</i>	<i>Clause 4 of chapter-V of the resolution plan mentions about the board resolution dated 10.07.2024 and the shareholders' resolution dated 11.07.2024. (pg. 49 of the application) The resolution professional is placing on record the copy of the said board and shareholders' resolution.</i>
2.	<i>Financial health of RNIT/ transferor company.</i>	<i>Provisional balance sheet of RNIT/ transferor company for the year ending 31.03.2024. Copy of provisional balance sheet of RNIT/ transferor company for the year ending 31.03.2024 is annexed herewith and marked as ANNEXURE A-2.</i>	<i>The extract of provisional balance sheet of RNIT/ transferor company is quoted in the resolution plan at clause 6(2) of chapter-V (Pg. 51 of the application). The resolution professional is placing on record the entire copy of the said provisional balance sheet.</i>
3.	<i>Sources of funds/ net-worth</i>	<i>Net-worth certificate of the resolution applicant, Sh. Vivek</i>	<i>Clause I (xix) of chapter-IX of the resolution plan entails that the RA has sufficient</i>

Sd/-

Sd/-



	<i>of the resolution applicant.</i>	<i>Kumar Ratakonda. Copy of net-worth certificate of the resolution applicant is annexed herewith and marked as ANNEXURE A- 3.</i>	<i>net- worth and resources to meet the resolution plan value i.e. Rs. 1.27 crore, while the net- worth of the RA is Rs. 21.64 crore.</i>
4.	<i>Constitution of Monitoring Committee for overlooking implementation of the resolution plan.</i>	<i>Minutes of 16th CoC meeting dated 10.09.2024. Copy of minutes of 16th CoC meeting dated 10.09.2024 is annexed herewith and marked as ANNEXURE A-4.</i>	<i>Clause 2(i) of chapter VII of the plan entails that the CoC shall decide on the constitution of monitoring committee. (pg. 59 of the application) In the present case, the CoC has decided that the monitoring committee shall be constituted with the following 5 (five) members: 1. RP as the Chairman 2. 1 (one) representative of SRA 3. 1(one) representative of each CoC member i.e. (three) members from the CoC. (Agenda Item B-1 in the minutes of the 16<sup>th</sup> CoC)</i>

22. The Applicant has filed its written submission *vide* Diary No.

2306/2024 dated 18.09.2024 whereby reiterating the same as mentioned in the present Application and it additionally relied on the following judgments:

- i) *CJ Chemical Pvt. Ltd. v/s LN Industries India Ltd., IA 1563/2922 IN CP (IB) No. 17/9/HBD/2022.*
- ii) *Sangappa Alur & Ors. v/s Dnyanyogi Shri Shivkumar Swamiji Sugars Ltd., IA 01/2024 IN CP (IB) No. 09/BB/2022.*

Sdr

Sdr



- iii) *Renuka Devi Rangaswamy (RP) of UCAL Auto Private Limited, IA/1286/CHE/2022 in IBA/471/2020.*
- iv) *Kamal Kishor Gurnani (RP) of Maxima Systems Ltd., IA/1005(AHM)2023 in CP(IB)407 of 2020.*
- v) *Vijay Dineshchandra Sanghvi &Anr. v/s Sumit Rajnikant Mehta (RP) of Asya Infosoft Ltd., Company Appeal (AT) (INS) No. 1475 of 2024.*
- vi) *Sumit R Mehta (RP) of Asya Infosoft Ltd., IA (PLAN) 5/2024 IN CP (IB) 268 of 2022.*

23. We have carefully considered the Application, additional affidavit, and written submissions of the learned counsel for the RP and have also perused the record.
24. The Corporate Debtor was incorporated on 15.10.1985 and the CIRP proceedings were initiated under Section 9 of the Code against the Corporate Debtor by order dated 16.08.2022. The present application is filed for approval of the resolution plan submitted by *Mr. Vivek Kumar Ratakonda and Mr. Raja Srinivas Nandigam* (Successful Resolution Applicant). The approval has been sought under the provisions of Section 31(1) of the Code.
25. We may first of all state that after receipt, verification, and collation of claims as discussed above, the IRP constituted the CoC as per the provisions of Section 21 of the Code. The details of the financial creditors, the distribution of voting share among them and the position of voting for the resolution plan are as under (Para No.5 of Form H) –

S.No.	Name of the Creditors	Voting Share (%)	Voted FOR Resolution Plan
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1	Late Sh. Bhagwat Singh Solanki (Through LRs)	15.06%	15.06%
2	Reliance Commercial Finance Ltd.	64.20%	64.20%
3	Paisalo Digital Ltd	20.74%	20.74%
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>

26. The details of stakeholders under the resolution plan are given in Para 7 of Form H:

S. No .	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed (In Rs. Lakh )	Amount Admitted (In Rs. Lakh)	Amount Provided under the Plan (In Rs. Lakh)	Amount provided to the Amount Claimed (%)	Amount provided to the Amount Admitted (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of Section 21	-	-	-	-	-
		(b) Other than (a) above:	-	-	-	-	-
		(i) Who did not vote in favour of the Resolution Plan	-	-	-	-	-
		(ii) Who voted in favour of the Resolution Plan	169.14	129.00	27.09	16.02%	21.00%
		<b>Total [(a)+(b)]</b>	<b>169.14</b>	<b>129.00</b>	<b>27.09</b>	<b>16.02%</b>	<b>21.00%</b>
2.	Unsecured	(a) Creditors not having a right to vote under sub-section (2) of Section 21	-	-	-	-	-
		(b) Other than (a) above:	-	-	-	-	-

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	<i>Financial Creditors</i>	(i) Who did not vote in favour of the Resolution plan	-	-	-	-	-
		(ii) Who voted in favour of the Resolution Plan	73.60	71.93	9.35	12.71%	13.00 %
		<b>Total [(a)+(b)]</b>	<b>73.60</b>	<b>71.93</b>	<b>9.35</b>	<b>12.71%</b>	<b>13.00 %</b>
3.	<i>Operational Creditors</i>	a) Related Party of Corporate Debtor		-	-	-	-
		(b) Other than (a) above:					
		(i) Government	23.28	23.28	23.28	100.00%	100.00 %
		a) EPFO claim u/s 7A and 7Q					
		b) other government including EPFO claim u/s 14B	682.68	641.05	12.82	1.88%	2.00%
		(ii) Workmen		-	-	-	-
		(iii) Employees		-	-	-	-
		(iv) Other Operational Creditors	88.63	83.14	1.66	1.88%	2.00%
		<b>Total [(a)+(b)]</b>	<b>793.59</b>	<b>747.47</b>	<b>37.77</b>	<b>4.76%</b>	<b>5.05%</b>
		<i>Contingencies</i>		0	0.79	-	-
4.	<i>Other debts and dues</i>						
	<b>Grand Total</b>		<b>1,036 .33</b>	<b>948.40</b>	<b>75.00</b>	<b>7.23%</b>	<b>7.91%</b>

27. The interest of existing shareholder has been altered by the Resolution

plan as under:

Sl. No.	Category of Share Holder	No. of shares held before CIRP	No. of shares held after CIRP	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
1.	Equity (Rs. 10 each) a) Promoter shareholding	18,28,396	0	52.29%	0

Sd/-

Sd/-



	b) Public shareholding	16,67,972	4,16,993 (1 Fully paid equity share to be issued in lieu of every 4 equity shares held by public)	47.71%	0.49%
2.	Preference	15,00,000	0	0	0

28. The compliance aspect of the resolution plan has been given in Para No. 9 of Form H, which is as follows:

Section of the Code/Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes/No)
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?	N.A.	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?	Chapter II Clause II (5)	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Chapter II Clause II (5) The RA was duly reflected in the final list of PRA dated 07.12.2022 issued by the Resolution Professional.	Yes

Sdr

Sdr



Section 30(2)	Whether the Resolution Plan-		
	(a) Provides for the payment of insolvency resolution process costs?	Chapter IV- Clause 1 (i) provides for payment of the Insolvency resolution process costs.	Yes
	(b) provides for the payment to the operational creditors?	Chapter IV (1) (iv & v)	Yes
	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	Chapter IV (vii) (1) (a) provides for payment to financial creditor of at least the amount specified under section 30(2)(b)	Yes
	(d) provides for the management of the affairs of the corporate debtor?	Chapter VIII	Yes
	(e) provides for the implementation and supervision of the resolution plan?	Chapter VI & VII	Yes
	(f) contravenes any of the provisions of the law for the time being in force?	Declaration to effect has been furnished under Chapter XI (6)	No
Section 30(4)	Whether the Resolution Plan		
	(a) is feasible and viable, according to the CoC?	(a) A conjoint reading of Chapter IV, II, IX and XI	
	(b) has been approved by the CoC with 66% voting share?	(b) Resolution plan has been approved by the CoC with 100% voting share.	
Section 31(1)	Whether the Resolution	Chapter VII	Yes

Sd/-

Sd/-



	Plan has provisions for its effective implementation plan, according to the CoC		
Regulation38 (1)	Whether the amount due to the operational creditor under the Resolution Plan has been given priority in payment over financial creditors?	Chapter IV (2)	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Chapter XI (7)	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. ii. If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	Chapter IX- Clause 2(i) of the resolution plan.  NA	Yes  N/A
Regulation 38(2)	Whether the Resolution Plan provides: (a) the term of the plan and its implementation schedule? (b) for the management and control of the business of the corporate debtor during its term?	Chapter VII clause 2(iv)  Chapter VI, VII and VIII  Chapter VIII clause 2	Yes  Yes  Yes

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	(c) adequate means for supervising its implementation?		
Regulation 38(3)	<p>Whether the resolution plan demonstrates that –</p> <ul style="list-style-type: none"> <li>(a) it addresses the cause of default?</li> <li>(b) it is feasible and viable?</li> <li>(c) it has provisions for its effective implementation?</li> <li>(d) it has provisions for approvals required and the timeline for the same?</li> <li>(e) the resolution applicant has the capability to implement the resolution plan?</li> </ul>	<ul style="list-style-type: none"> <li>(a) Chapter III</li> <li>(b) Chapter IV, II, XI and XI</li> <li>(c) Chapter VII</li> <li>(d) Chapter IX, X</li> <li>(e) Chapter VI</li> </ul>	Yes
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found, or determined by him?	RP has filed application under section 43 of the code	Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	NEFT reference no. DHM1646417 and 423209574392 dated 18.08.2024 and 19.08.2024 for Rs. 12,70,000/- (10% of the resolution plan amount) received in account of the Corporate Debtor maintained with HDFC bank, Noida Sector-1 Branch.	Yes

29. The approval of the Resolution Plan has been sought under Section 31(1) of the Code, which reads as follows:

Sd/-

Sd/-



*"If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan.*

*Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation."*

30. The conditions provided in Section 31(1) of the Code for approval of the Resolution Plan are as follows:

- (a) *The Resolution Plan is approved by the CoC under Section 30(4) of the Code;*
- (b) *The Resolution Plan so approved meets the requirements as referred to in Section 30(2) of the Code;*
- (c) *The Resolution Plan has provisions for its effective implementation.*

The satisfaction of the conditions is discussed below.

31. It is observed that the Resolution Plan has been approved by a vote of 100% of the voting share of the CoC members and therefore the condition provided for by Section 30(4) of the Code are satisfied.
32. The provision of Section 30(2) of the Code are as follows:

Sdr

Sdr



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

- (a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor;*
- (b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-*

- (i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or*
- (ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53,*

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

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

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

- (i) where a resolution plan has not been approved or rejected by the Adjudicating Authority;*
- (ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or*
- (iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;*

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- 
- (c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;
  - (d) The implementation and supervision of the resolution plan;
  - (e) does not contravene any of the provisions of the law for the time being in force
  - (f) confirms to such other requirements as may be specified by the Board.

*Explanation. — For the purposes of clause (e), if any approval of shareholders is required under the Companies Act, 2013(18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law.”*

33. The compliance of Section 30(2) of the Code is provided in Para No. 9 of Form H (supra). The same is being further examined as under:

33.1. **Section 30(2)(a):** The Resolution Plan (Chapter IV (i) on Page 40 of the IA) states that the Insolvency Resolution Plan considers the Insolvency Resolution Process Costs, estimated by the Resolution Professional at Rs. 52,00,000/- which includes the payment to the Resolution Professional and all expenses incurred by RP, to the extent duly ratified or approved by the Committee of Creditors.

33.2. **Section 30(2)(b):** The Resolution Plan (Chapter IV (1) (iv & v) on page 41 of the IA) states that the verified debt owed to the Operational Creditors (Governmental dues) is Rs. 6,41,04,896/- (Rupees Six Crore Forty-One Lakh Four Thousand Eight Hundred Ninety-Six Only). As per the Information





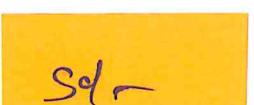

Memorandum, the verified claim of the Secured financial Creditors is more than the aggregate value of the total assets of the Company, and therefore it is assumed that the liquidation value for the Operational Creditors (other than workmen's dues for 24 months preceding the IC Date) including claims from the government, government agencies, and all other creditors and stakeholders is 'Nil'. However, the Resolution Applicant(s) proposes to pay the operational creditor (Governmental dues, etc.) Rs. 12,82,098/- (Rupees Twelve Lakh Eighty-Two Thousand Ninety-Eight Only) upfront against their admitted claim proportionately within 30 days of the NCLT's approval of the resolution plan as full and final settlement. Further, the verified debt owed to the Operational creditors (other than Statutory and Government dues) is Rs. 83,13,809/- (Rupees Eighty-Three Lakh Thirteen Thousand Eight Hundred Nine Only). However, the Resolution Applicant(s) proposes to pay the operational creditors other than Government dues a total amount of Rs. 1,66,276/- (Rupees One Lakh Sixty-Six Thousand Two Hundred Seventy-Six Only) upfront against their admitted claim proportionately within 30 days of the NCLT's approval of the resolution plan as full and final settlement.

*Sol.*

*Sol.*

 33.3. **Section 30(2)(c):** Provides that the Financial Creditors shall be paid the amount as outlined in Chapter IV (vi) &(vii) of this Resolution Plan after any payment towards CIRP Process Cost, EPFO dues, and Workmen/Employees dues, if any. The Resolution Applicant(s) propose that the amount to be paid to the dissenting financial creditor shall be paid in priority over other financial creditors. Although, as per the internal assessment of the resolution applicant, the liquidation value of the corporate debtor is not sufficient to meet even the dues of CIRP costs itself, hence the liquidation value due to financial creditors shall be nil. However, the Resolution Applicant(s) has proposed the payments to all the financial creditors also to consider their interests. The Resolution Applicant(s) undertakes that it shall make payment of at least the amount specified under section 30(2)(b) to the financial creditor who does not vote in favor of the Resolution Plan.

33.4. **Section 30(2)(d):** The Resolution Plan (Chapter VIII on Page 61 of the IA) provides for the Management of the affairs of the Corporate Debtor by monitoring committee during implementation period and reconstitution of the board of directors, cancellation of existing shares, issuance of fresh shares for the purpose of implementation.



- 33.5. **Section 30(2)(e):** The Resolution Plan (Chapter VI and VII on Page 55 and 59 of the IA) provides for implementation of resolution plan under the supervision of the monitoring committee to be formed as per the provisions of said clause. In Form H, the RP has certified that the Resolution Plan does not contravene any of the provisions of the law for the time being in force.
34. The Resolution Applicants, Mr. *Vivek Kumar Ratakonda* and Mr. *Raja Srinivas Nandigam* have submitted an affidavit pursuant to Section 30(1) of the Code confirming its eligibility under Section 29A of the Code to submit the resolution plan.
35. As per the requirement of Regulation 39(4) of the CIRP Regulations concerning performance security, it is stated in Form H that the Resolution Applicant has given bank guarantees of Rs. 12,70,000 (Rupees Twelve Lakh Seventy Thousand Only), representing 10% of the resolution plan amount, in the bank account of the Corporate Debtor.
36. In relation to the compliance under Regulation 35A, it is stated that there is one Preferential transaction under Section 43 for which avoidance Application filed on 15.02.2023 is under hearing before this Tribunal and the order is yet to be passed.

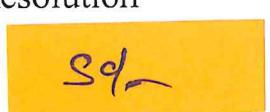
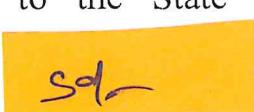
*Sd/-*

*Sd/-*

-  37. A perusal of Regulation 38 would clearly show that by virtue of the mandatory contents of the resolution plan as discussed in the preceding paragraphs in relation to Section 30 and Section 31 of the Code, the requirement of Regulation 38 also stands fulfilled. Thus, the Resolution Plan fulfils all the requirements of Regulation 38 of the CIRP Regulations.
38. The Resolution Plan *inter-alia* entails the following:
- 38.1. Corporate restructuring by *M/s RNIT Solution & Services Limited* with and into the Corporate Debtor and consequently allotting shares of the Corporate Debtor to the Shareholder of *M/s RNIT Solution & Services Limited* as part of insolvency resolution.
- 38.2. All the Properties and liabilities of the Transferor Company, immediately before the Amalgamation, shall become the liabilities of the Transferee Company by virtue of the Amalgamation.
- 38.3. The monitoring committee shall cause the Transferee Company to, without any further application, act instrument or deed, issue and allot to each shareholder of the Transferor Company, whose name is registered in the register of members of the Transferor Company on the Record date.




-  38.4. With effect from the Appointed Date all Undertakings of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a going concern without any further act, instrument, deed, matter or thing, so as to become the undertaking of the Transferee Company by virtue of and in the manner set out in this Scheme and Pursuant thereto, the Transferor Company shall stand dissolved without winding up, without any further act or deed and the Transferee Company shall continue to exist as the surviving entity.
- 38.5. Change in name of the Corporate Debtor upon the Amalgamation becoming effective without any further act or deed, the Transferee Company shall be renamed as “RNIT Al Solutions Limited” or some other name allowed by the Registrar of Companies (ROC) to reflect the activities of the Company in its name. The name of the Transferee Company, wherever it occurs in the respective Memorandum and Articles of Association, be substituted by the new name, i.e., “M/s. RNIT Al Solutions Limited,” some other name allowed by the Registrar of Companies (ROC).
- 38.6. Shifting of the Registered Office of the Company from the State of Rajasthan to the State of Telangana the Resolution





Applicant(s) contemplate shifting the corporate debtor's registered office from the State of Rajasthan to the state of Telangana as part of the Resolution Plan's implementation.

- 38.7. Conduct of Business after Implementation Date pursuant to the effectiveness of the Scheme of Arrangement, the Monitoring Committee (which was constituted until the implementation Date) will be reconstituted by the removal of such members as the Transferor Company may direct, and the Transferor Company may communicate the appointment of such individuals as directors.
39. At this juncture, it is important to point out that in *Edelweiss Asset Reconstruction Company Ltd. v/s Synergies Dooray Automotive Ltd.* Company Appeal (AT) (2019) 148 CLA 105, NLAT- New Delhi has explained that merger and amalgamation of the companies proposed in the Resolution plan or such proposal is not violative of clause (e) of sub-section (2) of Section 30. The IBC Code is code by itself and Section 238 provides over riding effect of it over provision of the other Acts. In terms of Regulation 37 of IBBI (Insolvency Resolution Process for Corporate Person) Regulation, 2016 a resolution plan can provide for merger or consolidation of the Corporate Person with one or more person in term of Regulation 37(1)(c). The approved resolution plan envisaged amalgamation and provided for dispensation



of meeting in terms of section 230 and 231 of the Companies Act, 2013 or any other law for the time being in force for the implementation of actions under the resolution plan shall be deemed to have been given and accordingly, there shall not be a contravention of that Act or Law. The said explanation as per settled provision of law is retrospective in effect.

40. In view of the above discussion, the Resolution Plan submitted by *Mr. Vivek Kumar Ratakonda and Mr. Raja Srinivas Nandigam* as approved by the CoC under Section 30(4) of the Code is hereby approved. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, and creditors, including the Central Government, any State Government, or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.

41. Under the provisions of Section 31(3) of the Code, we also direct as under:

40.1. The moratorium order passed by the Adjudicating Authority under Section 14 of the Code on 16.08.2022 shall cease to have effect; and

*Sd/-*

*Sd/-*



- 40.2. The RP shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the Board to be recorded on its database.
42. In respect of reliefs and concessions at Chapter -X of the Plan, it is observed that the relief and concessions claimed by the Resolution Applicant for the approval of the plan are to be allowed only in accordance with law. At this juncture, it is not possible for us to issue any blanket directions except to say that the Resolution Applicant may take necessary steps in respect to the said claims of reliefs and concessions and the public authorities, government authorities/ tax departments would duly consider the said request/ application of the Resolution Applicant and take appropriate decision in accordance with law.
43. In view of the foregoing, *IA (IBC) Plan No.07 /JPR/2024* is disposed off.

*Sdr*  
**DEEP CHANDRA JOSHI,  
 JUDICIAL MEMBER**

*Sdr*

**RAJEEV MEHROTRA,  
 TECHNICAL MEMBER**