

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT - 2

ITEM No.302

IA(Plan)/10(AHM)2024 in CP(IB)/2(AHM)2023

Orders under Section 30(6) r.w 31 r.w 60(5) of IBC,2016 r.w. Reg 39 (4) of IBBI
Reg,2016

IN THE MATTER OF:

Omakar Maloo IRP for Saffron Therapeutics Private LimitedApplicant

.....Respondent

Order delivered on: 06/11/2024

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open Court vide separate sheet.

-Sd-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

-Sd-

CHITRA HANKARE
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH (COURT-II)**

**IA (Plan) No./10(AHM)/2024
IN
CP (IB) No./2(AHM)/2023**

[Under Section 30(6) of the Insolvency & Bankruptcy Code, 2016]

Omkarchand Rikhabdas Maloo,
Resolution Professional of
Saffron Therapeutics Pvt. Ltd. ...**Applicant**

IN THE MATTER OF:

Gusaiji Trading Private Limited ...**Financial Creditor**

Versus

Saffron Therapeutics Pvt. Ltd. ...**Corporate Debtor**

Order pronounced on 06.11.2024

Coram:

**MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)**

**MR. VELAMUR G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)**


Saffron Therapeutics Pvt. Ltd.



MEMO OF PARTIES

Omkarchand Rikhabdas Maloo,
Resolution Professional of
Saffron Therapeutics Pvt. Ltd.
Having registered address at:
403, 4th Floor, Shaival Plaza,
Gujarat College Road, Ellisbridge,
Ahmedabad-380006

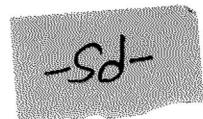
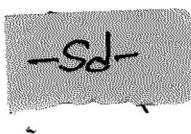
...Applicant

Appearance:

For the Applicant : Mr. Harshil Patel, Adv.

JUDGMENT

1. The present application has been filed under Section 30(6) of the Insolvency & Bankruptcy Code, 2016 ("IBC, 2016/the Code") by the Resolution Professional of the corporate debtor inter alia seeking following prayer:
 - a) *pass necessary order(s)/direction(s) under Section 31 of the Code, approving the Resolution Plan submitted by the Successful Resolution Applicant, i.e., Mr. Amit Singh, which has been approved with 100% vote casted in favour by the Committee of Creditors of M/s. Saffron Therapeutics Pvt. Ltd.*
2. The Financial Creditor had filed an insolvency application under Section 7 of the Code for initiation of Corporate Insolvency Resolution Process ("CIRP") against the Corporate



Debtor which was admitted vide Order dated 25.09.2023 and whereby Mr. Omkarchand Rikhabdas Maloo was appointed as IRP. The public announcement inviting the claims from creditors of the Corporate Debtor was made in Form-A on 27.09.2023 wherein the last date for submission of claims was 09.10.2023.

3. It is stated that after receiving the claims, the IRP collated the claims and constituted the Committee of Creditors ("CoC") on 18.10.2023. Claims were received from five financial creditors. However, four of those creditors were related parties and hence not included in the CoC. Therefore the CoC comprised of one financial creditor namely Gusaiji Trading Private Limited having 100% voting share. The details of the same are as follows along with the respective voting share:

Sr. no.	Name of Financial Creditors	Category	Amount Claimed	Amount Admitted	Voting Share
1.	Gusaiji Trading Private Limited	Financial Creditor	3,18,89,330	3,18,89,330	100%
2.	Anilkumar Umraosingh Negi		35,92,500	35,92,500	Realated party, not entitled to represent ation, participation on voting
3.	Amit Singh		55,79,837	55,79,837	
4.	Hiren Rameshchandra Patel		1,43,32,801	1,43,32,801	
5.	Ram Appasaheb Magar		1,97,50,000	1,97,50,000	
Total			7,51,44,468	7,51,44,468	100%

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4. The 1st CoC meeting was held on 25.10.2023, wherein it was discussed to appoint Mr. Omkarchand Rikhabdas Maloo, the IRP as the Resolution Professional. Accordingly, after requisite voting, Mr. Omkarchand Rikhabdas Maloo was appointed as the Resolution Professional. The 2nd CoC meeting was held on 25.11.2023 wherein the members of CoC inter alia resolved to initiate the process of inviting Expression of Interest ("EoI") by publishing Form-G; further the CoC also approved minimum eligibility criteria for Prospective Resolution Applicants ("PRAs"). Accordingly, the Resolution Professional had published Invitation for Expression of Interest in Form-G on 27.11.2023 and the last date for receipt of Expression of Interest was stipulated as 12.12.2023. Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicant was 11.01.2024. Last date for submission of resolution plans was 10.02.2024.
5. During the 3rd CoC meeting dated 08.01.2024, the RP apprised the members of CoC that he has received two (2) EoI from the PRAs namely Amit Singh (Promoter of Saffron Therapeutics

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Private Limited) and Shubhlaxmi Investment Advisory Private Limited. The CoC unanimously approved the resolution qua issuance of Request for Resolution Plan (“RFRP”) and fixed an amount of Rs. 10 lacs as Earnest Money Deposit (“EMD”) to be deposited during the submission of resolution plan and the successful Resolution Applicant to provide a performance security of Rs. 12.50 lakhs in favour of the Corporate Debtor. Moreover, the CoC also approved the resolution qua appointment of registered valuers as well as transaction auditors.

6. Further, the 4th CoC meeting was held on 09.02.2024 wherein it was apprised to the CoC members that there were two (2) PRAs included in the Final list of PRAs, and information memorandum, evaluation matrix, and request for resolution plans were provided to the prospective resolution applicants on 11.01.2024. However, PRAs were yet to submit their resolution plan and upon request of one of the PRAs, timeline for submission of resolution plans was extended till 29.02.2024. During the 5th CoC meeting dated 29.02.2024, the date was again extended till 05.03.2024.

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7. During the 6th CoC meeting dated 13.03.2024, the RP apprised the members of CoC that he has received one (01) resolution plan along with the Earnest Money Deposit (EMD) by the last date for submission of the resolution plan from the resolution applicant i.e. Mr. Amit Singh, Promoter of Saffron Therapeutics Pvt. Ltd. Thereafter, the 7th CoC meeting was held on 16.03.2024, in the said meeting, the RP had detailed discussion on the feasibility and viability of the Resolution Plan with the members of CoC. The sole member took note of the plan and expressed that the resolution applicant be requested to further improve its resolution plan for better financial proposal in the interest of all the stakeholders.
8. The applicant stated that corporate debtor being trading entity was not in possession of any major tangible asset. That the Two (02) Registered Valuers appointed by the Applicant for the asset class of Plant & Machinery submitted their valuation reports. Average fair and liquidation value of the Corporate Debtor calculated on the basis of the said valuation reports are as follows:

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S.No.	Assets	Average Fair Value	Average Liquidation Value
1.	Land & Building	CD has no immovable assets in the nature of Land & Building being trading entity	
2.	Plant & Machinery	Rs. 12,250/-	Rs. 5,375/-
3.	Securities & Financial Assets	CD has no major asset in the category as Securities & Financial Assets	

9. The resolution applicant has submitted affidavit in compliance of Section 29A r.w. Section 240A. The SRA being the promoter of the Corporate Debtor which is a MSME and is eligible to submit the resolution plan. The applicant has examined and confirmed the eligibility of the resolution applicant. The applicant has also scrutinized and vetted the plan in respect of various compliances mentioned in the Code and the CIRP Regulations as well as the RFRP. The undertaking of Resolution Applicant is placed on record along with the report of the applicant regarding compliance check of Section 29A including the MSME certificate.
10. During the 8th CoC meeting dated 20.03.2024, it was apprised that the Resolution Applicant does not intend to further improve the plan. Accordingly, the Resolution Plan was put up for voting whereby the Resolution Plan submitted by the sole applicant i.e. Mr. Amit Singh (Promoter of Saffron Therapeutics

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Pvt. Ltd.) came to be approved by the CoC by 100% votes in favor.

11. After the approval of the resolution plan by the CoC, letter of intent ("LOI") dated 21.03.2024 was issued in favour of the successful resolution applicant Mr. Amit Singh (Promoter of Saffron Therapeutics Pvt. Ltd.). The resolution applicant has already paid EMD alongwith the EoI. The resolution applicant has further deposited an amount of Rs. 12,50,000/- towards Performance Security.

The amount provided to the stakeholders under the plan is as under:

Amount Proposed by Resolution Applicant	Amount claimed	Amount admitted	Amount provided in plan	Payout as % of admitted amount
A. Payment to the Financial Creditors				
(i) Secured financial creditors				
NIL	NIL	NIL	NIL	NIL
B. Unsecured financial creditors				
1. Gusaiji Trading Private Limited	3,18,89,330	3,18,89,330	75,14,446 (Rs. 6,76,30,022/- of the unsecured financial creditors will be paid by issuance of 0% Optionally Convertible Debentures ("OCD's))	10%
2. Anilkumar Umraosingh Negi	35,92,500	35,92,500		
3. Amit Singh	55,79,837	55,79,837		
4. Hiren Rameshchandra Patel	1,43,32,801	1,43,32,801		
5. Ram Appasaheb Magar	1,97,50,000	1,97,50,000		

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Total	7,51,44,468	7,51,44,468	75,14,446	10%
B. Payment towards the Operational Creditors (excluding Statutory Dues)				
NIL	NIL	NIL	NIL	NIL
C. Statutory dues				
1. State Tax	9,78,49,988	7,15,23,417	71,52,342	10%
2. Income Tax Department				
3. Central Excise & CGST Department				
Total	9,78,49,988	7,15,23,417	71,52,342	10%
D. Employees and Workmen				
NIL	NIL	NIL	NIL	NIL
E. Payment of CIRP Cost			11,00,000	100%
Payment to Existing Shareholders of the Corporate Debtor	NIL	NIL	NIL	NIL
TOTAL	17,29,94,456	14,66,67,885	1,57,66,788	

12. As per clause 5.3 of the Resolution Plan, the monitoring committee shall comprise of one member of the Resolution Applicant, one representative of the Financial Creditors and a Resolution Professional. The Resolution Professional shall continue as the monitoring professional.

13. The applicant stated that the Resolution Plan of Successful Resolution Applicant is in compliance of Section 30(2) of the

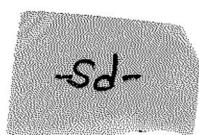
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Code and Regulation 38 (1A) of the CIRP Regulations. The applicant further submitted undertaking qua Section 29A among others. The applicant has also verified the eligibility of the resolution applicant in terms of Section 29A. The applicant has already received EMD along with the EOI. The applicant has further deposited an amount of Rs. 12,50,000/- towards Performance Security.

14. The Resolution Applicant proposed to fund the plan from raising fresh equity and borrowings including internal generation. The applicant has also made a declaration regarding the feasibility and the viability of the plan. The Resolution Applicant has made a statement in relation to how the Resolution Plan has dealt with interests of all stakeholders, including financial and operational creditors of the Company. Further, the cause of default has also been addressed.

15. The applicant has produced Form H on record. As per the recitals, the fair value is Rs. 12,250/- and liquidation value is Rs. 5,375/-. By and large, after going through the plan it is observed that all the compliances have been made in respect of



the same and the approved resolution plan is higher than the Fair value of the assets.

16. In view of above, we observe that the Resolution Plan is in compliance of the provisions and we are satisfied in respect of the same. We find that the Resolution Plan has been approved with 100% voting share and is above the mandatory requirements and apparently from documents complies with provisions of IBC 2016. As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor which is a MSME and equal proportionate share has been given to all claimants. On perusal of the documents on record, we are also satisfied that the Resolution Plan is in accordance with sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

17. Hence, we pass the following order:

ORDER

I. Application is allowed.

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- II. The approved 'Resolution Plan' shall become effective from the date of passing of this order.
- III. The order of moratorium passed by this Adjudicating Authority under Section 14 of IBC, 2016 shall cease to have effect from the date of this order.
- IV. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.
- V. The monitoring committee as proposed in the resolution plan shall be constituted for supervising the effective implementation of the Resolution Plan and continue till the payment plan is fully realised and is distributed.
- VI. The Resolution Professional, Mr. Omkarchand Rikhabdas Maloo, shall be released from the duties of the Resolution Professional of the Corporate Debtor as per the provisions of the IBC, 2016 and rules/regulations made thereunder from the date of this order.
- VII. The Resolution Professional shall forward all records relating to the conduct of the corporate insolvency resolution process and approved Resolution Plan to the

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Insolvency and Bankruptcy Board of India to be recorded in its database.

- VIII. As regards various reliefs and concessions which are being sought, we hereby grant the following reliefs and concessions only as against reliefs and concessions claimed by the resolution applicant.
- IX. After the payment of the dues to the creditors, as per the resolution plan, all the liabilities/claims of the said stakeholders shall stand extinguished and other claims including Government/Statutory Authority, whether lodged during CIRP or not, shall stand extinguished after approval of the resolution plan.
- X. From the date of this order, all claims against the Corporate Debtor, except those provided in the plan of the Corporate Debtor stand extinguished as sought in terms of clause 7 of the Plan.
- XI. From the date of this order, all encumbrances on the assets of the Corporate Debtor before the Resolution Plan shall stand extinguished. No reliefs and concessions are granted to guarantee if any issued by the suspended

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management in an individual capacity to any of the creditors.

- XII. For reliefs and concessions sought from the Government / Statutory Authorities, we direct the resolution applicant to approach the concerned Authorities. The concerned Authorities are to consider and decide the matter as per applicable provisions of law for effective implementation of the Resolution Plan.
- XIII. As regards reliefs prayed under various provisions of the 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 the Income Tax Act, 1961.
- XIV. The Resolution Applicant shall be entitled to review, revise or terminate any appointments / agreements / understanding entered into by or on behalf of the Corporate Debtor in accordance with the terms and conditions of such agreements / MoUs /contracts.
- XV. The management of the Corporate Debtor shall be handed over to the Board of Directors as may be nominated by the

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SRA for the proper running of the operations /business of the Corporate Debtor.

- XVI. The Board of Directors of the Corporate Debtor shall also be reconstituted and procedural compliances shall be done to give effect to such reconstitution.
- XVII. The SRA 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 vide this order or within such period as provided for in such law, as the case may be.
- XVIII. 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 regards the restructuring of capital shall be binding on them. The reliefs sought by way of approval of the Resolution Plan along with merger of the Corporate Debtor with the SRA under Section 230-232 of the Companies Act, 2013 will be filed a separate application after obtaining necessary approvals in this Plan.

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- XIX. No approval is given at this stage by way of this order regarding to merger of the Corporate Debtor with SRA and filed a separate application with Audited Financial Statements of both Companies may be submitted for the approval.
- XX. With respect to the grant of license/ Government approval, if the license or approval is terminated, suspended or revoked, the resolution applicant may approach the concerned Department/ Authorities for such approval/ renewal and Government Authorities may consider the request of the resolution applicant as per applicable provisions of law for effective implementation of the resolution plan.
- XXI. A certified copy of this order be issued to all concerned parties upon compliance of all requisite formalities.
- XXII. Accordingly, IA (Plan) No./10(AHM)/2024 in CP. (IB) No./02(AHM)/2023 is disposed of.

Sd/-

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

CHITRA HANKARE
MEMBER (JUDICIAL)