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Date: 05.10.2021

<u>Bombay Stock Exchange Limited</u> Rotunda Building, Phiroze Jeejee Bhoy Towers Dalal Street Fort, Bandra (E), Mumbai-400001 <u>Scrip Code: 532033</u>	<u>National Stock Exchange of India Limited</u> Exchange Plaza Bandra-Kurla Complex, Mumbai-400051. <u>Company Code: JAINSTUDIO</u>
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Sub.: - Disclosures under Corporate Insolvency Resolution Process pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 - Jain Studios Limited

Dear Sir/Ma'am,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, Please find enclosed herewith copy of Resolution Plan application filed with NCLT (adjudicating authority) under regulation 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

You are requested to kindly take the same on record.

**For Jain Studios Limited
(Under Corporate Insolvency Resolution Process)**



Manish Agarwal
(Interim Resolution Professional)
(IP Registration no. IBBI/IPA-002/IP-N00223/2017-18/10904)

(Jain Studios Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Manish Agarwal, appointed by the National Company Law Tribunal by order dated 26.02.2020 under the provisions of the Code.)

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

PRINCIPAL BENCH, NEW DELHI

I.A. NO. OF 2020

IN

C.P. (IB) NO. 244(PB)/2019

IN THE MATTER OF:

STRESSED ASSETS STABILIZATION FUND (SASF)

...FINANCIAL CREDITOR

VERSUS

JAIN STUDIOS LIMITED

...CORPORATE DEBTOR

AND IN THE MATTER OF:

MR. MANISH AGARWAL
RESOLUTION PROFESSIONAL
FOR JAIN STUDIOS LIMITED

...APPLICANT

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**DATE: 28.12.2020
PLACE: NEW DELHI**

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

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RESOLUTION PROFESSIONAL

FOR JAIN STUDIOS LIMITED

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FOR CORPORATE PERSONS) REGULATIONS, 2016 SEEKING APPROVAL OF
RESOLUTION PLAN

MOST RESPECTFULLY SHOWETH: -

1. That this Hon'ble Adjudicating Authority on an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") filed by Stressed Assets Stabilization Fund (SASF), the Financial Creditor against the Corporate Debtor, was pleased to admit the application and initiate the Corporate Insolvency Resolution Process against the Corporate Debtor vide its order dated 26.02.2020. That this Hon'ble Adjudicating Authority appointed the Applicant as the Interim Resolution

Professional for the Corporate Debtor and directed the Interim Resolution Professional to act in accordance with the provisions of the Code. A copy of the order dated 26.02.2020 passed by this Hon'ble Adjudicating Authority is annexed herewith and marked as ANNEXURE A-1.

2. That in terms of Regulation 6(1) of the Insolvency and Bankruptcy Code, 2016 (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"), the Applicant made a Public Announcement in FORM A dated 28.02.2020. In terms of Regulation 6 (2)(c), the last date for submissions of proof of claim was specified as 11.03.2020. A copy of the Public Announcement was duly uploaded on the website of the Insolvency and Bankruptcy Board of India (IBBI). A copy of FORM-A dated 28.02.2020 is annexed herewith and marked as ANNEXURE A-2.
3. That in terms of Section 18(1)(a) of the Code, the Applicant/ Interim Resolution Professional collated all claims submitted by the creditors pursuant to the Public Announcement and after determination of the financial position of the Corporate Debtor, constituted a Committee of Creditors in the matter of the Corporate Debtor. That the secured financial creditor being Stressed Assets Stabilization Fund (SASF) filed its claim of amount Rs. 565,25,70,285/- (including interest) wherein the Principal amount of loan is Rs. 24.00 Crore, which was disbursed in the year 2000. A copy of the Form C dated 09.03.2020 filed by Stressed Assets Stabilization Fund along with annexures is annexed herewith and marked as ANNEXURE A-3.
4. That the 1st Meeting of Committee of Creditors (CoC) of the Corporate Debtor was convened on 26.03.2020 wherein the Applicant apprised the members of the Committee of Creditors that as per Section 22(2) of the Code, the members have to resolve to appoint the IRP as the Resolution Professional or replace him with another Resolution Professional. Upon discussions and deliberations, the sole member of the Committee of Creditors resolved to confirm the Interim Resolution Professional as

the Resolution Professional and passed the following resolution which was approved by the members of Committee of Creditors unanimously, i.e. with a vote of 100%:-

“RESOLVED THAT the Interim Resolution Professional, Mr. Manish Agarwal be and is hereby appointed as the Resolution Professional for the Corporate Debtor.

On putting to vote, the Resolution was passed unanimously.”

That the Applicant also apprised the members of the Committee of Creditors of the actions that the Applicant had undertaken such as the visit to the Registered Office of the Corporate Debtor, the commercial property at Bangalore, Chennai and the Plot at Surajpur, Greater Noida. The Applicant further apprised the members that a lot of employees and workmen had filed their claims with the Applicant and certain other employees had filed their cases before the various labour courts also seeking dues and pending salaries. A copy of Minutes of the 1st Meeting of Committee of Creditors convened on 26.03.2020 along with e-voting sheet is annexed herewith and marked as ANNEXURE A-4 (COLLY).

5. However, in the meantime, due to the COVID-19 pandemic, the Government of India with effect from 25th March 2020 declared a nationwide lockdown and as a result the entire nation came to a halt.
6. That the Hon’ble Supreme Court of India in Suo Motu Writ Petition (Civil) No.(s) 3/2020 in Re: cognizance for extension of Limitation, vide order dated 23.03.2020, observed as under:-

““This Court has taken Suo Motu cognizance of the situation arising out of the challenge faced by the country on account of Covid-19 Virus and resultant difficulties that may be faced by litigants across the country in filing their petitions/applications/suits/appeals/all other proceedings within the period of limitation prescribed under the general law of limitation or under Special Laws (both Central and/or State).

To obviate such difficulties and to ensure that lawyers/litigants do not have to come physically to file such proceedings in respective Courts/Tribunals across the country including this Court, it is hereby ordered that a period of

limitation in all such proceedings, irrespective of the limitation prescribed under the general law or Special Laws whether condonable or not shall stand extended w.e.f. 15th March 2020 till further order/s to be passed by this Court in present proceedings.

We are exercising this power under Article 142 read with Article 141 of the Constitution of India and declare that this order is a binding order within the meaning of Article 141 on all Courts/Tribunals and authorities.

This order may be brought to the notice of all High Courts for being communicated to all subordinate Courts/Tribunals within their respective jurisdiction. Issue notice to all the Registrars General of the High Courts, returnable in four weeks."

7. Pursuant to the above, the Hon'ble National Company Law Appellate Tribunal in Suo Moto-Company Appeal (AT) (Insolvency) No. 01 of 2020 vide order dated 30.03.2020, observed as under:-

"Upon requests for urgent listing of cases having been made telephonically to Registrar of this Appellate Tribunal from various persons, who were unable to physically file the same on account of complete lockdown declared by Government with effect from 25th March, 2020, we take suo moto cognizance of the unprecedented situation arising out of spread of COVID-19 virus declared a pandemic. Having regard to the hardships being faced by various stakeholders as also the legal fraternity, which go beyond filing of Appeals/cases, which has already been taken care of by the Hon'ble Apex Court by extending the period of limitation with effect from 15th March 2020 till further order/s in terms of order dated 23rd March, 2020 in Suo Motu Writ Petition (Civil) No. (s) 03/2020, in as much as certain steps required to be taken by various Authorities under Insolvency and Bankruptcy Code, 2016 or to comply with various provisions and to adhere to the prescribed timelines for taking the 'Resolution Process' to its logical conclusion in order to obviate and mitigate such hardships, this Appellate Tribunal in exercise of powers conferred by Rule 11 of National Company Law Appellate Tribunal Rules, 2016 r/w the decision of this Appellate Tribunal rendered in "Quinn Logistics India Pvt Ltd v. Mack Soft Tech Pvt Ltd in Company Appeal (AT) (Insolvency) No. 185 of 2018" decided on 8th May, 2018 do hereby order as follows:-

(1) *That the period of lockdown ordered by the Central Government and the State Governments including the period as may be extended either in whole or part of the country, where the registered office of the Corporate Debtor may be located, shall be excluded for the purpose of counting of the period for 'Resolution Process under Section 12 of the Insolvency and Bankruptcy Code, 2016, in all cases where 'Corporate Insolvency Resolution Process' has been initiated and pending before any Bench of the National Company Law Tribunal or in Appeal before this Appellate Tribunal.*

8. Thereafter, the Insolvency and Bankruptcy Board of India, inserted Regulation 40C to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, vide notification dated 29.03.2020 and the same is as under:-

"40C. Special provision relating to time-line

Notwithstanding the time-lines contained in these regulations, but subject to the provisions in the Code, the period of lockdown imposed by the Central Government in the wake of COVID-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process"

9. That on 30.05.2020, the Government of India, Ministry of Home Affairs vide order dated 30.05.2020 had extended the lockdown in Containment Zones up to 30.06.2020 and re-opened prohibited activities (Unlock-1) in a phased manner in areas outside the Containment Zones. In view of the aforesaid and upon discussions with the members of the Committee of Creditors, the Committee *Suo Moto* took cognizance of the prevailing facts and circumstances and decided to exclude the period from 25.03.2020 to 30.06.2020, i.e. a total of 98 days due to nation-wide lockdown in view of COVID – 19 pandemic for the purposes of calculation of the CIRP period of 180 days.

10. That the 2nd Meeting of the Committee of Creditors was convened on 22.07.2020 wherein, the Applicant apprised the members of the Committee of Creditors that in terms of Regulation 27 of the CIRP Regulations, the Applicant appointed two registered valuers from each asset class, i.e. (Land & Building, Plant and Machinery and Securities and Financial Assets to determine the fair & liquidation value of the Corporate Debtor in accordance with Regulation 35 of the CIRP Regulations, 2016. The Applicant also apprised the members regarding the reconstitution of Committee of Creditor and the voting share of each member. Further, upon discussions and deliberations, the members of the Committee of Creditors discussed the Information Memorandum shared by the Applicant after signing the undertaking for confidentiality along with the Eligibility Criteria for Prospective Resolution Applicants. The Committee after discussions and deliberations resolved that the format of Evaluation Matrix, Eligibility Criteria and FORM-G as discussed in the meeting were approved with a vote of 98.1%. A copy of the Minutes of the 2nd Meeting of Committee of Creditors convened on 22.07.2020 along with e-voting sheet is annexed herewith and marked as ANNEXURE A-5 (COLLY).
11. Pursuant to the above, in terms of Section 25(2)(h) of the Code read with Regulation 36A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Applicant published Invitation for Expression of Interest in FORM – G as approved by the Committee of Creditors in the second meeting held on 22.07.2020 in Business Standard (English) and Business Standard (Hindi) on 23.07.2020. The last date for submission for claims was stipulated as 16.09.2020. A copy of the finalized FORM-G along with newspaper cuttings showing publication of the FORM-G is annexed herewith and marked as ANNEXURE A-6 (COLLY).
12. That the 3rd Meeting of the Committee of Creditors was held on 30.09.2020 in which the Applicant apprised the members that in furtherance of the publication of FORM-G, the Applicant had so far received Resolution Plans from two separate Prospective

Resolution Applicants M/s Asteroid Shelters Homes Pvt. Ltd. for Rs. 8 crores and the second plan were received from M/s A N International Import and Export for Rs. 7 crores. Both the resolution plans were received in sealed envelopes and were opened for the very first time in the meeting held on 30.09.2020. That the Committee also deliberated upon the fact that Transaction Audit may be conducted. The Applicant also placed before the Committee the updated list of creditors from workmen who had a court decree in their favour. A copy of Minutes of the 3rd Meeting of Committee of Creditors held on 30.09.2020 along with e-voting sheet is annexed herewith and marked as ANNEXURE A-7 (COLLY).

13. That the 4th Meeting of Committee of Creditors was convened on 28.10.2020 wherein, the Applicant apprised the members of Committee of Creditors that the two resolution applicants had revised their plans and the Committee wished to negotiate the same with the members. The H1 Resolution Applicant, M/s Asteroid Shelter Homes Pvt. Ltd. agreed to revise their plan to Rs. 8.5 crores and reduce the payment period from 6 months to 3 months. The Committee asked him to submit the revised Resolution Plan to the Applicant. The H2 Resolution Applicant, M/s A N International Import and Export however, did not agree to increase the resolution amount since there was a lot of litigation issues involved with the Corporate Debtor.
14. That the members of the Committee of Creditors also deliberated and *Suo Moto* resolved to extend the CIRP period to November 29, 2020 in light of Regulation 40C of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 after considering the exclusion of period from 25.03.2020 to 30.06.2020, i.e. a period of 98 days. A copy of Minutes of the 4th Meeting of Committee of Creditors convened on 28.10.2020 along with e-voting sheet is annexed herewith and marked as ANNEXURE A-8 (COLLY).
15. That the 5th Meeting of the Committee of Creditors was held on 27.11.2020 in which the Committee of Creditors discussed the Resolution Plans received and requested

the prospective resolution applicants to submit the Addendum to the Plans for re-consideration before the Committee. The Agenda/item for voting on the plan was deferred for the next meeting of the committee of creditors. That the Applicant apprised the members that the CIRP period was expiring on 29.11.2020 (including the exclusion of the period of 98 days in light of order passed by Hon'ble NCLAT in Suo Motu Company Appeal (AT) No.1 of 2020, i.e. the period of CIRP process lost due to Covid-19 pandemic) and accordingly the COC members discussed that an appropriate application be filed immediately and the Resolution Professional shall place the following Agenda/item for voting before the Committee:

"RESOLVED THAT the COC approves the agenda to file the necessary application with NCLT by the Resolution Professional for extension of time period for CIRP as per rules.

On putting to vote, the Resolution was passed with a vote of 98.1%

A copy of the minutes of 5th meeting of Committee of Creditors held on 27.11.2020 is annexed herewith as ANNEXURE A-9. A copy of the Voting Sheet is also annexed herewith and marked as ANNEXURE A-10.

16. Accordingly, the Applicant filed an Application bearing number I.A. No. 5300 of 2020 under Section 12(2) of the Code seeking extension of Corporate Insolvency Resolution Process period beyond 180 days and seek extension for 90 days as approved by the CoC with 98.10% voting share. That this Hon'ble Adjudicating Authority vide order dated 09.12.2020 was pleased to allow the Application and extended the CIRP period for another 90 days beyond 180 days⁹ with effect from 29.11.2020. A copy of the order dated 09.12.2020 passed by this Hon'ble Adjudicating Authority is annexed herewith and marked as ANNEXURE A-11.
17. That the 6th meeting of the Committee of Creditors was convened on 11.12.2020, wherein the Applicant apprised the members of the Committee of Creditors that the

Application seeking extension of CIRP period has been allowed vide order dated 09.12.2020 by this Hon'ble Adjudicating Authority. Thereafter, the Applicant further apprised the members that the Applicant has sought clarifications from ex-directions with regard to transactions observed in the draft forensic report in order to form an opinion as required under Regulation 35A of the CIRP Regulations, 2016.

18. Further, the Applicant informed the members of the CoC that the prospective resolution applicant being M/s Asteroid Shelters Homes Pvt. Ltd. has revised its resolution plan vide its email dated 11.12.2020 and agreed to bear the CIRP expenses incurred in future post approval of resolution plan by the CoC, over and above the resolution amount provided in the resolution plan. That the Applicant informed the members of the CoC that the prospective resolution applicant vide email dated 11.12.2020 informed the Applicant that pursuant to discussion with the members of the CoC the prospective resolution applicant will pay the CIRP expenses after approval of the Resolution Plan by the CoC over and above the Resolution Amount offered under the Plan. A copy of the email dated 11.12.2020 is annexed herewith and marked as ANNEXURE A-12.

19. Upon discussions and deliberations, the Applicant in terms of Regulation 39(3) of the CIRP Regulations, 2016 as amended till date placed both the resolution plans received from M/s Asteroid Shelters Homes Pvt. Ltd and M/s A.N. International Import & Export for voting before the members of the CoC.

20. The Applicant placed the following Resolutions before the members of the CoC,

"RESOLVED THAT the Resolution Plan offered by M/s Asteroid Shelters Homes Private Limited for Rs. 9 Crore be and is hereby approved under Section(4) of IBC"

"RESOLVED THAT the Resolution Plan offered by M/s A.N. International Import & Export for Rs. 7 Crore be and is hereby approved under Section(4) of IBC"

That the members of the CoC approved the Resolution Plan offered by M/s Asteroid Shelters Homes Private Limited with 98.10% voting share. That the² resolution plan submitted by M/s A.N. International Import & Export was rejected by the members of the CoC.

21. That the Applicant in compliance with Regulation 39D of the CIRP Regulations placed a resolution for appointing the Applicant as the Liquidator of the Corporate Debtor in case plan is rejected by the members of the CoC or this Hon'ble Adjudicating Authority and fixed a fee in accordance with the Liquidation Regulations. That the Resolution was approved by the members of the CoC with 98.10% voting share.
22. That the Applicant apprised the members of the CoC that in terms of Regulation 39B the CoC may make a best estimate of the amount required to meet liquidation costs, in consultation with the Resolution Professional in the event an order for Liquidation is passed. Upon discussions and deliberations, the members of the CoC made a best estimate of the Liquidation Costs and agreed to contribute to the extent of the difference between Liquidation Cost and value of liquid assets of the Corporate Debtor. That since the Corporate Debtor was not a going concern, hence the members of the CoC did not deliberate on the issue of liquidator first exploring the option for sale of Corporate Debtor as a going concern as required under Regulation 39C of the CIRP Regulations. The resolution for the same was approved by the members of the CoC with 98.10% voting share. A copy of the minutes of the 6th meeting of the CoC dated 11.12.2020 along with e-voting sheet is annexed herewith and marked as ANNEXURE A-13 (COLLY).

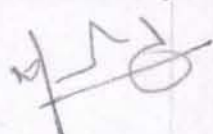
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23. That the brief contours of the Resolution Plan submitted by M/s Asteroid Shelters Homes Private Limited as approved by the Committee of Creditors is detailed hereinbelow:-

Particulars	Amount (Rs.)	Timeline
CIRP Process Cost	Full Payment	The CIRP Costs will be paid in full and in priority to any other creditor of the CD. The RA has proposed infuse INR 09 crores for the CD. Thus, after adjusting the CIRP cost from the infused amount, the balance amount will be utilized for payment to the creditors and other stakeholders. The payment shall be paid to the Resolution Professional within 30 days of approval of resolution plan by the Adjudicating Authority.
Financial Creditor – (Secured) Stressed Assets Stabilization Fund	8,82,09,175/- [Subject to deduction of CIRP Costs]	Amount may vary after adjusting the CIRP cost. The payment of CIRP cost shall be paid to the Resolution professional within 90 days of approval of resolution plan by the Adjudicating Authority.
Operational Creditors	NIL	-
Employees	17,90,825/-	The said employees shall be paid within 30 days of approval of resolution plan by the Adjudicating Authority.
Total	INR 9,00,00,000/-	-

A copy of the Resolution Plan dated 15.09.2020 along with Addendum to the Resolution Plan dated 24.09.2020 as approved by the Committee of Creditors is annexed herewith and marked as ANNEXURE A-14.

24. That the Resolution Applicant have submitted undertaking and affidavits stating that the Resolution Applicant is eligible under Section 29A of the Code with the Applicant. A copy of undertaking and affidavits dated 16.09.2020 submitted by the



Resolution Applicant under Section 29A of the Code and Regulation 39(1) of CIRP Regulations, 2016 are annexed herewith and marked as ANNEXURE A-15.

25. The Committee of Creditors of the Corporate Debtor constitutes of the following financial creditors and the details of the claim summary is detailed hereinunder:

S.NO	NAME OF CREDITOR	CLAIM ADMITTED (RS.)	VOTING SHARES %
1.	Stressed Assets Stabilization Fund (Secured Financial Creditor)	565,25,70,285/-	98.10%
2.	Standard Chartered (Un-secured Financial Creditor)	10,93,71,072/-	1.90%
	TOTAL	576,19,41,357/-	100%

Particulars	Amount Claim	Claim Admitted
Financial Creditors (Secured)	565,25,70,285/-	565,25,70,285/-
Financial Creditors (Unsecured)	10,93,71,072/-	10,93,71,072/-
Operational Creditors	33,10,098/-	33,10,098/-
Workmen & Employees	3,48,45,088/-	3,48,45,088/-
Other Creditors	-----	-----
Total	580,00,96,543/-	580,00,96,543/-

26. That Section 30(6) of the Code mandates the Applicant as a resolution professional to submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority for approval under Section 31(1) of the Code. Accordingly, as the resolution plan submitted by the resolution applicants has been duly approved by the members of the CoC by a voting share of 98.10% which is more than the requisite voting share required i.e. 66%, the Applicant is filing the present application for approval of the resolution plan before this Hon'ble Adjudicating Authority.

27. That in terms of Regulation 39(4) of the CIRP Regulations, the Applicant is required to submit a compliance certificate in prescribed format i.e. FORM-H stating that the resolution plan is compliant of the provisions of the Code. The FORM-H duly signed by the Applicant being the compliance certificate is annexed herewith and marked as ANNEXURE A-16.
28. That pursuant to approval of the Resolution Plan by the CoC, the Applicant issued a Letter of Intent dated 16.12.2020 to the Resolution Applicant and the Resolution Applicant was requested to convey their unconditional acceptance. The resolution applicant duly submitted their unconditional acceptance on 16.12.2020 and submitted a Performance Security in the form of fixed deposit dated 16.12.2020 (maturity on 16.03.2021) of a total of Rs. 90 Lakhs, besides the EMD amount submitted earlier of Rs. 5 lakhs. A copy of Letter of intent dated 16.12.2020, signed and acknowledged of Unconditional Acceptance by the Resolution Applicant and Performance Security deposit acknowledgement are annexed herewith and marked as ANNEXURE A-17.
29. That the resolution plan submitted by the Resolution Applicant is in compliance of the provisions of the I & B Code, 2016 and the Regulations as detailed below:-

Provisions under Section 30(2) of the Code	Compliance under Resolution Plan
(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the repayment of other debts of the Corporate Debtor;	<p>Yes, Schedule VIII read with Clause 1 of the Resolution Plan provides for the priority payment of Insolvency Resolution Process Cost.</p> <p>The RA proposes full payment the CIRP Cost on actuals. The CIRP Costs will be paid in full and in priority to any other creditor of the Company / CD. The RA has proposed to infuse INR 09 crores for the CD. Thus, after adjusting the CIRP cost from the infused amount, the balance amount will be utilized for payment to the creditors. The payment of CIRP cost shall be paid to the Resolution professional within 30 days of approval of resolution plan by the Adjudicating Authority.</p>

<p><i>[(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></p> <ul style="list-style-type: none"> <i>(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or</i> <i>(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,</i> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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></p> <ul style="list-style-type: none"> <i>(i) where a resolution plan has not been approved or</i> 	<p>Yes, Schedule VIII read with Clause V(a) the RA has specifically provided to pay the operational creditors in priority to payment of any amount to financial creditors.</p> <p>It is further specifically provided in the plan that the amount of total admitted claims of the Operational creditors, the amount due to the operational creditors in terms of the liquidation value as per Section 53 of the code or the amount that would have been paid to such Operational Creditors, if the total resolution plan amount to be distributed in accordance with the order of priority over any financial creditors of the corporate debtor.</p> <p>The 'liquidation value' of the Company as determined by the RP in accordance with the IBC has not been shared with the RA. It is presumed that the payout to the Operational Creditors including the Employees in case of Liquidation of the Corporate Debtor would be NIL. Accordingly, on the touchstone of S. 30(2) (b) read with S. 53(1) of the Code, the Operational Creditors including the Employees are entitled to NIL payment. However, the Resolution Applicant has proposed a payment of INR 17,90,825/- (Indian Rupees Seventeen Lakhs Ninety Thousand Eight Hundred Twenty Five) for the Employees with court decree in their favour and NIL for the Operational Creditors in the Resolution Plan which shall be paid in priority to any payment to Financial Creditors</p> <p>Dissenting Financial Creditors: Yes, Schedule VIII read with Clause II, the RA proposes that the Financial Creditor who do not vote in favour of this Resolution Plan will be entitled to receive at least the amount that they would have received in accordance with sub-section (1) of Section 53 of IBC in the event of Liquidation of the Corporate Debtor.</p>
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<p><i>rejected by the Adjudicating Authority;</i></p> <p>(ii) <i>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;</i></p> <p><i>or</i></p> <p>(iii) <i>where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;]</i></p>	<p>The RA has provided that the Liquidation Value due to the financial creditors shall be paid in full and final settlement of their dues in accordance with this Resolution Plan, in priority to the Assenting Financial Creditors.</p>						
<p>(c) provides for the management of the affairs of the Corporate Debtor after approval of the resolution plan;</p>	<p>Yes, the Resolution Plan in Schedule VII Clause V provides for management of the Corporate Debtor by the Resolution Applicant.</p> <p>The RA proposes to reconstitute the Board of the CD within 3 business days after NCLT approval date and the CD shall be managed and controlled by the Reconstituted Board in coordination with the Monitoring Committee upto Closing Date.</p>						
<p>(d) the implementation and supervision of the resolution plan;</p>	<p>Yes, the Resolution Plan provides for implementation and supervision of the resolution plan in Schedule VII of the Resolution Plan.</p> <p>The Resolution Applicant in Schedule VII Clause V has provided for monitoring and supervising the progress in implementation of the Resolution Plan under the supervision of monitoring committee comprising of 1 representative of approving financial creditors, the Resolution Professional and 2 representatives of RA.</p> <p>The term and implementation schedule is provided in Schedule VII Clause XIII of the Resolution Plan. The indicative timeline as under:-</p> <table border="1" data-bbox="909 2298 1404 2472"> <thead> <tr> <th>Activity</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>Approval by NCLT</td> <td>T</td> </tr> <tr> <td>Effective date (of NCLT Approval)</td> <td>T+3</td> </tr> </tbody> </table>	Activity	Days	Approval by NCLT	T	Effective date (of NCLT Approval)	T+3
Activity	Days						
Approval by NCLT	T						
Effective date (of NCLT Approval)	T+3						

	<ul style="list-style-type: none"> - Reconstitution of board of company - Appointment of the Monitoring Committee - The Capital Reduction shall become effective 	
	Infusion for the purposes of Payment of CIRP Costs	T+30
	Payment of CIRP Costs	T+30
	Infusion for the purposes of payment to creditors other than financial Creditors	T+30
	Payment to Creditors other than Financial Creditors	T+30
	Closing date <ul style="list-style-type: none"> - Infusion of /payment of the remaining consideration amount by the RA to be paid to FC's (i.e. INR 09 cr. - CIRP costs - payment to creditors other than financial creditors) - Other actions specified in this plan shall take effect which do not have a specific timeline 	T+90D*
	Further time for implementation the	T+90D* + 90D*

	<p>instant plan in case of factors beyond the scope of RA, such as Covid-19 or any other offshoot thereof or any uncontrollable or unusual event</p> <p>D* = Calendar Days ***= Date of receipt of official communication from CoC and RP about the approval of Resolution Plan</p>
<p>(e) does not contravene any of the provisions of the law for the time being in force;</p>	<p>Yes, statement has been included in the Resolution Plan in Schedule XVI Clause 15(iv), confirming that the Resolution Plan does not contravene any of the provisions of the law for time being in force.</p>
<p>(f) Conforms to such other requirements as may be specified by the Board.</p>	<p>The requirements as per IBBI (CIRP) Regulations are examined in following part.</p>
<p>Regulation 36B(4A) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p>	<p>Compliance under Resolution Plan</p>
<p>The request for resolution plans shall require the resolution applicant, in case its resolution plan is approved under sub-section (4) of section 30, to provide a performance security within the time specified therein and such performance security shall stand forfeited if the resolution applicant of such plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.</p>	<p>The RA provided that within 7 days of the date of approval of the Successful Plan by the CoC, the Resolution Applicant shall provide a Performance Guarantee of 10% of the Resolution Debt Amount in favour of IDBI Bank Meerut Branch account of Jain Studios Limited or as per the CoC.</p>

Regulation 37(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	Compliance under Resolution Plan
(a) transfer of all or part of the assets of the corporate debtor to one or more persons;	N.A.
(b) sale of all or part of the assets whether subject to any security interest or not;	N.A.
(ba) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;	The Resolution Applicant has not proposed merger/ demerger/ consolidation of the company.
(c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;	the Resolution Applicant by way of a mix of Equity/Preference Shares, secured loans/unsecured loan/debentures from the Resolution Applicant
(ca) cancellation or delisting of any shares of the corporate debtor, if applicable;	Yes in Schedule VII Clause II of the Resolution Plan
(d) satisfaction or modification of any security interest;	Yes, in Schedule VIII and Schedule XIII of the Resolution Plan
(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;	Yes
(f) reduction in the amount payable to the creditors;	Yes
(g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;	NA
(h) amendment of the constitutional documents of the corporate debtor	Yes, Schedule VII Clause 10 of the Resolution Plan provides for the same
(i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests or other appropriate purpose and	NA
(j) change in portfolio of goods or services produced or rendered by the corporate debtor	Yes, the Resolution Applicant is engaged in business of the real industry
(k) Change in technology used by the corporate debtor	Yes
(l) obtaining necessary approvals from the Central and State Governments and other authorities;	The Resolution Applicant provided for approvals in Schedule VII of the Resolution Plan.

<p align="center">Regulation 38(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p>	<p align="center">Compliance under Resolution Plan</p>
<p>Regulation 38(1) - The amendment has substituted the said regulations to provide- The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors</p>	<p>In Schedule VIII Clause V(a) the RA has specifically provided to pay the operational creditors in priority to payment of any amount to financial creditors.</p>
<p>1A – A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors of the corporate debtor</p>	<p>Yes, Statement for the same has been provided in Schedule XVI Clause 15 (v) of the Resolution Plan.</p>
<p>1B – A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in past</p>	<p>Yes in Schedule VI clause (iii) of the Resolution Plan.</p>
<p align="center">Regulation 38(2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p>	<p align="center">Compliance under Resolution Plan</p>
<p>(a) the term of the plan and its implementation schedule;</p>	<p>Yes in Schedule VII Clause XII and XIII of the Resolution Plan</p>
<p>(b) the management and control of the business of the corporate debtor during its term;</p>	<p>Yes in Schedule VII Clause V of the Resolution Plan</p>
<p>(c) adequate means for supervising its implementation;</p>	<p>Yes in Schedule VII Clause XII of the Resolution Plan</p>
<p align="center">Regulation 38(3) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2017</p>	<p align="center">Compliance under Resolution Plan</p>

<p>A resolution plan shall demonstrate that:</p> <ul style="list-style-type: none"> • It addresses the cause of default • It is feasible and viable • Provides for effective implementation • It has provisions for approvals required and timeline for the same • The Resolution Applicant has capability to implement the Resolution Plan 	<ul style="list-style-type: none"> • Resolution Plan addresses the reasons for the default by the Corporate Debtor in Schedule V of the resolution plan. • The CoC has to decide the feasibility and viability of the resolution plan. The plan of the RA has been detailed in Schedule VIII, XI, XII of the Resolution Plan • The plan provides for its term and implementation in Schedule VII of the Resolution Plan. The CoC shall decide the effectiveness of the implementation plan schedule. • The plan provides the provisions for approvals required and timelines for the same in Schedule VII of the Resolution Plan. • The Resolution Applicant has provided its financial strength and details of experience in the same industry in Schedule IV of the Resolution Plan, which Committee of Creditors may consider.
<p>Regulation 39 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2017</p>	<p>Compliance under Resolution Plan</p>
<p>(1) A prospective resolution applicant in the final list may submit resolution plan or plans prepared in accordance with the Code and these regulations to the resolution professional electronically within the time given in the request for resolution plans under regulation 36B along with</p> <p>(a) an affidavit stating that it is eligible under section 29A to submit resolution plans;</p>	<p>Yes, the RA was in the final list and have submitted the resolution plan in accordance with the Code.</p> <p>Yes an affidavit stating that the Resolution Applicant is eligible under section 29A has been submitted with the Resolution Professional.</p>

<p>(c) an undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code.</p>	<p>The RA has provided that the information in the plan is true and correct to the best of his knowledge.</p>
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30. That Section 32A has been brought into the Code by way of an amendment which provides as under:-

32A. (1) Notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a corporate debtor for an offence committed prior to the commencement of the corporate insolvency resolution process shall cease, and the corporate debtor shall not be prosecuted for such an offence from the date the resolution plan has been approved by the Adjudicating Authority under section 31, if the resolution plan results in the change in the management or control of the corporate debtor to a person who was not- (a) a promoter or in the management or control of the corporate debtor or a related party of such a person; or (b) a person with regard to whom the relevant investigating authority has, on the basis of material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court: Provided that if a prosecution had been instituted during the corporate insolvency resolution process against such corporate debtor, it shall stand discharged from the date of approval of the resolution plan subject to requirements of this sub-section having fulfilled: Provided further that every person who was a "designated partner" as defined in clause (j) of section 2 of the Limited Liability Partnership Act, 2008 or an "officer who is in default", as defined in clause (60) of section 2 of the Companies Act, 2013, or was in any manner in-charge of, or responsible to the corporate debtor for the conduct of its business or associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of such offence as per the report submitted or complaint filed by the investigating authority, shall continue to be liable to be prosecuted and punished for such an offence committed by the corporate debtor notwithstanding that the corporate

debtor's liability has ceased under this sub-section. (2) No action shall be taken against the property of the corporate debtor in relation to an offence committed prior to the commencement of the corporate insolvency resolution process of the corporate debtor, where such property is covered under a resolution plan approved by the Adjudicating Authority under section 31, which results in the change in control of the corporate debtor to a person, or sale of liquidation assets under the provisions of Chapter III of Part II of this Code to a person, who was not – (i) a promoter or in the management or control of the corporate debtor or a related party of such a person; or (ii) a person with regard to whom the relevant investigating authority has, on the basis of material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court.

Explanation.- For the purposes of this sub-section, it is hereby clarified that,- (i) an action against the property of the corporate debtor in relation to an offence shall include the attachment, seizure, retention or confiscation of such property under such law as may be applicable to the corporate debtor; (ii) nothing in this sub-section shall be construed to bar an action against the property of any person, other than the corporate debtor or a person who has acquired such property through corporate insolvency resolution process or liquidation process under this Code and fulfils the requirements specified in this section, against whom such an action may be taken under such law as may be applicable. (3) Subject to the provisions contained in sub-sections (1) and (2), and notwithstanding the immunity given in this section, the corporate debtor and any person, who may be required to provide assistance under such law as may be applicable to such corporate debtor or person, shall extend all assistance and co-operation to any authority investigating an offence committed prior to the commencement of the corporate insolvency resolution process.] authority or Court. Explanation.- For the purposes of this sub-section, it is hereby clarified that,- (i) an action against the property of the corporate debtor in relation to an offence shall include the attachment, seizure, retention or confiscation of such property under such law as may be applicable to the corporate debtor; (ii) nothing in this sub-section shall be construed to bar an action against the property of any person, other than the corporate debtor or a person who has acquired such property through corporate insolvency resolution process or liquidation process under this Code and fulfils the requirements specified in this section, against whom such an action may be taken under such law as may be applicable.

- (2) Subject to the provisions contained in sub-sections (1) and (2), and notwithstanding the immunity given in this section, the corporate debtor and any person, who may be required to provide assistance under such law as may be applicable to such corporate debtor or person, shall extend all assistance and co-operation to any authority investigating an offence committed prior to the commencement of the corporate insolvency resolution process.

31. As in the Resolution Plan which has been submitted by Resolution Applicant there is change in management and control of the corporate debtor and such change satisfies the conditions stipulated under Section 32A of the Code, therefore the benefit of immunity under Section 32A of the Code will be applicable to the Resolution Applicant.
32. That in the facts and circumstances as detailed above, the Resolution Professional and the CoC members have taken guidance from the judgment passed by the Hon'ble Supreme Court in the case of *Arcellor Mittal India Pvt Ltd v Satish Kumar Gupta*, wherein it has been held that the only reasonable construction of the Code is the balance to be maintained between timely completion of the corporate insolvency resolution process and the Corporate Debtor otherwise being put into liquidation and if there is a resolution applicant who can continue to run the corporate debtor as a going concern, every effort must be made to try and see that this is made possible. In facts and circumstances of the case the Applicant has examined the resolution plan and have certified the resolution plan as being compliant of IBC, 2016, the Applicant is filing the present application under 30(6) & 31 of the Code read with Regulation 39 of the CIRP Regulations, 2016, for approval of resolution plan by this Hon'ble Adjudicating Authority.
33. In view of the above, the Applicant herein is filing the present Application seeking an order under Section 31(1) of the Code i.e. approval of the resolution plan as approved by the Committee of Creditors under Section 30(4), by this Hon'ble Adjudicating Authority.
34. That the registered valuers as appointed and subsequently ratified by the CoC had submitted their reports providing the Fair and Liquidation value of the assets of the Corporate Debtor. The summary of the valuation reports are as under:-



S. NO.	ASSETS	AVERAGE FAIR VALUE	AVERAGE LIQUIDATION VALUE
1.	Land and Building	14,05,24,000/-	8,59,49,500/-
2.	Plant and Machinery	3,91,000/-	3,17,000/-
3.	Financial Assets	8,54,500/-	19,500/-
	TOTAL	14,17,69,500/-	8,62,86,000/-

35. It is pertinent to mention, that CoC in its commercial wisdom and after considering the viability and feasibility of the Resolution Plan approved it with 98.10% voting share. In this regard, it is worthwhile to refer to the judgment passed by the Hon'ble Supreme Court in the matter of *Maharashtra Seamless Limited v. Padmanabhan Venkatesh & Ors* on 22.01.2020 wherein it was held as under:-

"25. Now the question arises as to whether, while approving a resolution plan, the Adjudicating Authority could reassess a resolution plan approved by the Committee of Creditors, even if the same otherwise complies with the requirement of Section 31 of the Code. Learned counsel appearing for the Indian Bank and the said erstwhile promoter of the corporate debtor have emphasized that there could be no reason to release property valued at Rs.597.54 crores to MSL for Rs.477 crores. Learned counsel appearing for these two respondents 33 have sought to strengthen their submission on this point referring to the other Resolution Applicant whose bid was for Rs.490 crores which is more than that of the appellant MSL.

26. No provision in the Code or Regulations has been brought to our notice under which the bid of any Resolution Applicant has to match liquidation value arrived at in the manner provided in Clause 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This point has been dealt with in the case of *Essar Steel (supra)*. We have quoted above the relevant passages from this judgment.

27. It appears to us that the object behind prescribing such valuation process is to assist the CoC to take decision on a resolution plan properly. Once, a resolution plan is approved by the CoC, the statutory mandate on the Adjudicating Authority under Section 31(1) of the Code is to ascertain that a resolution plan meets the requirement of sub-sections (2) and (4) of Section 30 thereof. We, per se, do not find any breach of the said provisions in the order of the Adjudicating Authority in approving the resolution plan.

28. The Appellate Authority has, in our opinion, proceeded on equitable perception rather than commercial wisdom. On the face of it, release of assets at a value 20% below its liquidation value arrived at by the valuers seems inequitable. Here, we feel the Court ought

to cede ground to the commercial wisdom of the creditors rather than assess the resolution plan on the basis of quantitative analysis. Such is the scheme of the Code. Section 31(1) of the Code lays down in clear terms that for final approval of a resolution plan, the Adjudicating Authority has to be satisfied that the requirement of sub-section (2) of Section 30 of the Code has been complied with. The proviso to Section 31(1) of the Code stipulates the other point on which an Adjudicating Authority has to be satisfied. That factor is that the resolution plan has provisions for its implementation. The scope of interference by the Adjudicating Authority in limited judicial review has been laid down in the case of Essar Steel (supra), the relevant passage (para 54) of which we have reproduced in earlier part of this judgment. The case of MSL in their appeal is that they want to run the company and infuse more funds. In such circumstances, we do not think the Appellate Authority ought to have interfered with the order of the Adjudicating Authority in directing the successful Resolution Applicant to enhance their fund inflow upfront."

36. That above mentioned judgement was affirmed by the Hon'ble Supreme Court in the matter of *State Bank of India v. Accord Life Spec Private Limited through director & ors.* vide judgement dated 28.02.2020, wherein it was held as under:

"The impugned judgment dated 13.11.2019 has remitted the matter to the NCLT after a finding that under Section 30(2) of the Insolvency and Bankruptcy Code together with the principle of maximization of assets of the corporate debtor, a resolution plan which is lesser than liquidation value cannot be accepted. As a matter of law, this judgment has to be set aside in view of our recent judgment dated 22.01.2020 in Civil Appeal No. 4242 of 2019 entitled Maharashtra Seamless Limited vs. Padmanabhan Venkatesh & Ors. in which this Court has categorically held as under:

"26. No provision in the Code or Regulations has been brought to our notice under which the bid of any Resolution Applicant has to match liquidation value arrived at in the manner provided in Clause 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This point 2 has been dealt with in the case of Essar Steel (supra). We have quoted about the relevant passages from this judgment."

Accordingly, the appeal is allowed and the judgment of the NCLAT is set aside."

37. In view of the above, the Applicant herein is filing the present Application seeking an order under Section 31(1) of the Code i.e. approval of the resolution plan as approved by the committee of creditors under sub-section (4) of Section 30 with 98.10% voting share, by this Hon'ble Adjudicating Authority.

38. That the instant application is bonafide and being filed in the interest of justice and to advance the objectives of the Code.

PRAYER

In the premises, it is most respectfully prayed that this Hon'ble Tribunal may graciously be pleased to:-

- a. Allow the present Application;
- b. Approve and accept the resolution plan along with Addendum submitted by Asteroid Shelters Homes Private Limited as approved by the Committee of Creditors with 98.10% voting share in its 6th CoC meeting as submitted in respect of the Corporate Debtor i.e. Jain Studios Limited;
- c. Declare that upon approval of the Resolution Plan by this Hon'ble Adjudicating Authority, the provisions of the Resolution Plan shall be binding on the Company, its creditors, guarantors, members, employees and other stakeholders in accordance with Section 31 of the Code, and shall be given effect to and implemented pursuant to the order of this Hon'ble Adjudicating Authority;
- d. Approve the appointment of the monitoring agency as approved by the Committee of Creditors;
- e. Approve and grant reliefs and directions sought under the resolution plan by the Resolution Applicants;



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- f. Pass such other or further order / order(s) as may be deemed fit and proper in the facts and circumstances of the instant case.



**APPLICANT
MANISH AGARWAL
RESOLUTION PROFESSIONAL
FOR JAIN STUDIOS LIMITED**

FILED THROUGH



**LAW OFFICES OF A. ANAND
COUNSELS FOR THE APPLICANT
E-192-193, FIRST FLOOR
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EMAIL: abhishek.anand@aanandlaw.com**

**DATE: 23.12.2020
PLACE: NEW DELHI**



उत्तर प्रदेश UTTAR PRADESH

16AE 221599

I, Manish Agarwal, S/o ShriVijendra Kumar Agarwal, aged about 46 years acting as Resolution Professional for Jain Studios Limited, having its office at- 707, Saket, Opp. Rohtash Sweets, Meerut, Uttar Pradesh-250001, do hereby solemnly affirm and declare on oath as under:-

1. That I have been appointed as the Resolution Professional for Jain Studios Ltd, by this Hon'ble Adjudicating Authority vide order dated 26.02.2020 and am duly authorized under the provisions of the Insolvency and Bankruptcy Code, 2016, to file this Application on behalf of Jain Studios Ltd. Even otherwise, I am well conversant with the facts and circumstances of the case and hence competent to swear the present affidavit.
2. That I have read and understood the contents of the present Application which has been drafted by the Counsel under my instructions and I say that the facts stated therein are true and correct to my knowledge based on the records, contents whereof are not repeated for the sake of brevity and may be read as part and parcel of this affidavit. No part of it is false and nothing material has been concealed therefrom.


DEPONENT

VERIFICATION

Verified at New Delhi on 23rd Day of December, 2020 that the contents of paragraphs stated above are true and correct to my knowledge. No part of it is false and nothing material has been suppressed or concealed therefrom.


DEPONENT

ATTESTED


NOTARY

23-12-2020