IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT-II

IA. No. 2871/2022
In
CP(IB)No. 1896/MB/2018

Application filed under Section 30(6) of the Insolvency & Bankruptcy Code, 2016

Filed by

Mr. Vinit Gangwal,
Resolution Professional of M/s Blue Blends (India) Limited

Registered address at:-

Office No. 503, Varun Capital,
CTS No. 364 +365/13, Off J.M. Road,
Bharat Petroleum Lane, Next to Citiotel,
Shivajinagar, Pune – 411005. **....Applicant**

Versus

Mr. Amit Mahendrabhai Shah,

Successful Resolution Applicant,

Registered address at:-

686, Aavkar, Santosha Park,
Ambli Bopal Road,
Ahmedabad, Gujarat – 380058 **.... Respondent**

In the matter of

M/s. Sarla Performance Fibers Ltd.

...Operational Creditor

Versus

M/s. Blue Blends(India) Ltd.

...Corporate Debtor

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

IN THE NATIONAL COMPANY LAW TRIBUNAL,
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IA. No. 2871/2022
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Order Pronounced on: - 06.12.2024

Coram:

Anil Raj Chellan
Member (Technical)

Kuldip Kumar Kareer
Member (Judicial)

Appearances -

For the Applicant/RP : C. A. Raghunath Sarangapani a/w Adv. Vinita Shetty

For the Resolution Applicant : Adv. Indrajeet Hingane

ORDER

Per: Anil Raj Chellan, Member (Technical)

1. The present Interlocutory application is filed by Mr. Vinit Gangwal, the Applicant and Resolution Professional of M/s. Blue Blends (India) Ltd. ('the Corporate Debtor') seeking approval of the resolution plan under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 ('the Code') read with Regulation 39 (4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') submitted by Mr. Amit Mahendrabhai Shah ('Successful Resolution Applicant') and duly approved by 93.76% of the

Committee of Creditors ("CoC") of the Corporate Debtor through E-voting held on 02.09.2022 - 04.09.2022.

2. The Applicant submits that on an application filed by the Operational Creditor, M/s. Sarla Performance Fibers Ltd under Section 9 of the Code. the Corporate Insolvency Resolution process ('CIRP') was initiated against the Corporate Debtor vide Order of this Tribunal dated 02.12.2021, and Mr. Vinit Gangwal was appointed as Interim Resolution Professional ('IRP').

3. The IRP published a public announcement in Form A inviting claims on 5th December 2021, with the last date for submission of claims on 16th December 2021. Based on the claims received and admitted, the Applicant constituted the Committee of Creditors ('CoC') on 24th December 2021 and held the first meeting of the CoC on 30th December 2021, in which IRP was confirmed as the Resolution Professional ('RP'). The first CoC consisted of the following members:

Sr. No	Name of the Creditor	Percentage stake in COC
1	Dharmshil Agencies	0.69
2	IDBI Trusteeship Services Limited	94.54
3	Chandana Electronics Limited	1.22

4	M/s. Intel Land Developers PVT Ltd	2.12
5	Luharka Media and Infra Limited	0.21
6	R D Fan Limited	1.22
Total		**100**

4. Following the first CoC meeting, the Applicant appointed two valuers for each asset class on January 31, 2022. Due to wide variations in the initial valuations, a third valuer was appointed on May 9, 2022, and the fair and liquidation values were arrived at based on the closest average value.

5. The Applicant made a public announcement inviting Expressions of Interest (Form G) on 12th February 2022 pursuant to which 7 (seven) expressions of interest were received. The Applicant then issued a provisional list of two prospective resolution applicants on 9th March 2022 based on the eligibility criteria. As no objections were received, the provisional list was finalized on 14 March 2022. The Request for Resolution Plan, along with the Evaluation Matrix and the Information Memorandum, was issued to the Applicants in the final list on 14th March 2022. As per the Form G published, the last date for submission of the Resolution Plan was 13th April 2022. However, at the request of one of the prospective resolution applicants, CoC in its 4th meeting

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

of the COC, granted an extension of 12 days for the prospective resolution applicants to submit their plans. By the extended due date, two resolution plans were received. One from CA Patel Textiles Private Limited and the other from Mr. Amit Mahendrabhai Shah.

6. The Applicant submits that both resolution plans were found to be non-compliant with the Code, and, therefore, the Applicant provided his observations to both the resolution applicants. Thereafter, compliant resolution plans were received on 2nd June 2022.

7. In the 6th COC Meeting on May 27, 2022, the COC approved a 90-day extension for the Corporate Insolvency Resolution Process (CIRP) under Section 12 of the Insolvency and Bankruptcy Code, extending the deadline from May 30 to August 31, 2022.

8. Before the Resolution Plans were presented, the Corporate Debtor's former promoter, Mr. Anand Arya, requested to submit a settlement proposal under Section 12A. The CoC agreed in its 7th Meeting held on June 23, 2022, to consider this proposal before evaluating Resolution Plans. Mr. Arya requested for additional time, which was extended to July 9, 2022, with no objections from CoC members. On July 11, 2022, Mr. Arya informed the

CoC of his inability to submit a proposal.

9. In the 8th Meeting of the CoC held on 12th July 2022, the CoC invited the Prospective Resolution Applicants to present their plans. The CoC, with 66% of the voting, resolved that the Prospective Resolution Applicants be directed to improve their Financial Bid while giving these observations:

(a) The financial offer is required to be improved considering the significant difference between the Financial Bid and the Liquidation Value derived for the Corporate Debtor.

(b) That preference will be given for upfront payment proposed in the Resolution Plan rather than a deferred payment structure.

(c) The Applicant should consider the value of the security held by the respective Financial Creditors for the distribution of payment towards the secured financial creditors.

10. In the 10th Meeting of the CoC held on 25th August 2022, the CoC considered both the plans and found that although the plans were viable and feasible, the salient difference lay in the following:

- Amit Mahendrabhai Shah increased his bid and offered to complete payments within 45 days, with funds distribution based on each secured financial creditor's security value. However, his revised bid

was still below the Corporate Debtor's liquidation value for which he gave reasoning as to a legal dispute over land ownership involving the Corporate Debtor's subsidiary.

- CA Patel Textiles Pvt Ltd chose not to increase their bid due to the legal issues concerning the Corporate Debtor's land. However, they proposed to make the first payment within 30 days of plan approval, which scored them higher on the evaluation matrix.

11. The Applicant submits that the CoC, in its commercial wisdom, is permitted to accept a Resolution Plan having a lower value in comparison with the Liquidation Value of the corporate Debtor, should the resolution plan be otherwise feasible and viable. This right of the CoC to exercise its commercial wisdom has been declared by the Supreme Court in Maharashtra Seamless Limited v Padmanabhan Venkatesh & Ors. [Civil Appeal Nos. 4967-4968 of 2019 decided on 22nd January 2020].

12. At the eleventh meeting, the Committee of Creditors (CoC), consisting of 17 members, voted on the approval of the resolution plans. The voting shares of each creditor in the CoC are shown in the table below:

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

Sr No	Name of the Creditor	Percentage stake in COC
1	Dharmshil Agencies	0.479

2	IDBI Trusteeship Services Pvt Ltd	66.002
3	Dhandhania Electronics Limited	0.855
4	Intel Land Developers Pvt Ltd	1.480
5	Luharuka Media and Infra Limited	0.144
6	R D Fan Limited	0.855
7	Bluechip Investments	1.572
8	Deepa Agarwal	0.005
9	Mamata Agarwal	0.053
10	Sonic Wares Pvt Ltd	0.240
11	Megha Pankaj Kanodia	0.220
12	Salonah Tea Pvt Ltd	6.217
13	UB Equipments Private Limited	0.114
14	UB Stainless Limited	20.440
15	Truevalue Engineering Pvt Ltd	0.765
16	Vijay Infosys Pvt Ltd	0.427
17	Narol Textile Infrastructure & Enviro Management	0.132
Total		**100**

13. The final resolution plans were circulated, and an e-voting portal was kept open from 2nd September 2022 to 4th September 2022. The voting results for each prospective resolution applicant were as follows:



Sr. No.	Name of the Prospective Resolution Applicant	Assenting (%)	Dissenting (%)
1.	CA Patel	0.13	94.78
2.	Amit Mahendrabhai Shah	93.76	1.15

14. For the resolution plan proposed by Amit Mahendrabhai Shah, out of the 17 CoC members, 6 members with a combined voting share of 93.76% voted in favor, while 3 members with a voting share of 1.15% voted against. The remaining 8 members abstained from voting.

15. In light of the above voting, Mr. Amit Mahendrabhai Shah was declared a Successful Resolution Applicant (SRA) and the SRA furnished the Performance Security Deposit of Rs 1,65,70,000/- (Rupees One Crore Sixty-Five Lakhs Seventy Thousand only) on 08th September 2022.

16. This Tribunal approved an extension of CIRP by 90 days beyond the initial 180 days as per the order dated 09.06.2022. Additionally, an exclusion of 60 days was permitted by the order dated 09.09.2022. This application was filed on 16.09.2022 before the CIRP period was set to expire on 28.10.2022.

17. **Brief Background of the Corporate Debtor**

The Corporate Debtor was incorporated on 16th February 1981 and has been engaged in the business of manufacturing Denim fabric since the year 1995. However, due to the financial distress that the Corporate Debtor is presently going through, the manufacturing activities are being carried out

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

on a job-work basis at its plant located at Piplaj, Ahmedabad. It has its Registered Office in Mumbai.

18. **Brief Background of the Successful Resolution Applicant**

Mr. Amit Mahendrabhai Shah has over 40 years of experience in the Textiles and Construction industries. The associate entities of Mr. Shah are as follows:

- HR Impex: A family-owned partnership firm having an experience of more than 40 years of textile business engaged in the activity of Denim business mainly of Arvind Denim with a turnover of more than Rs.100 crores per annum
- Nirdeep Exports and Imports Pvt Ltd: A family-owned company engaged in the activity of construction of Residential and Commercial complexes in and around Gandhinagar and renting of immovable business
- Alin Leasing and Fin stock Pvt Ltd: A Company engaged in the business of construction of various industrial estates in Ahmedabad
- Amit Shah HUF: A HUF in the business of construction and holding land parcels valued at more than Rs.250 crores.

19. **SALIENT FEATURES OF THE APPROVED RESOLUTION**

The SRA's assessment of the Corporate Debtor's default identifies key causes, including inadequate planning, market conditions, excessive

borrowing by the prior management, poor management and lack of financial discipline. With the Corporate Debtor's business potential, the SRA intends to leverage its management expertise and financial strength to ensure appropriate capital expenditure, adequate working capital and special situation funding, as needed. The SRA aims to address creditors' sustainable dues to stabilize the business and plans to operate the Corporate Debtor on a going concern basis, with technical upgrades and potential new business lines as necessary.

A. The SRA has proposed an amount of Rs.28,75,00,000 (7 cr. for Capital Expenditure, 5 cr. for Working capital, and 16.57 cr. for all the claimants) in the Plan. Further, CIRP cost is not included because it must be met out of Cash and bank Balances of Corporate Debtor, and any shortfall will be met by SRA. The Resolution Plan proposes the following payout for the Claimants -

Category of creditors	**Amount claimed**	**Amount admitted**	**Proposed payment by SRA**	**Percentage to the amount claimed**
Secured financial creditors (other than those belonging to a	111,05,70,144	98,41,68,580	15,71,06,680	14.15

class)				
Unsecured financial creditors (other than those belonging to a class)	12,04,32,417	5,89,90,041	15,69,468	1.30
Operational Creditors (Employees)	2,31,44,278	1,83,82,938	29,34,540	12.68
Operational Creditors (Government dues)	1,93,04,127	1,93,04,127	2,27,789	1.18
Operational Creditors (Others)	18,19,22,313	11,53,16,105	13,29,975	0.73
Other Creditors (Including ESIC and Provident Fund)	44,88,464	44,88,464	24,38,387	54.33
Contingency			93,161	
Total			**16,57,00,000**	

The Successful Resolution Applicant filed an affidavit dated 25.09.2024 undertaking to arrange additional amount of Rs. 113,98,744/- towards provident fund which was admitted later by the Applicant.

B. Sources of funds as per the Plan

The SRA will infuse the full amount in 45 days from the date of approval by the Tribunal for settling all claimants as per the Resolution Plan. The amount will be infused through equity contribution, unsecured loans, quasi-capital from group and associate concerns as well as loans from banks/ NBFC/ Financial Institutions.

C. Treatment of Financial Creditors

(i) As per the Information Memorandum dated August 10, 2022, and

subsequent addendums, the Resolution Professional (RP) has received claims from secured and unsecured financial creditors amounting to Rs. 123,10,02,561. Out of this, the RP has admitted claims up to Rs. 104,31,58,621. Furthermore, the SRA will inject a total of Rs. 15,86,76,148 as an upfront amount within 45 days from the approval date.

(ii) As per the Resolution Plan an amount of Rs.15,71,06,680/- is to be distributed to the secured financial creditors as per the value of the security held by the secured financial creditors given in the Information Memorandum. An amount of Rs.15,69,468/- will, however, be distributed to the unsecured financial creditors.

D. Treatment of Dissenting Financial Creditors

(i) As per Section 30(2) of the Code, the Resolution Plan shall provide 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 liquidation of the corporate debtor. The Resolution Plan states that the CoC may propose the amount to be paid to the dissenting financial

creditors, if any, due to such dissenting financial creditors, as per provisions of Section 30(2) out of the total payment as envisaged under the Resolution Plan. However, in any case, the payment proposed to Financial Creditors and the timeline proposed in the resolution plan shall not be changed by the Resolution Applicant.

(ii) Accordingly, in the Eleventh CoC meeting of the members, it was resolved that the Amount distributable to the Dissenting Financial Creditors shall be equivalent to the Liquidation Value as per Section 53(1) of the IBC, 2016 which was passed by 66% voting.

(iii)The RP vide his additional Affidavit dated 27.11.2024 stated that the dissenting financial creditors do not hold security interest over the assets of the Corporate Debtor as well as any priority over the assenting secured financial creditors. Therefore, no amount is payable to the dissenting financial creditors.

E. Treatment of Operational Creditors (Employees)

(i) As per the Information Memorandum dated August 10, 2022, and subsequent addendums, the Resolution Professional (RP) has received claims amounting to Rs. 2,31,44,278. Out of this, the RP has admitted claims up to Rs. 1,83,82,938. Furthermore, the SRA will inject a total

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

of Rs. 29,34,540 as an upfront amount within 45 days from the approval date.

(ii) The Provident Fund and Gratuity would be paid as per the amounts ascertained by the RP. Further, the SRA through Affidavit dated 25.09.2024 submitted before this Tribunal that further amounts admitted by the RP towards Provident Fund during the pendency of the Application would be paid within 45 days from the date of approval of the Resolution Plan. Similarly, the SRA has undertaken to pay the entire amount of gratuity due to Employees and Workmen in the light of the judgement of the Hon'ble NCLAT in Jet Aircraft Maintenance Engineers Welfare Association v. Ashish Chhawchharia, Resolution Professional of Jet Airways (India) Ltd & Ors (2022) SCC OnLine NCLAT 418.

F. Treatment of Operational Creditors (Government Dues)

As per the Information Memorandum dated August 10, 2022 and subsequent addendums, RP has received a claim of Rs. 1,93,04,127. RP has admitted 100% claims and SRA will infuse a total of Rs. 2,27,789 as an upfront amount within 45 days from the approval date.

G. Treatment of Other Operational Creditors

(i) As per the Information Memorandum dated August 10, 2022, and subsequent addendums, the Resolution Professional (RP) has received claims amounting to Rs. 15,81,30,819. Out of this, the RP has admitted claims up to Rs. 11,27,09,707. Furthermore, the SRA will inject a total of Rs. 13,29,975 as an upfront amount within 45 days from the approval date.

(ii) The amount payable to the operational creditors under the Resolution Plan is not less than the amount required to be paid under Section 30(2)(b) of the Code, and shall be paid in priority over the financial creditors as per Regulation 38(1) of the CIRP Regulations.

H. Treatment of Other Creditors (ESIC, Provident Fund and Sonu Singh)

As per the Information Memorandum dated August 10, 2022, and subsequent addendums, RP has received claims of (a) Provident Fund - 21,04,435, (b) ESIC – 3,09,472 and (c) Sonu Singh – 20,74,557. RP has admitted 100% claims of all the other Creditors and will infuse a total of Rs.24,38,387 as an upfront amount within 45 days from the approval date. Furthermore, as per the Additional Affidavit dated 25.09.2024, the SRA

has taken the responsibility of arranging an additional amount of Rs. 11,39,874 towards the Provident Fund which was admitted later by the RP after the submission of the Resolution Plan. Accordingly, the total amount payable to the EPFO department is revised to Rs.32,44,309/-.

In the interest of other dues, the SRA has also made provision towards other dues amounting to Rs. 93,161.

I. Treatment of Existing Shareholders

No amount is proposed to be paid to the existing shareholders of the Corporate Debtor and the existing issued, subscribed and paid-up share capital of the Corporate Debtor shall stand cancelled without any payment. The Corporate Debtor shall invite the SRA to subscribe to the new equity shares of the Corporate Debtor on a preferential basis through issuance of the prescribed form and the SRA will infuse the proposed equity amount with the Corporate Debtor in the requisite form.

J. Management of Corporate Debtor

Upon approval of the Resolution Plan by the Adjudicating Authority, the Corporate Debtor's management will be transferred to a new Board of Directors appointed by the SRA in accordance with the Companies Act,

राष्ट्रीय कम्पनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

2013. This new Board will establish a clear organizational structure, policies, and controls to ensure efficient and compliant operations, protect assets, manage risk, maintain accurate records, and emphasize continuous improvement. Control of all tangible and intangible assets will also be transferred to the reconstituted Board immediately upon approval.

K. Implementation and Supervision of the Resolution Plan

The SRA will be responsible for implementing the Resolution Plan following its approval. On approval of the Resolution Plan by the Adjudicating Authority, the SRA and Financial Creditors, together, shall form an "Implementation and Monitoring Committee" ('IMC') comprising of 4 (four) persons as below:

i. One person, being a Chartered Accountant or a Qualified Resolution Professional registered under the IBBI, shall be appointed as the Supervisor by the Financial Creditors;
ii. One representative will be appointed by the SRA; and
iii. Two representatives will be appointed by the Financial Creditors.

The IMC will include a Supervisor who will prepare quarterly reports on the Corporate Debtor's progress and compliance with the Resolution Plan. Fees for the Monitoring Chairman and any related costs will be covered by the

Corporate Debtor's accruals or, if necessary, paid by the SRA. No additional approvals will be required from creditors or stakeholders for ongoing implementation.

L. Eligibility of Applicants under Section 29A of the Code:

The Successful Resolution Applicant has provided to the Resolution Professional an affidavit dated 08.01.2024 confirming eligibility u/s. 29A of the Code. In addition, the Applicant along with an additional affidavit dated 21.12.2023 filed a report of an independent third party on the eligibility of the Successful Resolution Applicant to submit the Resolution Plan.

M. Relief and Concessions

The Successful Resolution Applicant has sought various reliefs and concessions based on the clean slate concept laid down by the Hon'ble Supreme Court in various judgements, reliefs which are necessary to keep the Corporate Debtor as going concern, release from any and all liabilities/proceedings, disputes and noncompliance prior to the Approval Date and extended period for renewal or revival of licenses for running the business of the Corporate Debtor.

20. The Applicant further submits that the Resolution Plan complies **with Section 30 (2) of the Code and Regulation 38 (A) of the CIRP Regulations**. The RP has also provided a compliance certificate in "**FORM H**" as mandated under the Code for seeking approval of the Resolution Plan from this Tribunal.

21. The Application for approval of the Resolution Plan has been filed well within the said CIRP period.

Observations of the Adjudicating Authority.

22. We have heard the Applicant and perused the Resolution Plan and related documents submitted along with the Application.

23. As referred to the above summary of the Resolution Plan, we are satisfied that all the requirements of Section 30 (2) of the Code are fulfilled and no provision of the law appears to have been contravened.

24. Section 30 (4) of the Code reads as follows:

> "(4) The committee of creditors may approve a resolution plan by a vote of not less than sixty-six percent of voting share of the financial

creditors, after considering its feasibility and viability, the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified by the Board."

25. Section 30(6) of the Code enjoins the Resolution Professional to submit the Resolution Plan as approved by the CoC to the Adjudicating Authority. Section 31 of the Code deals with the approval of the Resolution Plan by the Authority if it is satisfied that the Resolution Plan, as approved by the CoC under section 30(4), meets the requirements provided under section 30(2) of the Code. Thus, it is the duty of the Adjudicating Authority to satisfy itself that the Resolution Plan, as approved by the CoC, meets the above requirements.

26. On perusal of the Resolution Plan, it is observed that the Resolution Plan provides for the following:

a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
c) For management of the affairs of the Corporate Debtor, after the approval of the Resolution Plan, as specified u/s 30(2)(c) of the Code.

d) The implementation and supervision of the Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.

27. The Resolution Plan has been approved by the CoC in its 11th meeting with 93.76 % votes in terms of Section 30(4) of the Code.

28. It is noticed that the resolution amount proposed in the Resolution Plan approved by the CoC is lower than the Corporate Debtor's liquidation value. However, in ***Maharashtra Seamless Limited vs. Padmanabham Venkatesh and Ors. Civil Appeal Nos. 4242 of 2019,*** the Hon'ble Supreme Court noted that there is no provision in the Code or CIRP Regulations under which the bid of any Resolution Applicant has to match the liquidation value arrived at. Thus, the CoC, in its commercial wisdom, can accept a Resolution Plan having a lower value in comparison with the liquidation value of the corporate debtor, should the resolution plan be otherwise feasible and viable.

29. In ***K Sashidhar v.*** **Indian** ***Overseas Bank & Others (in Civil Appeal No.10673/2018 decided on 05.02.2019)*** the Hon'ble Apex Court held that if the CoC has approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On

receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan, as approved by the CoC, meets the requirements specified in Section 30(2). The Hon'ble Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) when the Resolution Plan does not conform to the stated requirements.

30. In ***CoC of Essar Steel*** (Civil Appeal No. 8766-67 of 2019 decided on 15.11.2019) the Hon'ble Apex Court clearly laid down that the Adjudicating Authority does not have the power to modify the Resolution Plan which the CoC in their commercial wisdom has approved. In para 42 Hon'ble Court observed as under:

> *"Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of section 30(2) of the Code, insofar as the*

Adjudicating Authority is concerned, and section 32 read with section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameters of such review having been clearly laid down in K. ***Sashidhar*** *(supra)."*

31. The Hon'ble Supreme Court in the matter of **Ghanshyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited,** ***(Civil Appeal No. 8129 of 2019 decided on 13.04.2021)*** held that on the date of the approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of the Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim which is not a part of the Resolution Plan.

32. In view of the discussions and the law thus settled, we are of the considered view that the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A), and 39 (4) of the Regulations. The Resolution Plan is also not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. We are thus inclined to allow the Application in the following terms.

ORDER

33. The Application **IA. No. 2871 of 2022 in C.P.(IB) 1896 of 2018 is allowed** and the Resolution Plan submitted by 'Amit Mahendrabhai Shah' is hereby approved. It shall become effective from this date (the 'Approval Date' as per the Resolution Plan) and form part of this order. It shall be binding on the Corporate Debtor, 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 is due, guarantors and other stakeholders involved in the Resolution Plan.

34. In terms of the judgment of Hon'ble Supreme Court in the matter of ***Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited (Civil Appeal No. 8129 of 2019 decided on 13.04.2021) (2021) SC 212,*** on the date of the approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of the Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect of claims, which are not a part of the Resolution Plan. Accordingly, no person including the Central Government,

any State Government, or any local authority, guarantors, and other stakeholders, will be entitled to initiate or continue any proceedings in respect to a claim prior to CIRP which is not a part of the Resolution Plan.

35. Any exemption as sought in relation to the filing of Income Tax Returns, waivers from the applicability of any section under the Income Tax Act, 1961, the Central Goods and Services Tax Act, 2017, and other indirect taxes arising out of the implementation of the Resolution Plan is not granted. However, the Resolution Applicant shall be at liberty to approach competent Authorities for the exemptions, if permitted under the law.

36. 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 Authorities for such approvals or renewals.

37. All the equity shares and preference shares of the Corporate Debtor would stand extinguished by way of a reduction in the capital of the Company without any payment to the shareholders holding such shares without the requirement of writing the words 'and reduced'. Such reduction of share capital shall not require any further approval, act, or action as required under the Companies Act, 2013 including Section 66 of the Companies Act, 2013

and such cancellation shall not require the consent of any of the creditors or shareholders of the Corporate Debtor. The Resolution Applicant is at liberty to file the necessary application(s) with the Stock Exchanges to get the shares relisted.

38. The Monitoring Committee, as proposed in the Resolution Plan, shall be constituted to supervise and implement the Resolution Plan.

39. In accordance with Section 32A of the Code, the liability of the 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 committed prior to the commencement of Corporate Insolvency Resolution Process from the date of this order.

40. The approval of the Resolution Plan shall not be construed as a waiver of any future statutory obligations and shall be dealt with by the appropriate Authorities in accordance with law. The Corporate Debtor may obtain necessary approval required under any law for the time being in force from the Appropriate Authority within a period of one year from the date of approval of the Resolution Plan.

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
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41. The guarantors and third-party security providers (not the Corporate Debtor or the Resolution Applicant) shall continue to be liable to the Financial Creditors for the unpaid debt under their guarantees. However, such guarantors shall not be entitled to exercise any right of subrogation in respect of such amounts against the Corporate Debtor and/or the Resolution Applicant.

42. If any application(s) relating to preferential/fraudulent transactions under Sections 43 and 66 of the Code is pending before the Tribunal, the same shall be pursued by the RP at the costs and expenses of the Corporate Debtor. However, the recovery, if any, shall be distributed to the stakeholders of the Corporate Debtor.

43. Other reliefs and concessions not covered in the aforesaid paragraphs including exemption from levy of stamp duty, fees, and registration charges that may be applicable in relation to this Resolution Plan and its implementation are not granted.

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

45. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with a copy of this order for information.

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

Sd/-
Anil Raj Chellan
Member (Technical)

Sd/-
Kuldip Kumar Kareer
Member (Judicial)

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

Certified True Copy
Copy Issued "free of cost"
On 10/12/2024
10/12/2024
Deputy Registrar
National Company Law Tribunal Mumbai Bench

Office no. 503, Varun Capital
Off: J M Road, Opp. Jangli Maharaj Temple,
Bharat Petrol Pump Lane, Near Citiotel,
Shivajinagar, Pune - 411005

Vinit Gangwal
Resolution Professional of
BLUE BLENDS (INDIA) LIMITED
Registered with IBBI -
IBBI/IPA-02/IP-N00091/2017-18/10235

Email – ip.vinitgangwal@sudharman.in

Email for correspondence- ip.blueblends@sankalp-ipe.com

NOTE: This Communication is sent purely in the capacity as INSOLVENCY PROFESSIONAL appointed as Resolution Professional by Hon'ble National Company Law Tribunal (Mumbai), Court-II, Mumbai Bench in the case of Application No. CP No. 1896/IBC/NCLT/MB/MAH/2018 filed by M/s. Sarla Performance Fibres Limited, [Operational Creditor] vide Order dated 02.12.2021 in CP No. 1896/IBC/NCLT/MB/MAH/2018.

Date: 13th December 2024

To,
National Stock Exchange of India Limited,
Exchange plaza, Plot No. C/1, G Block,
BKC, Bandra (E), Mumbai-40051
Ref Symbol: BLUEBLENDS

Sub: Intimation of the Order for passing the resolution plan by Hon`ble NCLT Mumbai Bench.

Ref: Blue Blends (India) Limited (CIN: L17120MH1981PLC023900)

NSE Symbol: BLUEBLENDS
ISIN: INE113O01014

Dear Sir,

With reference to the subject line, I would like to intimate the Stock Exchange that the application filed under section 30(6) of the Insolvency & Bankruptcy Code 2016 for the approval of the resolution plan in the matter of Blue Blends (India) Limited, Corporate Debtor, (CIN: L117120MH1981PLC023900) has been approved by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated 6th December, 2024.

The extract of approved resolution plan in respect to Equity Share and Preference Share as under:

> *All the equity shares and preference shares of the Corporate Debtor would stand extinguished by way of a reduction in the capital of the Company without any payment to the shareholders holding such shares without the requirement of writing the words 'and reduced'. Such reduction of share capital shall not require any further approval, act, or action as required under the companies Act, 2013 including Section 66 of the Companies Act, 2013. and such cancellation shall not require the consent of any of the creditors or shareholders of the Corporate Debtor. The Resolution Applicant is at liberty to file the necessary application(s) with the Stock Exchanges to get the shares relisted.*

Thanking You,
Yours Faithfully,

Vinit Gajendra Gangwal
Digitally signed by Vinit Gajendra Gangwal
Date: 2024.12.13 18:30:28 +05'30'

Vinit Gangwal
Interim Resolution Professional of
Blue Blends (India) Limited
Reg No: IBBI/IPA-002/IP-N00091/2017-18/10235