

Manoj Kulshrestha  
(Insolvency Professional)  
Reg No. : IBBI/IPA-003/IP-N00005/2016-17/10024

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**25<sup>th</sup> December 2025**

To,  
National Stock Exchange of India Limited  
Listing and Compliance Department,  
'Exchange Plaza'  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai - 400051

***Symbol: FIVECORE***  
***ISIN: INE574Z01013***

Dear Sir/Madam,

**Subject: Approval of Resolution plan by Hon'ble NCLT New Delhi, Special Bench (Court- II) in respect of Five Core Electronics Limited.**

We are pleased to inform that the resolution plan submitted by “Mr. Vivek Raheja and Mr. Sanjay Garg” for Five Core Electronics Limited (“Corporate Debtor”) has been approved by the NCLT on 03.11.2025 (“Approved Resolution Plan”) and a copy of the said order has been uploaded on the website of the NCLT on 11.11.2025. A copy of NCLT Approval Order is attached herewith.

In terms of Section 31 (1) of the IBC, the Resolution Plan, as approved by the Hon'ble NCLT, is binding on the Company and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.

**Appendix**

<b>(i) Pre and Post net-worth of the company;</b>	<p>The last Balance Sheet as available with the RP was for FY 2017-18. The Corporate Debtor had not filed the audited financial statements for the year ended 31st March, 2019 (i.e. for FY 2018-19) onwards with the Registrar of Companies (“ROC”). Based on the last available balance sheet, the net worth was approx. Rs. 58 crores.</p> <p>The SRA upon taking the control of the CD shall get the financial records updated and reinstated. Accordingly post net-worth shall be calculated and intimated</p>
<b>(ii) Details of assets of the company post CIRP;</b>	<p>Under the Approved Resolution Plan, the Corporate Debtor is proposed to be acquired as a going concern. Accordingly, the assets that continue to be reflected in the books of Five Core Electronics Limited shall remain available after the implementation of the Approved Resolution Plan.</p>
<b>(iii) Details of securities continuing to be imposed on the companies’ assets;</b>	<p>The charge created by Andhra Bank (now Union Bank of India) shall continue till plan value is not paid. As per the terms of the approved plan, upon the payment of resolution amount to Secured Financial Creditor, the financial Creditor shall release all security and issue a certificate of discharge and no claims in favour of the Corporate Debtor &amp; file satisfaction of charge with Registrar of Companies of India.</p>
<b>(iv) Other material liabilities imposed on the company;</b>	<p>All liabilities of CD shall stand paid till the effective date in accordance with resolution plan</p>
<b>(v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;</b>	<p>Refer Note 1</p>
<b>(vi) Details of funds infused in the company, creditors paid-off;</b>	<p>A total amount of Rs. 25,21,00,000/- is proposed to be paid within 270 days of approval to settle all the claims, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Company or the profit and loss account statements of the Company or the List of</p>

	Unsecured Creditors in the Information Memorandum, in relation to any period prior to the Effective Date
<b>(vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;</b>	The liability of investors will be restricted to the plan value. RA proposed to infuse required funds in mix of debt and equity raised from public and internal sources
<b>(viii) Impact on the investor – revised P/E, RONW ratios etc.;</b>	These shall be ascertained upon re-instatement of Balance sheet by the SRA.
<b>(ix) Names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;</b>	<p><b>Mr. Vivek Raheja &amp; Mr. Sanjay Garg</b> both are qualified finance professionals having experience of more than 25 years each.</p> <p>Mr. Vivek Raheja is a Chartered Accountant and is running his CA firm with more than 100 plus partners, chartered accountants, accountants and other staff.</p> <p>He is also a leading Insolvency Professional and has turned around more than 10 companies as Resolution Professional. He is also promoter director of Osrik Resolution Pvt Ltd which is a leading IPE with PAN India offices/ associates. He has helped establishing business in education, medical equipment's, chain of restaurants and many more.</p> <p>Mr. Sanjay Garg is also a leading Insolvency Professional and promoter director of Osrik Resolution Pvt Ltd which is a leading IPE with PAN India offices/ associates. He is accredited with establishing the first AIF for funding the MSME and is the fund manager of Sabrimala Pantomath AIF. They have employed a force of professionals experts in turning around stressed assets and have worked out plans to revive the Corporate Debtor with their team and are hopeful of turning around the business of the corporate debtor.</p> <p>The Resolution Applicant has an experienced technical team to restore the Corporate Debtor to operational viability. The Resolution Applicant plans to use its in-house turnaround experts. In addition to the above, the Resolution Applicant also plans to induct few more technical experts from the industry, if necessary.</p>

<p><b>(x) Brief description of business strategy.]</b></p>	<ul style="list-style-type: none"> <li>• Focus on operational turnaround through restructuring, cost reduction, and new customer acquisition.</li> <li>• Infusion of fresh equity for working capital and capex.</li> <li>• Sale of non-core assets to streamline operations.</li> <li>• Transparent governance and compliance with IBC norms.</li> <li>• The Resolution Applicant has an experienced technical team to restore the Corporate Debtor to operational viability. The Resolution Applicant plans to use its in-house turnaround experts. In addition to the above, the Resolution Applicant also plans to induct few more technical experts from the industry, if necessary.</li> </ul>
<p><b>(m)Any other material information not involving commercial secrets.}</b></p>	<p>In the opinion of SRA, there were certain paragraphs in order wherein unsustainable findings were recorded, materially altering the CoC-approved Resolution Plan and obstructing implementation. Accordingly, the said order has been appealed against before Hon'ble NCLAT.</p>
<p><b>n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS</b></p>	<p>1.1 The RAs Proposes to transfer/ cancel/ extinguish all existing equity (categorized as promoter equity share) total number as per last available information are 8787322 shares of face value of Rs.10 at each at Rs. 1 consideration. Stamp duty as required shall be deemed to have been paid on transfer of such equity shares on approval of plan by the Hon'ble Adjudicating Authority.</p> <p>1.2 As per last available annual report total number of equity share being held by public shareholders (categorized as Public Shareholders) are <b>38,33,300</b> shares - RA also proposes to cancel the entire 100% of equity shares held by public shareholder at NIL consideration and in lieu of such cancelled equity share issue fresh capital of Rs 20 lacs (Rupees Twenty Lacs) divided in to 2 lacs shares of Rs 10 each fully paid to public shareholders which shall be issued in proportionate of their existing shareholding pattern.</p>

	<p>1.3 Equity capital reissuance to public shareholder shall be done in proportion of their respective shareholding. In case of fractional entitlement of share on cancellation of equity then the same shall be paid off in cash at par (for fractional part only) and such fractional cancellation in total taken together shall be extinguished and cancelled from capital</p> <p>1.4 Resolution Applicant themselves and/ or through SPV (Special Purpose vehicle) along with associates, JV partners or Investors &amp; strategic partners, who will be 29A compliant, will be issued 20,00,000 (Twenty Lakh Only) equity share of face value of Rs 10/ at par on preferential basis.</p> <p>1.5 Resolution Applicant further proposes to issue afresh 20,00,000 equity share of face value of Rs. 10/- each to select investors on preferential basis to be categorized as public shareholders.</p> <p>1.6 Resolution Applicant further proposes to proportionately keep the share issued on preferential basis to general category investor out of lock in period to the extent of 10% of paid-up capital of the company as per SEBI -ICDR (Amendment) Regulation 2021 dated 08/01/2021. Provided that the lock in provision shall not be applicable to the specific securities to the extent to achieve 10% public shareholding.</p> <p>1.7 Resolution Applicant has already proposed a public holding of equity shares which meets MPS requirement in the proposed plan at the relisting.</p> <p>1.8 Lock in provisions as is applicable on preferential allottee among the public shareholder would be lifted, kept out of lock for trading in equal proportion to their respecting holding for the number of total shares qualify for exemption from lock in provision.</p>
<p><b>o) Quarterly disclosure of the status of achieving the MPS</b></p>	<p>To be done as and when due</p>

<b>p) The details as to the delisting plans, if any approved in the resolution plan.]</b>	No delisting proposal mentioned in the resolution plan.
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## **Note -1**

### **Pre- Issue Shareholding**

<b>S. N</b>	<b>Category</b>	<b>No. of Shareholders</b>	<b>No of Shares Held</b>	<b>Share Capital</b>	<b>Shareholding (%)</b>
1	Promoter & Promoter Group	06	87,87,322	8,78,73,220	59.63%
2	Public Shareholding	--	38,33,300	3,83,33,000	40.37%
<b>Total</b>			<b>1,26,20,622</b>	<b>12,62,06,220</b>	<b>100.00 %</b>

### **Post- Issue Shareholding**

<b>Particulars</b>	<b>No. of Share</b>	<b>Face Value (Rs)</b>	<b>Amount (Rs)</b>	<b>Locked-in / No Locked-in</b>
Transfer of Existing Promoters Equity to RA/SPV	87,87,332	10/-	8,78,73,320	Locked in
Fresh issue of equity shares on preferential basis to RA/SPV	20,00,000	10/-	2,00,00,000	Locked in
Fresh issue of equity shares on preferential basis to share (To select investor) to be categorized as public share holder)	20,00,000	10/-	2,00,00,000	Unlocked to the extent mentioned in plan

Issue of 2.00 lac fresh equity share to Existing Public Shareholder in lieu of cancellation and proportionate to their respective existing holding.	2,00,000	10/-	20,00,000	Not locked In
<b>TOTAL</b>	<b>1,29,87,332</b>		<b>12,98,73,320</b>	

The above information may be treated as disclosure under Regulation 30 read with Part A of Schedule III of the of the SEBI (LODR) Regulations, 2015 and guidance note issued by exchange.

You are requested to take the above information on record and acknowledge the same.

Thanking You,

Yours faithfully,

For Five Core Electronics Limited (In CIRP)

Manoj Kulshrestha

Erstwhile Resolution Professional

IBBI Regd. No. IBBI/IPA-003/IP-N00005/2016-17/10024

AFA Valid Up to: - 31-12-2026

Email ID: - cirp.fivecoreelectronics@gmail.com



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI, SPECIAL BENCH (COURT-II)**

**I.A. No. 13/2024, I.A. No. 1727/2024, I.A. No. 3690/2024,**  
**I.A. No. 4290/2025**

**IN**

**C.P.(IB) - 1671/ND/2019**

**IN THE MATTER OF:**  
**(Under Section: 7 of IBC, 2016)**

**Northern ARC Capital Limited**

**Versus**

**Five Core Electronics Limited**

No..... 1612  
 Date of Presentation  
 of application for Copy..... 14/11/25  
 No. of Pages..... 82  
 ... **Petitioner/** ✓  
 Copying Fee..... **Financial Creditor**  
 Registration & Postage Fee.....  
 Total..... 2200/-  
 Date of Receipt & ... **Respondent/**  
 Record of Copy **Corporate Debtor** 28/11/25  
 Date of Preparation of Copy.....  
 Date of Delivery of Copy..... 28/11/25

**AND IN THE MATTER OF IA. NO. 13/2024:**  
**(Under Section: 30(6) of IBC, 2016)**

**Mr. Manoj Kulshrestha**  
 Resolution Professional  
 Five Core Electronics Limited (IN CIRP)  
 4th Floor, CS-14, Ansal Plaza,  
 Opp. Dabur Vaishali, Ghaziabad, UP-201010

**(P) 28-11-2025**  
 JR/DR/AR/Court Officer  
 National Company Law Tribunal  
 New Delhi

**... Applicant/RP**

**AND IN THE MATTER OF IA. NO. 1727/2024:**  
**(Under Section: 60(5) of IBC, 2016 r/w Rule 11 of NCLT Rules, 2016)**

**Mr. Manoj Kulshrestha**  
 (Resolution Professional Five Core Electronics Ltd)  
 F4-CS-14, Ansal Plaza, Vaishali,  
 Ghaziabad-201010

**...Applicant**

**Versus**

**Deputy Commissioner of Income Tax**  
 Circle 7(1)  
 C.R. Building, I.P. Estate  
 Delhi-110002

**... Respondent No. 1**

IA. No. 13/2024, IA. No. 1727/2024, IA. No. 3690/2024 and IA. No. 4290/2025 in  
 CP (IB)-1671/(ND)/2019  
 Northern ARC Capital Ltd. vs. Five Core Electronics Ltd.





**Union Bank of India**

Stressed Assets Management Branch  
603B, Konnectus Towers  
Bhav Bhuti Marg, Ajmeri Gate,  
New Delhi-110001

... Respondent No. 2

**AND IN THE MATTER OF IA. NO. 3690/2024:**

**(Under Section: 60(5) of IBC, 2016 r/w Rule 11 of NCLT Rules, 2016)**

**Anuj Goyal**

A-4/4, Paschim Vihar New Delhi-110063

...Applicant

**Versus**

**Mr. Manoj Kulshrestha**

(Resolution Professional Five Core Electronics Ltd)  
F4-CS-14, Ansal Plaza, Vaishali,  
Ghaziabad-201010

... Respondent No. 1

**Union Bank Of India**

Stressed Asset Management Branch,  
Member Of Committee Of Creditors  
603b, Konnectus Towers, Bhav Bhuti  
Marg, Ajmeri Gate  
New Delhi-110001

... Respondent No. 2

**AND IN THE MATTER OF IA. NO. 4290/2025:**

**(Under Section: 60(5) of IBC, 2016 r/w Rule 11 of NCLT Rules, 2016)**

**Mrs. Tajinder Kaur**

W/O Mr. Harjinder Singh  
Through Her Special Power Of Attorney Holder  
S/O Sh. Darshan Singh  
R/O C-4/3, Jeevan Jyoti Apartment,  
Pitampura Delhi-110034

... Applicant No. 1

**Mrs. Poonam Khanna**

W/O Vinay Khanna  
Through Her Special Power Of Attorney Holder  
Sh. Vinay Khanna  
S/O Sh. Raj Kumar Khanna  
R/O G-1135, LIC Colony, Jeewan Niketan

IA. No. 13/2024, IA. No. 1727/2024, IA. No. 3690/2024 and IA. No. 4290/2025 in  
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Paschim Vihar, New Delhi-110087

... Applicant No. 2

**Versus**

**Mr. Manoj Kulshreshtha**

Resolution Professional  
(M/S Five Core Electronics Limited)  
At: 4F, CS-14, Ansal Plaza, Vaishali,  
Ghaziabad, UP-201010

... Respondent No. 1

**Committee of Creditors**

Through Resolution Professional  
Mr. Manoj Kulshreshtha  
Professional Resolution  
(M/S Five Core Electronics Limited)  
At: 4f, Cs-14, Ansal Plaza, Vaishali,  
Ghaziabad, UP-201010

...Respondent No. 2

**Order delivered on: 03.11.2025**

**CORAM:**

**SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)**

**SH. RAVINDRA CHATURVEDI, HON'BLE MEMBER (T)**

**PRESENT:**

- For the Applicant** : Adv. Ritu Raj Khare, Adv. Suhail Sha, Adv. Rahul Gupta, Adv. Satish Gupta, Adv. Ayushi Misra Adv. Suhail Shah, Adv. Satish Prakash Gupta, Adv. Rituraj Kharge, Adv. Rahul Gupta in IA no. 4290/2025
- For the RA** : Adv. Nipur Gautam
- For the Respondent** : Adv. Sandeep Bh. Adv. Vatsala Pandey for R-2
- For the Income Tax Department** : Mr. Indruj Singh Rai (SSC)
- For the RP** : Adv. Sumesh Dhawan, Adv. Vatsala Kak, Adv. Chirag Bhati, Adv. Shavrya Shyam, Adv. Kavya Tekriwal, Adv. Vandita Gupta
- For RIICO** : Adv. Anuj Bhandari

IA. No. 13/2024, IA. No. 1727/2024, IA. No. 3690/2024 and IA. No. 4290/2025 in  
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## ORDER

**PER: SHRI ASHOK KUMAR BHARDWAJ, MEMBER (J)**

### **I.A. No. 13/2024**

The present application has been preferred by Mr. Manoj Kulshrestha, Resolution Professional (hereinafter, referred to as the '**Applicant/RP**') qua Five Core Electronics Limited under Section 30(6) of IBC, 2016, seeking the following reliefs:

*"a. To approve The Resolution Plan, submitted by "Mr. Vivek Raheja and Mr. Sanjay Garg" as approved by CoC with 99.5% of voting in its 24th CoC meeting held on 01-02-2024.*

*b. To declare that upon approval of the resolution plan by the Hon'ble Adjudicating Authority, the provision of the resolution plan shall be binding on the Company, its creditors, guarantors, members, employees, statutory authorities and other stakeholders, in accordance with section of the code and shall be given effect to the implemented pursuant to the order of this Hon'ble Adjudicating Authority.*

*C. Pass any other order as this Hon'ble Tribunal may deem fit."*

**2.** Stating succinctly, the CP(IB) No. 1671/ND/2019 was filed by Northern ARC Capital Limited (hereinafter, referred to as the "**Financial Creditor**") seeking initiation of CIRP qua Five Core Electronics Limited (hereinafter, referred to as the "**Corporate Debtor**") in terms of the provision of Section 7 of IBC, 2016. The Corporate Debtor was admitted to CIRP in terms of order dated 23.01.2020

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passed by this Tribunal and Ms. Veena Sharma (hereinafter, referred to as the “erstwhile RP”) was appointed as IRP.

3. As per the provisions of Section 15 of the Code r/w Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the RP issued a Public Announcement in Form-A on 25.01.2020 in two newspapers, viz. Financial Express (English) and Jansatta (Hindi), inviting claims with proof thereof from the creditors of the Corporate Debtor.

4. Subsequently, on receipt of claims pursuant to aforementioned Public Announcement, the RP constituted the Committee of Creditors (CoC) in terms of the provision of Section 21 of the Code on 12.03.2020. According to the Applicant, the CoC qua Corporate Debtor consisted of the following financial creditors: -

SN	Name of the Financial Creditor ("FC")	Sub-Category	Claim Amount Submitted/ Revised (INR)	Claim Amount Verified & Accepted (INR)	Voting Share (%) (In Proportion to Total Debt)
1	Andhra Bank (Now Union Bank of India)	Bank	56,87,96,370.12 [Including Interest of Rs.4,80,42,660.26]	56,87,96,370.12	94.45%
2	Northern Arc Capital Limited	Non-Banking Finance	2,88,33,417.81 [Including Interest of Rs.47,75,917.81]	2,88,33,417.81	4.79%





SN	Name of the Financial Creditor ("FC")	Sub-Category	Claim Amount Submitted/ Revised (INR)	Claim Amount Verified & Accepted (INR)	Voting Share (%) (In Proportion to Total Debt)
	(formerly IFMR Capital)	Company (NBFC)			
3	HDFC Bank Limited	Bank	16,02,638.00 [Including Interest of Rs.1,86,462]	16,02,638.00	0.27%
4	IndusInd Bank Limited	Bank	29,91,004.13 [Including Interest of Rs.59,049.13]	29,91,004.13	0.50%
		<b>Total</b>	<b>60,22,23,430.06</b>	<b>60,22,23,430.06</b>	<b>100.00%</b>

5. The Applicant/RP has submitted a summary of the meetings of the CoC of the Corporate Debtor, conducted in accordance with the provisions of Section 24 of the Code read with Regulation 18 of the CIRP Regulations, 2016. The details of the CoC meetings are as follows: -

Particulars	Date of CoC Meeting	Main Agenda of discussion	Important decisions ratified
1st CoC Meeting	18.02.2018	1. Reduce the time of Next CoC Meeting. 2. Discussion about the list of creditors 3. Discussion about registered Valuers	Discussion about <ul style="list-style-type: none"> <li>List of Creditors</li> <li>Notice of meeting period reduce</li> <li>Discussion on position on availability of information, records, documents, and books</li> </ul>





			account, including the business operations of the corporate debtor on commencement of cirp proceedings
2nd CoC Meeting	03.03.2020	1. Discussion about the updated list of creditors.	Presenting the updated list of claims received from financial creditors ("fc") and to take note of the CoC constituted as on 3rd March, 2020
3rd CoC Meeting	25.03.2020	1. The CoC discussed on the action by DRT under SARFAESI and NCLT. 2. Forensic analysis and review to determine transactions defrauding creditors 3. To confirm appointment of resolution professional ("RP") [section 22 of IBC	<ul style="list-style-type: none"><li>• CIRP Cost</li><li>• Mr. Manoj Kulshrestha has been appointed as RP by CoC.</li></ul>
4th CoC Meeting	18.05.2020	1. Claim from One Operational Creditor Received on 13th May, 2020 2. NSE Pending Fee 3. To present the findings from examination of avoidance transactions	an application for PUFEE transaction to be filed

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		Under sections 43, 45, 50 and 66 of the code that mandates the IRP/RP to file Applications with the adjudicating authority seeking appropriate Reliefs and directions permissible under the code. 4. custody and control of Andhra Bank accounts.	
5 <sup>th</sup> CoC Meeting	21.07.2020	1. To Approve the eligibility for EOI and Evaluation Matrix	<ul style="list-style-type: none"><li>• Appointment of Valuers</li><li>• Approve the FORM-G</li><li>• To approve the Eligibility Criteria for issuance of EOI and Evaluation Matrix</li><li>• Appointment of accounting firm and Advocate</li></ul>
6 <sup>th</sup> CoC Meeting	28.09.2020	1. Discuss regarding invitation of EOI and expression received from PRA's 2. Discuss about extension application 3. Discuss about the IRP/RP fee	<ul style="list-style-type: none"><li>• Discuss about re-invite of EOI and change in the eligibility criteria</li><li>• Filing an application for CIRP Extension</li><li>• Approve the fee of valuers</li></ul>
7 <sup>th</sup> CoC Meeting	16.10.2020	1. To discuss and apprise about the expressions of	<ul style="list-style-type: none"><li>• To discuss and apprise about the expressions</li></ul>





		interest received in reinitiation of EoI from prospective Resolution Applicants and to decide further course of action.  2. Filing an application before AA for Extension of time limit of 90 days and also exclusion of time due to pandemic COVID 19 to be reported to AA  3. Appointment of professional for preparing Request For Resolution Plan (RFRP)	of interest received in reinitiation of EoI from prospective Resolution Applicants and to decide further course of action.  • Filing an application before AA for Extension of time limit of 90 days and also exclusion of time due to pandemic COVID 19 to be reported to AA  • Appointment of professional for preparing Request For Resolution Plan (RFRP)
8 <sup>th</sup> CoC Meeting	23.10.2020	1. To Approve the RFRP  2. To reduce the notice time form 5 days to 48 hrs.	• RFRP Approved • Time for Notice period reduced •
9 <sup>th</sup> CoC Meeting	17.12.2020	1. To release long pending fees and expenses of IRP/RP	• Consider the Resolution Plans filed by Sabrimala and MR. Viraj Gupta. • Approval of fee of Third Valuer appointed
10 <sup>th</sup> CoC Meeting	07.01.2021	1. To take the valuation of Third valuer for land and building 2. To appoint professional for	• consider the Revision in Resolution Plans received





			Due-Diligence/ Legal vetting of Resolution plans 3. To Discuss the handover of inventory of various electronic items from DRI	
11 <sup>th</sup> CoC Meeting  <i>Minutes attached on page 53-59 of application</i>	14.01.2021		1. To take the valuation of assets of the Corporate Debtor	<ul style="list-style-type: none"><li>• To be consider revision in the Resolution Plan</li><li>• To File an Application for Extension of time by 60 days</li></ul>
12 <sup>th</sup> CoC Meeting  <i>Minutes attached on page 60-64 of application</i>	02.02.2021		1. To consider revision in the Resolution Plan received  2. Approval of Supervisory and Monitoring Committee Issuance of Expression of Interest	<ul style="list-style-type: none"><li>•</li><li>• The Resolution plan filed by Sabarimala and to approve the Monitoring Committee was rejected by CoC</li><li>• Approval</li></ul>
13 <sup>th</sup> CoC Meeting  <i>Minutes attached on page 65-68 of application</i>	25.02.2021		1. To consider Liquidation of CD and appointment of Liquidator -	<ul style="list-style-type: none"><li>• CoC has decided to liquidate the Corporate Debtor- M/s Five Core Electronics Ltd</li></ul>
14 <sup>th</sup> COC Meeting  <i>Minutes attached on page 71-75 of application</i>	11.11.2022		1. Issuance of EOI  2. Appointment of Valuers	<ul style="list-style-type: none"><li>• Discussion about fresh Form-G as per Hon'ble NCLAT Order dated 17- 01-2023.</li><li>• Valuers Appointed</li></ul>
15 <sup>th</sup> CoC Meeting	06.12.2022		1. To take note on list of PRAs.	<ul style="list-style-type: none"><li>• Amended RFRP Approved By</li></ul>

JULS.



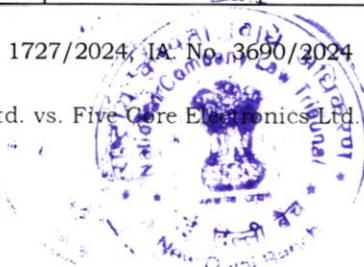


			2. To take note on current valuation of the Corporate Debtor	CoC
16 <sup>th</sup> Meeting	CoC	10.01.2023	To release the long pending due and expenses due to the RP	<ul style="list-style-type: none"><li>To consider the resolution plan received by the RP</li></ul>
17 <sup>th</sup> Meeting	CoC	06.02.2023	<p>1. to take note on the order dated 01-02-2023 of Hon'ble NCLAT in Company Appeal 1223 of 2022 and IA 3704 of 2022</p> <p>2. To take note on the amount to be refunded to PRA's who have not filed their Resolution Plan as per specified timeline.</p>	<ul style="list-style-type: none"><li>To consider the Inter-se Bidding amongst the all-resolution applicants.</li></ul>
18 <sup>th</sup> Meeting	CoC	18.02.2023	<p>1. To reduce the notice period for CoC Meetings -</p> <p>2. To consider and approve online enter-se E-bidding process amongst the PRA's.</p>	<ul style="list-style-type: none"><li>Notice period for CoC is reduced</li><li>Online Enter-se Bidding made amongst by RA</li></ul>
19 <sup>th</sup> Meeting	CoC	27.02.2023	-Ratify the CIRP Fee	<ul style="list-style-type: none"><li>To ratify the expenses to be incurred by RP from the date of filing of an application for approval of resolution plan till the approval of resolution</li></ul>





				<p>plan by Hon'ble NCLT New Delhi.</p> <ul style="list-style-type: none"><li>• To consider and approve the performance linked incentive fee for value maximization.</li><li>• To consider and approve the resolution plan filed by Resolution Applicants.</li><li>• To consider and approve the constitution of monitoring Committee</li></ul>
20 <sup>th</sup> Meeting	CoC	21.04.2023	1. To take note of the expenses incurred by the RP during CIRP	<ul style="list-style-type: none"><li>• To consider seeking directions from the Hon'ble NCLT/NCLAT, New Delhi for CoC to expedite the process and cast their vote on the approval of resolution plan via E-voting for complying the timelines directed by Hon'ble NCLAT.</li><li>• To consider the resolution plan filed by Mr. Anuj Goyal.</li></ul>
21 <sup>st</sup> Meeting	COC	14.11.2023	-	<ul style="list-style-type: none"><li>• To move an application to run challenge Mechanism amongst all PRAs to maximize the</li></ul>





22 <sup>nd</sup> Meeting	COC	26.12.2023	-	plan value. <ul style="list-style-type: none"><li>To move an application for Filing of an application for Extension of CIRP time.</li></ul>
23 <sup>rd</sup> Meeting	COC	20.01.2024	1. To discuss about the current proceeding of corporate debtor before the Hon'ble NCLT Delhi.	<ul style="list-style-type: none"><li>To consider and approve online Inter se E-Bidding Process amongst the Resolution Applicants</li><li>To approve CIRP cost incurred till 15.01.2024.</li></ul>
24 <sup>th</sup> Meeting	COC	01.02.2024	1. To discuss about the current proceeding of corporate debtor before the Hon'ble NCLT Delhi.	<ul style="list-style-type: none"><li>To ratify and approve the expenses incurred by the RP during the CIRP period which is yet to be approved by COC.</li><li>To consider and approve the Resolution plan filed by H1 in the E-bidding, conducted as on 25-01-2024</li><li>To consider and approve the performance linked incentive fee for value maximization.</li></ul>

*Minutes attached on page 87-100 of application*

6. The Applicant/Resolution Professional has caused the assets of the Corporate Debtor to be valued in accordance with Regulation 27 of the CIRP Regulations, 2016, through Registered Valuers. Copies of the valuation reports have been placed on record by way of separate affidavits dated 11.08.2025 and

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09.09.2025. The tabular summary of the valuations, as submitted by the Applicant, is reproduced hereinbelow :-

Valuation Five Core Electronics Limited 2023			
Particulars	Valuers	Fair Value	Liquidation value
L&B	Anuj	12,41,00,000	9,92,60,000
	R.K. Patel	11,52,16,276	8,06,51,393
	Average	11,96,58,138	8,99,55,697
SFA	Chirag Shah	0	0
	Ajay	0	0
	Average	0	0
Plant and Machinery	Sashank Agarwal	35,35,000	27,35,000
	R.K. Patel	40,32,450	28,44,715
	Average	37,83,725	27,89,858
	TOTAL of Average	12,34,41,863	9,27,45,554

7. As per the pleadings and the documents available on record, the Applicant/ RP issued Form G on 22.07.2020 in terms of Regulation 36A of the CIRP Regulations, 2016 to invite Expression of Interest (EoI) from prospective resolution applicants. Subsequently, revised Form G were issued on 29.10.2020 and 14.11.2022.

8. It is pertinent to note that in the 11th meeting of the CoC held on 14.01.2021, two Resolution Plans were submitted, one by Viraj Gupta & Shivaz Pvt. Ltd. and the other by Sabrimala Industries India Ltd. The CoC deliberated on both plans and decided that due diligence should be conducted to determine the more viable Resolution Plan. In the 12th CoC meeting held on 02.02.2021, the plan submitted by Sabrimala Industries India Ltd. was considered and rejected by the CoC with a voting share of 99.5%. In the 13th CoC meeting held





on 25.02.2021, the RP proposed liquidation of the CD, which was approved by the CoC with a voting share of 99.5%. Consequent thereto, an appeal (Comp. App. (AT) (Ins) No. 1223 of 2022) was filed by M/s Sabrimala Industries India Ltd. before the Hon'ble NCLAT against the order dated 24.06.2022 passed by this Tribunal, ordering liquidation. The NCLAT, vide its order dated 07.11.2022, directed the RP to convene a CoC meeting to consider the proposal of the appellant and other proposal received by him. Pursuant to the NCLAT's direction, the RP withdrew the application filed under Section 33(1) (a) of the IBC, 2016 on 19.03.2021 for liquidation of the Corporate Debtor, on 14.02.2023.

9. In accordance with Regulation 36A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the RP is required to furnish a final list of Resolution Applicants. The list provided by the RP is as follows:-

Sr. No	Name of Resolution Applicant	Entity Type
1	Vivek Raheja and Sanjay Garg	Joint/ Consortium
2	Viraj Gupta & Shivaz Pvt LTD-Consortium	Joint/ Consortium
3	Anuj Goyal	Individual
4	Nitin Bansal	Individual
5	Kapil Mantri	Individual
6	Sunrise Industries	Partnership firm
7	Facit Vyapaar Private Limited	Company
8	Sadhna Bio-Oils	Company





**10.** It is observed from the pleadings that the RP has received only four Resolution Plans from the final list of Resolution Applicants, which were considered during the 16th CoC meeting.

**11.** According to RP in the 18th CoC meeting, it was decided to conduct inter se bidding through an E-bidding platform. The bidding commenced on 20th February 2023 at 10:00 AM IST and was concluded on same day at 6:00 PM IST. The RP fixed the reserve price (NPV) for E-bidding at Rs. 1287.57 Lakhs, towards CIRP costs and discharge of liabilities qua secured and unsecured financial creditors, operational creditors, and contingent liabilities. On the day of bidding, only one participant, M/s Sunrise Industries Limited, emerged as the highest bidder at the fixed reserve price.

**12.** After due consideration and legal vetting, the updated Resolution Plan submitted by Sunrise Industries Limited was placed before the CoC in the 19th CoC meeting dated 27th February 2023. Voting on the same concluded on 07.06.2023. However, despite several reminders, the lead CoC member viz., Union Bank of India (holding 94.45% voting share), did not cast its vote.

**13.** Consequently, in accordance with the provisions of the IBC, the Applicant filed a liquidation application (IA-4397/2023). Sunrise Industries filed IA-3927/2023 challenging the liquidation application. Vide order dated 11.01.2024, this Tribunal directed the RP to conduct a Swiss Challenge among the prospective resolution applicants.

**14.** In compliance with the order dated 11.01.2024, the RP informed the same to the members of the CoC and all PRAs. The Swiss Challenge was conducted on

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25.01.2024 among the PRAs, wherein the highest bid was submitted by Mr. Vivek Raheja and Mr. Sanjay Garg.

**15.** Following the Swiss Challenge, the updated Resolution Plan was submitted by Mr. Vivek Raheja and Mr. Sanjay Garg to the RP on 29.01.2024. The same was shared with the members of CoC and was placed before the Committee in its 24th meeting held on 01.02.2024 for consideration and approval.

**16.** The voting on the agenda of the 24th CoC meeting concluded on 11.03.2024, and the Resolution Plan submitted by Mr. Vivek Raheja and Mr. Sanjay Garg (**hereinafter, referred to as the “Successful Resolution Applicant/SRA”**) was approved in terms of the provisions of Section 30(4) of the Code with a majority of 99.5% of the voting share. It is pertinent to note that the Resolution Plan was approved at a value of Rs. 25,21,00,000, which is substantially higher than the liquidation value of Rs. 9,27,45,554. The relevant excerpts of the 24th meeting of the CoC indicating the voting results read thus:-

**Agenda Item No. 2**

**Explanatory Statement**

RP informed that in compliance of order dated 15-01-2024 in I.A 3927 of 2023 where the RP was directed to run the swiss challenge method amongst the PRA's presented before CoC earlier, within two weeks from the date of order i.e.15-01-2024. RP conducted the Swiss challenge process as on 25-01-2024 and the highest offer was made by “**Vivek Raheja and Sanjay Garg joint/consortium**” of Rs. 25,21,00,000(Rs. Twenty-Five Crore, Twenty-One lakhs). The NPV value of the same works out to Rs 23,92,51,984.50(Rs. Twenty-Three Crore, ninety-two lakhs, Fifty-One Thousand, Nine Hundred, Eighty-Four) and the details of payments and time period offered are mentioned in the Resolution Plan, which was put up before consideration of CoC.

Following an extensive discussion, the representatives from Northern Arc Capital Limited and HDFC Bank Limited expressed their intention to engage in negotiations with the resolution applicant to increase their respective amounts in plan.

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On request of COC members, the resolution applicant Mr. Vivek Raheja and Sanjay Garg joined the meeting and discussed about the repayment/ sharing of unsecured financial creditors in the resolution plan.

Ms. Jasveen Kaur, the representative from HDFC Bank Limited, held discussions with the resolution applicant to increase the amount of unsecured financial creditors. This was due to her dissatisfaction with the proposed amount for these creditors. Mr. Saurabh Pal from Northern Arc Capital limited also expressed his dissatisfaction with the current amount of Rs. 10.00 Cr. for all three unsecured financial creditors.

During an extensive conversation with COC members, Mr. Vivek Raheja and Sanjay Garg conveyed their belief that they have presented the most optimal strategy for the company's revival. Additionally, Mr. Sanjay Garg deliberated on the verdict concerning Ruchi Soya Industries Limited and SREI Equipment Finance Limited, specifically regarding the unsecured financial creditors segment and shows inability to increase the plan value.

Additionally, the UBI requested RP to submit the 29A compliance affidavit/certificate in order to obtain approval for the Plan.

Accordingly, the following resolution was passed:

#### **Resolution**

*“Resolved that the Resolution Plan of highest bidder made by “Vivek Raheja and Sanjay Garg joint/consortium” during the inter-se bidding conducted on 25.01.24 of Rs 25,21,00,000 (Rs. Twenty-Five Crore, Twenty-One lakhs) (NPV of Rs. 23,92,51,984.50 (Rs. Twenty-Three Crore, ninety-two lakhs, Fifty-One Thousand, Nine Hundred, Eighty-Four) is hereby approved. RP may file necessary application before the Hon’ble NCLT, New Delhi for approval of the same.”*

*As per E-Voting conducted, UBI (94.45% share) HDFC Bank (0.26% share) and Northern Arc Capital Limited (4.79% Share) voted for yes and IndusInd Bank (0.5% share) did not vote.*

*Thus, this resolution passed by 99.5% of voting shares.*

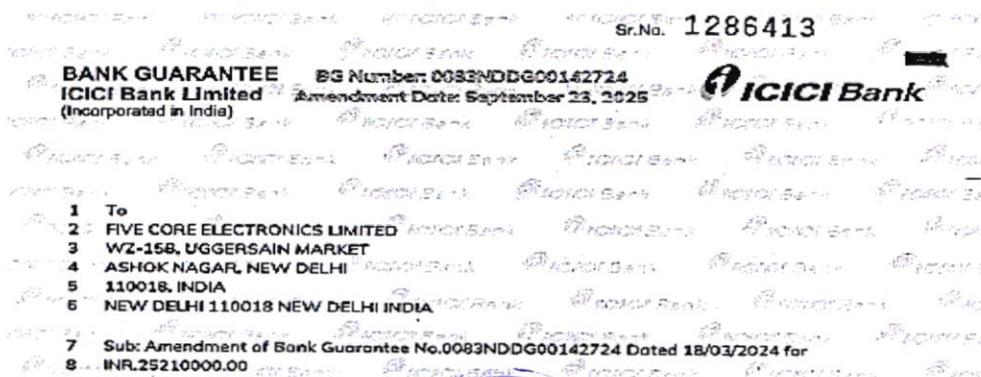




17. It can be seen from the additional documents filed by the applicant that after approval of the plan, a letter of intent dated 12.03.2024 was issued to Mr. Vivek Raheja. The SRA was requested to convey its unconditional acceptance and submit a Performance Bank Guarantee of Rs.2,52,10,000/- . The relevant excerpt of the letter of intent issued to the SRA, reads thus: -

3. This LOI is being issued to communicate to you that you are the Successful Resolution Applicant and you are requested to unconditionally accept this LOI, sign the duplicate copy of this LOI with an endorsement stating that "Accepted Unconditionally", under the signature of your authorized representative and duly stamped by the entities in case of a Consortium and submit the signed and accepted LOI copy to us.
4. Further as per the terms of RFRP, on or before 18-03-2024, you are required to furnish an unconditional and irrevocable performance bank guarantee/security amounting INR 2,52,10,000/- lakhs (INR Two Crore Fifty Two Lakhs Ten Thousand only) at the earliest from a scheduled commercial bank in India, or a demand draft issued by any scheduled commercial bank in India, payable at New Delhi, in favor of FIVE CORE ELECTRONICS LIMITED'. The draft of the Performance Bank Guarantee is included in RFRP; (Format attached in Annexure 8) of the RFRP,

18. It is borne out of the pleadings and records that the SRA gave an unconditional acceptance by way of submission of Performance Bank Guarantee on 18.03.2024 which was initially valid till 13.09.2024 but subsequently the SRA submitted the amended PBG valid till 13.03.2025, and again amended the same valid till 02.03.2026. The Applicant/ RP has enclosed the proof of submission of Performance Bank Guarantee by the SRA, which reads thus: -



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9 Current Bank Guarantee Details:

Bank Guarantee Number	Date of Issue	Expiry Date	Claim Expiry Date	Currency	Amount of Bank Guarantee
0083NDDG00142724	18/03/2024	13/08/2025	13/10/2025	INR	25210000.00

- 10 At the request of VIVEK RAHEJA, we hereby amend above mentioned Bank Guarantee as follows:
- 11 follows:
- 12 \*Expiry date of the Bank guarantee has been amended to 02/03/2026
- 13 \*Claim expiry date of the Bank guarantee has been amended to 02/03/2026.
- 14 All other terms and conditions of the original Bank guarantee remain unchanged, and form an integral part of the original guarantee referred above and may be kept attached thereto
- 15
- 16
- 17 The liability of the Guarantor under this Guarantee shall not exceed INR 25210000.00
- 18 Crore Fifty Two Lakh Ten Thousand Rupee Only (the "Guaranteed Amounts").
- 19 This Guarantee shall be valid up to 02/03/2026 (the "Expiry Date").
- 20 Notwithstanding anything to the contrary contained herein, no obligation of the Guarantor to pay any amount under this Guarantee shall arise prior to the fulfillment of the following conditions precedent:
- 21
- 22



**BANK GUARANTEE** BG Number: 0063NDDG00142724  
**ICICI Bank Limited** Amendment Date: September 23, 2025  
 (Incorporated in India)



- 23 (a) written claim/demand(s) in terms of this Guarantee of an aggregate amount less than or equal to the Guaranteed Amounts is/are made by the Beneficiary hereunder; and
- 24
- 25 (b) such written claim/demand(s) is/are delivered to the Guarantor on or before the 02/03/2026 at the ICICI Bank branch located at ICICI BANK LIMITED, Delhi, 9A PHELPS BUILDING CONNAUGHT CIRCUS NEW DELHI, 110001.
- 26
- 27
- 28 Date: 23/09/2025
- 29 Place: Faridabad-Main
- 30 FOR ICICI BANK LIMITED
- 31 Authorised Signatories
- 32 Signature: \_\_\_\_\_ Signature: \_\_\_\_\_
- 33 Name: \_\_\_\_\_ Name: \_\_\_\_\_
- 34 Signature Code: \_\_\_\_\_ Signature Code: \_\_\_\_\_

BENEFICIARY COPY

For ICICI Bank Limited  
 Authorised Signatory  
 SCO-145-147, Sec-21C, Faridabad

For ICICI Bank Limited  
 Authorised Signatory  
 SCO-145-147, Sec-21C, Faridabad



**MENU BHANDARI**  
 Manager, 674237

**SHRISTI SINGH**  
 Emp. ID: 9003584  
 Deputy Manager

19. The compliance certificate in prescribed Form- H, in terms of Regulation 39(4) of the CIRP Regulations, 2016, has been filed by RP and enclosed as Annexure A-22 of the application.

20. The Applicant/ RP has espoused in the Form- H that the Resolution Plan includes a statement under Regulation 38(1A) of CIRP Regulations, 2016 as to

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how it has dealt with the interests of all stakeholders in compliance of the Code and the Regulations made thereunder. The relevant excerpt of Form- H reads thus: -

“6. The Resolution Plan includes a statement under regulation 38(1A) of the CIRP Regulations as to how it has dealt with the interests of all stakeholders in compliance with the Code and regulations made thereunder.

7. The amounts provided for the stakeholders under the Resolution Plan is as under:”

Sl. No.	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount Provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	-	-	-	-
		(b) Other than (a) above:	-	-	-	-
		(i) who did not vote in favour of the resolution Plan	-	-	-	-
		(ii) who voted in favour of the resolution plan	56,88,00,029	56,88,00,029	24,00,37,000	42%
		Total[(a) + (b)]	56,88,00,029	56,88,00,029	24,00,37,000	42%
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	-	-	-	-
		(b) Other than (a) above:	-	-	-	-
		(i) who did not vote in favour of the resolution Plan	-	-	-	-
		(ii) who voted in favour of the resolution plan	3,34,23,400	3,34,23,400	10,00,000	2.9%
		Total[(a) + (b)]	3,34,23,400	3,34,23,400	10,00,000	2.9%





3	Operational Creditors	(a) Related Party of Corporate Debtor	-	-	-	-
		(b) Other than (a) above:	63,000	63,000	63,000	100%
		(i) Government	-	-	-	-
		(ii) Workmen	-	-	-	-
		(iii) Employees	-	-	-	-
		Total[(a) + (b)]	63,000	63,000	63,000	100%
4	Other debts and dues		-	-	-	
Grand Total			60,22,86,429	60,22,86,429	24,11,00,000	40%

21. As can be seen from the above table, the secured financial creditors would be paid a sum of Rs. 24,00,37,000/- against the admitted claim of Rs. 56,88,00,029/- i.e. 42% of the admitted amount. Furthermore, the unsecured financial creditors would be paid a sum of Rs. 10,00,000/- against the admitted claim of Rs. 3,34,23,400/- i.e. 2.9% of the admitted amount. With respect to employees, workmen and statutory/ government, no claim is received, therefore no payment is required to made to them. As far as the Operational creditor are concerned other than the related party, a sum of Rs. 63,000/- would be paid against the admitted claim of Rs. 63,000/- i.e., 100 % of the admitted amount. Thus, against the total admitted claim of Rs. 60,22,86,429/-, an amount of Rs. 24,11,00,000/- has been proposed to be paid under the plan as per the breakup given in the table reproduced above.

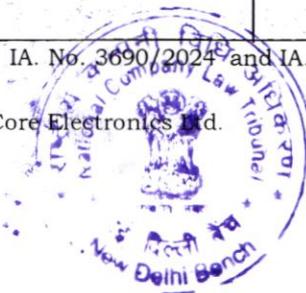




22. The compliance of the Resolution Plan with the provisions of the Code and the Regulations framed thereunder, as set out in Form-H submitted by the Resolution Professional, is reproduced hereinbelow: –

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	Clause 1.4 Page. 3	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	Reviewed 29A affidavits dated. 18.01.2024	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Reviewed 29A affidavits dated. 18.01.2024	Yes
Section 30(2)	Whether the Resolution Plan-		
	(a) provides for the payment of insolvency resolution process costs?	Clause (h) on page 7	Yes
	(b) provides for the payment to the operational creditors?	Clause 3 of 1.1 (Distribution of Liquidation Value) on page 48	Yes
	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	Clause 1 of 1.1 (Distribution of Liquidation Value) on page 48 provides for the payment to be made to the DFCs which shall not be less than the liquidation value.	Yes
	(d) provides for the management of the affairs of the corporate debtor?	<ul style="list-style-type: none"> <li>As per Clause 4 (ii) on page 35, the constitution of Monitoring Committee</li> </ul>	Yes
		<ul style="list-style-type: none"> <li>Clause 4(v) on page 36 states that After the approval of Resolution plan, the Resolution professional shall relinquish his office as per provisions of IBC 2016</li> </ul>	
	(e) provides for the implementation and supervision of the resolution plan?	On page 3, the RA has declared that the plan is not in contravention with any Applicable Laws for the time being in force.	Yes
	(f) contravenes any of the provisions of the law for the time being in force?	<ul style="list-style-type: none"> <li>The Clause 3(vi) under the heading "2. Acquisition of the Control of the Corporate Debtor" on page 26 provides that "The Resolution Plan does not contravene provisions of any of the law for the time being in force."</li> <li>Sub-clause (d) on page 6 under the heading "Information Conditions &amp; Statements" provides that the plan confirms to such other requirements as specified by the Board.</li> </ul>	Yes

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Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC? (b) has been approved by the CoC with 66% voting share?	The solution plan has been approved by 99.5% voting shares by CoC.	Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Schedule 3	Yes
Regulation 38 (1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Point C on Page 59	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Complied	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or	Sub-clause (e) on page 6 under the heading	Yes
	contributed to the failure of implementation of any resolution plan approved under the Code.  (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	<i>"Information Conditions &amp; Statements" states that – "We hereby declare that neither of Resolution Applicant(s) nor any of their related parties/connected person 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 the past."</i>	
Regulation 38(2)	Whether the Resolution Plan provides:  (a) the term of the plan and its implementation schedule?	Clause 7 (Term And Implementation Schedule) on page 37 provides a term of 1 year from the approval date. Further, Clause 7.1 contains the implementation schedule.	Yes
	(b) for the management and control of the business of the corporate debtor during its term?	Clause 2 (iii) under the heading  "2. Acquisition of the Control of the Corporate Debtor" on page 25 provides that –  "The Monitoring Committee shall supervise the implementation of the Plan, and shall be required and entitled to do all such acts, deeds, matters and things as may be necessary, desirable, or expedient for the same and RA shall implement and give effect to this Plan in accordance with its terms."	Yes





	(c) adequate means for supervising its implementation?	Clause 4(ii) on page 35 And Clause 4(v) on page 36 states	Yes
38(3)	Whether the resolution plan demonstrates that –		
	(a) it addresses the cause of default?	Schedule 5	Yes
	(b) it is feasible and viable?	Schedule 5	Yes
	(c) it has provisions for its effective implementation?	Schedule 3	Yes
	(d) it has provisions for approvals required and the timeline for the same?	Schedule 3	Yes
	(e) the resolution applicant has the capability to implement the resolution plan?	Schedule 5	Yes
39(2)	Whether the RP has filed applications in respect of	Filed	Yes
	transactions observed, found or determined by him?		
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Received	Yes

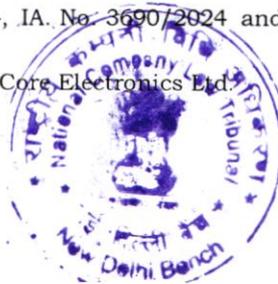
23. As regards the capital restructuring of the CD, the Schedule 3 of the resolution plan provides for transfer of the existing promoters equity to RA/SPV and issue of fresh equity shares to RA/SPV and to public. The relevant excerpt of the schedule 3 of the resolution plan reads thus: -

vii. Existing Capital

Currently, the authorised & subscribed share capital of the CD is as follows:

S. N	Authorised capital	No of shares	Face Value	Amount
1	Equity Shares	13000000	10	13,00,00,000
	<b>Total</b>	13000000	10	13,00,00,000
<b>Subscribed Share Capital</b>				
1	Equity Shares	12620622	10	12,62,06,220
	<b>Total</b>	12620622	10	12,62,06,220

As per the information provided in the Information Memorandum, the Corporate Debtor is a listed entity having its securities listed and traded on NSE MSME exchange leading to applicability of SEBI listing Regulations, 2016. The details of shareholding pattern of the CD as per the IM is as follows:





S. N	Category	No. of Shareholders	No of Shares Held	Share Capital	Shareholding (%)
1	Promoter & Promoter Group	06	87,87,322	8,78,73,220	69.63%
2	Public Shareholding	--	38,33,300	3,83,33,000	40.37%
<b>Total</b>			<b>1,26,20,622</b>	<b>12,62,06,220</b>	<b>100.00 %</b>

- 1.1. The RAs Proposes to transfer/ cancel/ extinguish all existing equity (categorized as promoter equity share) total number as per last available information are 8787322 shares of face value of Rs.10 at each at Rs. 1 consideration. Stamp duty as required shall be deemed to have been paid on transfer of such equity shares on approval of plan by the Hon'ble Adjudicating Authority.
- 1.2. As per last available annual report total number of equity share being held by public shareholders (categorized as Public Shareholders) are 38,33,300 shares - RA also proposes to cancel the entire 100% of equity shares held by public shareholder at NIL consideration and in lieu of such cancelled equity share issue fresh capital of Rs 20 lacs (Rupees Twenty Lacs) divided in to 2 lacs shares of Rs 10 each fully paid to public shareholders which shall be issued in proportionate of their existing shareholding pattern.
- 1.3. Equity capital reissuance to public shareholder shall be done in proportion of their respective shareholding. In case of fractional entitlement of share on cancellation of equity then the same shall be paid off in cash at par (for fractional part only) and such fractional cancellation in total taken together shall be extinguished and cancelled from capital
- 1.4. Resolution Applicant themselves and/ or through SPV (Special Purpose vehicle) along with associates, JV partners or Investors & strategic partners, who will be 29A compliant, will be issued 20,00,000 (Twenty Lakh Only) equity share of face value of Rs 10/ at par on preferential basis.
- 1.5. Resolution Applicant further proposes to issue afresh 20,00,000 equity share of face value of Rs. 10/- each to select investors on preferential basis to be categorized as public shareholders.

*The RA hereby declares that the associates, strategic partners, strategic investors, etc., shall be 29A compliant.*





- 1.6. Resolution Applicant further proposes to proportionately keep the share issued on preferential basis to general category investor out of lock in period to the extent of 10% of paid-up capital of the company as per SEBI -ICDR (Amendment) Regulation 2021 dated 08/01/2021. Provided that the lock in provision shall not be applicable to the specific securities to the extent to achieve 10% public shareholding.
- 1.7. Resolution Applicant has already proposed a public holding of equity shares which meets MPS requirement in the proposed plan at the relisting.
- 1.8. Lock in provisions as is applicable on preferential allottee among the public shareholder would be lifted, kept out of lock for trading in equal proportion to their respecting holding for the number of total shares qualify for exemption from lock in provision.
- 1.9. At present the company has been suspended from the stock exchanges as per information available from IM and public record. Resolution Professional as per section 17 (2)(e) is responsible for complying with the requirements under any law for the time being in force on behalf of the corporate debtor. Further Resolution Professional is also responsible to preserve the value of the company as such steps should be taken by the Resolution Professional to remove the non-compliances due to which the corporate debtor has been Suspended. RA is assuming a value for the listing of the company as such all steps should be taken for restoring the listing of the corporate debtor after the resolution plan is approved by COC.
- 1.10. In terms of section 20 of the IBC, 2016, the Resolution professional has to keep the company as a going concern and in terms of section 17(2) (e ) of the IBC, 2016. Resolution professional shall have to ensure all the applicable compliance. Resolution applicants see that the company is a listed company in stock exchange namely BSE/NSE. Resolution Applicant also proposes to get the equity shares migrated on the main frame of NSE which shall ensure liquidity to small shareholders as the minimum lot size on SME exchange is not feasible due to capital restructuring. Resolution applicant will require that it will endeavour to get the listing restored on various exchange where the company is listed.

2. New Equity structure of the corporate debtor after capital restructuring will be as follows: -

Particulars	No. of Share	Face Value (Rs)	Amount (Rs)	Locked-in / No Locked-in
Transfer of Existing Promoters Equity to RA/ SPV	87,87,332	10/-	8,78,73,320	Locked in
Fresh issue of equity shares on preferential basis to RA/SPV	20,00,000	10/-	2,00,00,000	Locked in





Fresh issue of equity shares on preferential basis to share (To select investor) to be categorized as public share holder)	20,00,000	10/-	2,00,00,000	Unlocked to the extent mentioned in plan
Issue of 1.00 lac fresh equity share to Existing Public Shareholder in lieu of cancellation and proportionate to their respective existing holding.	2,00,000	10/-	20,00,000	Not locked In
<b>TOTAL</b>	<b>1,29,87,332</b>		<b>12,98,73,320</b>	

24. In terms of Section 30(1) of the Insolvency and Bankruptcy Code, 2016, a Resolution Applicant is required to submit, along with the Resolution Plan, an affidavit under Section 29A of the Code declaring that he is not ineligible to submit such plan. In compliance thereof, the SRA has furnished separate affidavits under Section 29A of the Code, affirming that they are not disqualified from submitting the Resolution Plan. Such affidavit has been filed on behalf of SRA. The relevant excerpt of the same reads thus:-

1. I understand that an insolvency resolution process has been initiated against Five Core Electronics Limited (Corporate Debtor) vide order dated 23.01.2020 (Admission Order) passed by National Company Law Tribunal, (State) Bench (Adjudicating Authority) in an application filed by operational creditor against the Corporate Debtor under Section 9 of the Insolvency and Bankruptcy Code, 2016 (amended up to date) (IBC).
2. I state that the present affidavit is sworn by me on behalf of the Resolution Applicant, in compliance of section 29A of the IBC.
3. I on behalf of the Resolution Applicant and any other person acting jointly or in concert with the Resolution Applicant hereby confirm that:
  - (i) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any of the connected person as per the Explanation I provided under section 29A of the IBC is not an undischarged insolvent;
  - (ii) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant, and any connected person as per Explanation I provided under section 29A of the IBC, is not a willful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949.

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- (iii) At the time of submission of the Resolution Plan, the account of the Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC or an account of the corporate debtor under the management or control of such person or whom such person is a promoter, is not classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or guidelines of a financial sector regulator issued under any other law at the time being in force and at least a period of one year has lapsed from the date of such classification till the date of commencement of corporate insolvency resolution process of the corporate debtor and that I have not failed to make the payment of all overdue amounts with interest thereon and charges relating to non-performing asset before submission of Resolution Plan;

(iv) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not been convicted for any offence punishable with imprisonment for 2 years or more under any Act specified in the Twelfth Schedule or for seven years or more under any law for the time being in force or a period of two years has expired from the date of release of such imprisonment;

(v) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC is not disqualified to act as a director under the Companies Act 2013;

(vi) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC is not prohibited by the Securities and Exchange Board of India from trading in securities or assessing the securities markets;

(vii) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under the IBC;

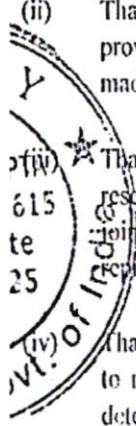
(viii) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC have not executed a guarantee in favor of a creditor, in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under the IBC and no such guarantee has been invoked by the creditor or remains unpaid in full or part;

(ix) The Resolution Applicant, any other person acting jointly or in concert with the Resolution Applicant and any connected person as per Explanation I provided under section 29A of the IBC are not subject to any disability, corresponding to clauses mentioned above under any law in a jurisdiction outside India.





- (i) That the Resolution Applicant unconditionally and irrevocably agrees and undertakes that it shall make full disclosure in respect of itself and all its connected persons as per the provisions of the IBC and the CIRP Regulations and other the rules and regulations framed there under to submit a resolution plan and that it shall provide all documents, representations and information as may be required by the RP or the COC to substantiate to the satisfaction of the RP and the COC that the Resolution Applicant is eligible under the IBC and the rules and regulations there under to submit are solution plan in respect of Corporate Debtor.
- (ii) That the Resolution Applicant unconditionally and irrevocably undertakes that it shall provide all data, documents and information as may be required to verify the statements made under this affidavit.
- (iii) That the Resolution Applicant understands that the COC and the RP may evaluate the resolution plan to be submitted by the Resolution Applicant or any other person acting jointly with it and such evaluation shall be on the basis of the confirmations, representations and warranties provided by the Resolution Applicant under this affidavit.
- (iv) That the Resolution Applicant agrees that each member of the COC and the RP are entitled to rely on the statements and affirmations made in this affidavit for the purposes of determining the eligibility and assessing, agreeing and approving the resolution plan submitted by the Resolution Applicant.
- (v) That in the event any of the above statements are found to be untrue or incorrect, then the Resolution Applicant unconditionally agrees to indemnify and hold harmless the RP and each member of the COC against any losses, claims or damages incurred by the RP and / or the members of the COC on account of such ineligibility of the Resolution Applicant.



**25.** As per Regulation 37 of CIRP Regulations, 2016, a Resolution Plan shall provide for the measures, as may be necessary, for insolvency resolution of Corporate Debtor for maximisation of the value of CD's assets. In this regards, the resolution plan contain the following provisions: -

Relevant Provision	Provisions of Section 30 of the Code / Regulation	Reference
Regulation 37(a), (b) & (ba)	<ul style="list-style-type: none"> <li>Transfer of all or part of the assets of the corporate debtor to one or more persons;</li> </ul>	RA proposes to identify the non-core assets after the effective date if any, and proposes to sell them only after the approval of monitoring committee.





	<ul style="list-style-type: none"> <li>• Sale of all or part of the assets whether subject to any security interest or not</li> <li>• Restructuring of the corporate debtor, by way of merger, amalgamation &amp; demerger.</li> </ul>	<p>RA proposes to identify the non-core assets after the effective date if any, and proposes to sell them only after the approval of monitoring committee.</p> <p>RA proposes to reserve the right of demerger of the company into 2 or 3 companies. Scheme will be proposed after the Resolution Plan is fully implemented in accordance with the terms hereof..</p>
Regulation 37 (d)	Satisfaction or modification of any security interest	RA has proposed the same under schedule 3 at Point 8 (1) at Page No 37.
Regulation 37(e)	Curing or waiving of any breach of the terms of any debt due from the corporate debtor	NA
Regulation 37 (g)	Extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor	NA
Regulation37(h)	Amendment of the constitutional documents of the corporate debtor	RA has proposed the same under schedule 7 (Key Reliefs, Concessions and Entitlements) at Point (iii) at Page No 68-69
Regulation37(i)	Issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests or other appropriate purpose.	NA
Regulation37(j)	Change in portfolio of goods or services produced or rendered by the corporate debtor.	RA does not foresee any change in portfolio of goods or services at this point however if it requires any change at any stage it will done as per law and after approval of MC.
Regulation 37(k)	Change in the technology used by the corporate debtor.	the RA does not foresee any change in portfolio of goods or services at this point however if it requires any change at any stage it will done as per law and after approval of MC.
Regulation37(l)	Obtaining necessary approvals from the Central and State Governments and other authorities.	RA has proposed the same under schedule 3 at Point 8 (5) at Page No 39

**26.** With respect to the source of funds, it is stated in Schedule 6 of the Resolution Plan that upon approval of the Plan, the SRA shall arrange investment or debt funding of up to Rs. 26 Crore through equity or debt sources, including own funds, unsecured loans, or by way of a Special Purpose Vehicle (SPV). It is further stated that equity shares shall be issued at face value, simultaneous with the transfer, cancellation, or extinguishment of existing capital, in favour of the Resolution Applicant and its associates. The SRA has





committed to make an upfront cash infusion of Rs. 6,20,63,000/- within 30 days from the approval date. It is also clarified that in the event the Resolution Applicant is unable to raise external funding, it shall infuse its own funds to meet the said obligations, either directly or through an SPV. The relevant extract of Schedule 6 is reproduced hereinbelow: –

*“Post the Approval Date, the Resolution Applicant shall arrange an investment/ debt upto Rs 26 Crore from Equity / Debt funds, RA will infuse equity, unsecured loan from own sources (friends, relatives etc.) / SPV, if required, for paying the entire CIRP cost, settlement amount to financial and Operational creditors. The Equity Shares shall be issued at face value.*

*Simultaneous with the transfer/ cancellation/ extinguishment in terms of the resolution plan of existing Capital to Resolution Applicant the new Equity Shares shall be issued to the Resolution Applicant (s) and their Associates, as the case may be in the manner specified hereunder in this Resolution Plan.*

*The Resolution Application shall infuse a sum of INR 26 Crore from Own internal Sources and funding from Equity / Debts funds. In case Resolution Applicant not able to raise the investment/ debt, in that eventuality Resolution applicant shall induct its own funds;*

*a. The upfront cash infusion of INR 6,20,63,000 within 30 days from the approval date for paying the CIRP cost and for payment of FC and OC Payment and towards working capital as & when required.*

*RA will have right to invest equity/quasi equity / loan directly or through SPV created for the said purpose.”*

**27.** Regulation 38(1B) of CIRP Regulations, 2016 provides that a Resolution Plan shall include a statement giving details as to whether the SRA or any of its

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related parties have failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past. In this regard, a declaration has been given by the SRA in the plan, which reads thus: -

*“(e) We hereby declare that neither the Resolution Applicant(s) nor any of their related parties/connected person 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 the past.”*

**28.** Regulation 38(2)(a) of CIRP Regulations, 2016 provides that the plan should contain provisions for the term of the plan and its implementation schedule. In this respect, clause 7 on page no. 37 of the plan states that the SRA would implement the Plan within 1 year from the approval and be carried in accordance with the steps set out in the plan. The relevant excerpt of Clause 7 of Schedule 3 of the plan reads thus: -

*“The Resolution Applicant proposes to implement this Resolution Plan within a period of 01 Year days from the approval Date in accordance with the Implementation Schedule and other terms contained in this Resolution Plan.*

*7.1. The Resolution Applicant, propose to implement of the Resolution Plan in the following manner (“Implementation Schedule”)*

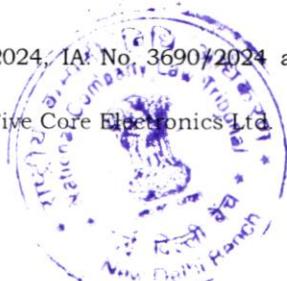




<i>Approval of the Resolution Plan by the NCLT</i>	X
<i>Upfront Payment shall be made by Resolution Applicant in no case later than 30 days from approval date - Effective Date</i>	Y i.e., X+30
<i>Cessation of existing directors, appointment of new directors in the board of corporate debtor</i>	Y
<i>Transfer/ cancellation/ Extinguishment of all existing shares and issue of fresh shares in f/o new Resolution Applicants or the persons nominated by them</i>	Y

Particulars	Within 30 Days from NCLT Approval date	Within 180 Days from NCLT Approval date	Within 270 Days from NCLT Approval date	Total
Payment of entire CIRP Cost as actual (estimated CIRP cost)	1,00,00,000	--	--	Rs. 1,00,00,000 (However, any surplus/deficit shall be adjusted from/to the payment proposed to the secured financial Creditors on proportionate basis. In any event the liability of the RA will remain the same as proposed under this resolution plan.)
Payment of to Secured Financial Creditors.	5,00,00,000	10,00,00,000	9,00,37,000	24,00,37,000
Payment of to Unsecured Financial Creditors	10,00,000	-	-	10,00,000
Payment of to Operational Creditors (Goods & Services)	--	--	--	-
Payment of to Operational Creditors (Govt. Dues/ Statutory Dues)	63,000	--	--	63,000
Payment of to Operational Creditors (Workmen & employee)	--	--	--	--
Payment of to Other Creditors	--	--	--	--
Working capital/capex	--	--	--	--
Contingency Fund	10,00,000	--	--	10,00,000
<b>Total: Rs</b>	<b>6,20,63,000</b>	<b>10,00,00,000</b>	<b>9,00,37,000</b>	<b>25,21,00,000</b>

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7.2 As per Regulation 31 (1) of CIRP regulation, the **Operational creditor need to be paid in priority over financial creditors.** As per the IM there are no operational creditors as such no amount has been provided for operational creditors.”

Furthermore, the Resolution Plan stipulates that the upfront payment to various stakeholders shall be made by the Successful Resolution Applicant within 30 days and further in 180 days & 270 days from the Effective Date, i.e., the date of approval of the Plan by this Adjudicating Authority. He has also drawn our attention to schedule 2 of the plan which provides the details of the Successful Resolution Applicants, and records that the net worth of Mr. Vivek Raheja and Mr. Sanjay Garg is Rs. 10 Crore as on 31.03.2022.

**29.** As per Regulation 38(2)(b) of CIRP Regulations, 2016, the Resolution Plan should provide for the management and control of the business of the Corporate Debtor during its term. In this regard, it is apt to refer to Clause Schedule 3 of the Resolution Plan which deals with management and control of the Corporate Debtor. The relevant clauses read thus: -

“[...]

*iii. The Monitoring Committee shall supervise the implementation of the Plan, and shall be required and entitled to do all such acts, deeds, matters and things as may be necessary, desirable, or expedient for the same and RA shall implement and give effect to this Plan in accordance with its terms [...]*”

**XXX**

“[...]

*i. The erstwhile Board is suspended due to initiation of CIRP; hence, it is proposed that the previous board members shall automatically*





*cease to exist on the approval of the plan and the Resolution Applicant would appoint new Board members as it would decide from effective date. All power of Management, control and operation of the Company granted to the erstwhile Promoters and Promoter group of the Company, and/or their nominee shall stand withdrawn, revoked, terminated, and rescinded, from the Effective Date New Management shall be managing the affairs of the Corporate Debtor under the supervision of the Monitoring Committee till its Implementation and afterwards by the New Management independently.”*

**XXX**

*[...]*

*2.1. Pursuant to the approval of the Plan by the NCLT, all existing Directors shall cease to act as the Director of the Corporate Debtor immediately on Effective Date.*

*2.2. Subsequently, with effect from the Effective date, the CD shall be managed by a Reconstituted management/ Board of Directors. The Directors on the Reconstituted Board shall be appointed on the Effective Date, without any additional approval from the Shareholders and will be accountable for the day-to-day operation of the CD.*

*Accordingly, the necessary form to be filed with the MCA intimating cessation of existing Directors and appointment of new Directors shall be concluded without affixation of digital signatures.*

*The RAs will appoint such number of directors on the board of the CD, including independent directors, as may be necessitated.*

*The erstwhile promoters would have no control, veto rights, and directorship in the CD with effect from the Effective Date.*

*2.3. Entire management control of the CD will vest with the RAs, for the management of the day-to-day affairs. At the same time the RAs realize that given the complexities of the business like this, the RAs will evaluate the need of human resource to revive the CD.*





2.4. Any change in the members managing the CD shall not affect the validity and enforceability of any agreement, lease deed, contract, etc. executed by the CD with various parties, authorities, companies, etc. save and except the provisions and scope of alterations/modifications / amendments as also such reliefs and concessions provided to the Resolution Applicants and the CD under this Resolution Plan. Further, the RA confirms that any change in the members of the Monitoring Committee during the implementation period will be subject to section 29A compliant.”

**XXX**

“[...]

i. On and from the Effective Date, the Resolution Applicant shall constitute the Board of the Company and the Reconstituted Board will be responsible for the implementation of this Resolution Plan along with the Resolution Applicant until the final payments are made under this plan to financial Creditors under the supervision of Monitoring Committee.”

**30.** As per Regulation 38(2)(d) of the CIRP Regulations, 2016, a resolution plan shall provide the manner in which the proceedings with respect to avoidance transactions and fraudulent/ wrongful trading is to be pursued and the manner in which the proceeds, if any, from such proceedings shall be distributed. In this regard, it is apposite to note that as per Form – H given by the Applicant/ RP, the following application filed under Sections 43, 45, 50 and 66 of the Code, were decided vide order dated 11.01.2024. The relevant excerpt of Form- H reads thus:





Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
1	Preferential transactions under section 43	01-06-2020 IA. NO. 3804/ND/2020 Filing no.0710102062232020	11-01-2024	IA- 3804/2020 is disposed of with the following directions: - (i) Ms Surinder Kaur Kalra shall contribute/pay an amount of Rs. 3,91,866/- to the assets (CIRP/Liquidation A/c) of the Corporate Debtor; (ii) Mr. Amarjit Singh Kalra shall contribute/pay an amount of Rs. 1,35,42,338/- to the assets (CIRP/Liquidation A/c) of the Corporate Debtor; (iii) Ms. Jagjit Kaur Kalra shall contribute/pay an amount of Rs. 1,90,37,125/- to the assets (CIRP/Liquidation A/c) of the Corporate Debtor; (iv) All the Respondents shall contribute/pay an amount of Rs. 2,20,00,000/- jointly/severally to the assets (CIRP/Liquidation A/c) of the Corporate Debtor; (v) Regarding the amount of Rs. 2,745.30 Lakhs, the present application filed under Section 43 of IBC, 2016, is not maintainable, thus RP is directed to file a separate application under Section 66 of IBC, 2016.
2	Undervalued transactions under section 45	14-05-2022 IA. NO. 2855/ND/2022 Filing no. 0710102038382022	11-01-2024	
3	Extortionate credit transactions under section 50	-	-	-
4	Fraudulent transactions under section 66	14-05-2022 IA. NO. 2855/ND/2022 Filing no. 0710102038382022	11-01-2024	Para 6 of the order dated 11-01-2024 are as follows

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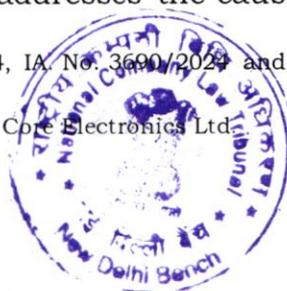
				<p><i>In view of the aforementioned, we are left with no option, but to order restoration of the position qua CD as it existed before the aforementioned undervalued transaction, as if the transaction had not been entered into and to direct the Respondents to pay the amounts (as per the details given in para 3 above under the present IA) of Rs. 10,00,00,000/- , 1,05,00,000/- , 66,52,000/- , 16,00,00,000/- , 1,19,02,370/- , 14,15,18,310/- in CIRP account of CD, jointly/severally. Ordered accordingly. The IA stands disposed of.</i></p>
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As can be seen from the order dated 21.03.2025 relating to IA 1261/2024 (PUFE Application) which was pending before this tribunal was allowed and the Respondents were directed to contribute to the assets of the Corporate Debtor an amount of Rs. 2,745.30 Lakhs.

Furthermore, as per Clause (v) of Schedule 7 of the Resolution Plan, the Financial Creditors shall bear the expenses incurred in pursuing PUFE/Avoidance transactions, if any. It is further provided that any recovery arising therefrom shall be vest with the Financial Creditors. The relevant excerpt reads thus: -

*“5. Further, any other recoveries by the Corporate Debtor/Resolution applicant from the erstwhile promoters/directors or other entities against avoidance transactions (PUFE transactions under IBC, 2016) shall vested with Financial Creditors and the expenses for pursuing/follow-up the pending Applications after the Approval date shall be borne by the Financial Creditors.”*

**31.** As per the requirement of Regulation 38(3)(a) of CIRP Regulations, 2016, a plan shall demonstrate that it addresses the cause of default by the Corporate





Debtor. To address the concern, we may refer to clause 2 of schedule 3 of the resolution plan and the documents placed on record by the SRA wherein the SRA has stated the cause of default by the CD and how the same is to be addressed. The relevant excerpt reads thus: -

**“2. CAUSE OF DEFAULT**

*Due to insufficiency of funds in the Corporate Debtor, the Corporate Debtor failed to make payment to their creditors and went into insolvency.”*

**XXX**

*“The promoter of the company absconded after defrauding the creditors. The RA has now purposed payment to the creditors after some hair-cut.”*

**32.** Further, in compliance of Regulation 38(3)(b) of CIRP Regulations, 2016, the Resolution Plan demonstrates as how the plan will be feasible and viable.

The relevant clauses reads thus: -

*“(g) Our Resolution plan demonstrate that it addresses the cause of default, it is feasible and viable, it has provisions for its effective implementation, it has provisions for approvals required and the timeline for the same, and the resolution applicant has the capability to implement the resolution plan.”*

**XXX**

**“BUSINESS PLAN**

*Mr. Vivek Raheja & Mr. Sanjay Garg both are qualified finance professionals having experience of more than 25 years each. Mr. Vivek Raheja is a chartered accountant and is running his CA firm with more than 100 plus partners, chartered accountants, accountants and other staff. He is also a leading Insolvency Professional and has turned around more than 10 companies as Resolution Professional. He is also promoter director of Osrik Resolution Pvt Ltd which is a leading IPE with PAN India offices/ associates. He has helped establishing business in education, medical equipments, chain of restaurants and many more. Mr.*





*Sanjay Garg is also a leading Insolvency Professional and promoter director of Osrik Resolution Pvt Ltd which is a leading IPE with PAN India offices/ associates. He is accredited with establishing the first AIF for funding the MSME and is the fund manager of Sabrimala Pantomath AIF. They have employed a force of professionals experts in turning around stressed assets and have worked out plans to revive the Corporate Debtor with their team and are hopeful of turning around the business of the corporate debtor.”*

**33.** As per Regulation 38(4) of the CIRP Regulations, 2016, the CoC may consider the requirement of a Monitoring Committee for the implementation of the plan. In this respect, Clause 2 & 4 of Schedule 3 to the plan states that from the effective date i.e. the date of approval of plan by this Tribunal, a Monitoring Committee shall be constituted for monitoring and supervising the implementation of the resolution plan. It is also stated in the plan that the Monitoring Committee shall consist of one representative of the SRA, one representative of the largest secured financial creditors and a Qualified Insolvency Professional/ Resolution Professional. It is further stated therein that the Qualified Insolvency Professional/ Resolution Professional will be the Chairman of the Monitoring Committee. Moreover, the SRA has also stated in Clause 4 of Schedule 3 that with effect from the Effective Date, the Board of Directors qua the Corporate Debtor shall be reconstituted. The Reconstituted Board will be responsible for the implementation of the Resolution Plan along with the Resolution Applicant until the final payments are made to financial Creditors under the supervision of Monitoring Committee. The relevant excerpts of the plan reads thus: -

“[...]





*The Monitoring Committee shall have the same functions, powers and protections as ascribed to the Resolution Professional under the Code. The First Meeting of the Monitoring Committee will be called by the Resolution Applicant within T + 7 days. The Monitoring Committee will be headed by the Insolvency Professional /Resolution Professional in the capacity of Chairman of the Monitoring Committee.*

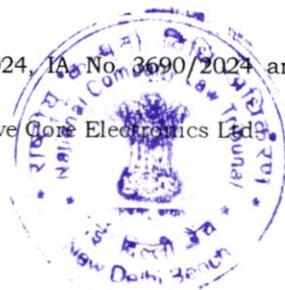
*i. On and from the Effective Date, the Resolution Applicant shall constitute the Board of the Company and the Reconstituted Board will be responsible for the implementation of this Resolution Plan along with the Resolution Applicant until the final payments are made under this plan to financial Creditors under the supervision of Monitoring Committee.*

*ii. The Monitoring Committee, comprises of 1 representative of largest Creditors, Insolvency Professional/Resolution Professional, who shall be the chairman of Monitoring committee and 1 representative of the successful Resolution Applicant. Further the decision to be taken in the monitoring committee shall be by way of majority vote in the Meeting..*

*iii. The existing board of directors of the Company (the "Existing Board") shall stand vacated and be replaced by the members nominated by the Resolution Applicant ("Reconstituted Board") on Effective Date; and*

*iv. The Monitoring Committee shall, subject to the provisions of this Resolution Plan, be deemed to have the same rights, powers and privileges which the Resolution Professional has during the CIRP.*

*v. After the approval of Resolution plan, the Resolution professional shall relinquish his office as per provisions of IBC 2016. Thereafter the company will be managed and controlled under the supervision of monitoring committee.*





vi. If this Resolution Plan is approved by the COC, the Resolution Applicant agrees on the monthly fees, costs and expenses which may be incurred by the Insolvency Professional/Resolution Professional and the Monitoring Committee in discharging its duties as set out above from the Approval Date (the "Interim Management Costs"). The Interim Management Costs shall be funded by Resolution Applicant subject to approval of the costs by Resolution Applicant.

vii. The term of Monitoring Committee shall be for the period until entire payment to continuing creditors are made i.e., the term of the Resolution Plan.

viii. From the Effective date, the Monitoring Committee shall have the role and responsibility to supervise the implementation of the Resolution Plan and in case of any observation/suggestion by the Monitoring Committee; it shall communicate the same to the newly appointed Board of Directors for appropriate steps/action.

ix. The Monitoring Committee shall have the following responsibilities:

a) Monitoring the implementation of this Resolution Plan, during the Term of the Plan.

b) Obtain all original documents, and all other agreements, deeds, contracts, correspondences, communications, letters or any other document, pertaining to any division of the Corporate Debtor or pertaining to the CD as a whole, transferred by the erstwhile members of the Boards of Directors of the CD and/or by the Existing Promoters Group or the Resolution Professional in a peaceful and unconditional manner.

c) Provide regular updates to the Financial Creditors, until the Financial Creditors receive the amounts payable to them pursuant to this Resolution Plan.





d) *Ensure that all assets of the CD remain vested in the CD, on an as is where is basis, free from all Encumbrances and/or without any encroachments (including but not limited to occupancy of possession by the erstwhile director/s or promoter/s or their men/agents/servants) upon implementation of the Plan.*

e) *Take control of all the original securities with the CoC members so that the same can be released immediately on receiving 100% payment as provided for in the Resolution Plan.*

f) *Issue a certificate that the Resolution Plan has been duly implemented and the payments contemplated in this Resolution Plan have been duly completed. In issuing this certificate, if a Person has not collected its payment, despite the CD having notified such person, and accordingly the CD has created a special reserve for payment of such amount, it shall be deemed to be a discharge of CD's payment obligations.*

x. *Issuance of a certificate by the Monitoring Committee shall be a discharge of the RAs from their obligation to implement this Resolution Plan in accordance with its terms.*

xi. *The fee payable to qualified Insolvency Professional/ Resolution Professional who shall be the members of the Monitoring Committee shall be borne by the Creditors in the proportion decided by them.”*

**34.** As can be seen from the declaration given by the SRA in the Resolution plan, the plan is not in contravention of any applicable law. The relevant excerpt of the plan reads thus: -

***“Declaration by Resolution Applicant***

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1.1 *The Resolution Applicant declares that it is hereby eligible under section 29 A of the IBC 2016, to submit Resolution Plan and that this Resolution plan is not in contravention with any Applicable Laws for the time being in force.”*

35. It is pertinent to note that in Schedule 7 of the Resolution Plan, the SRA has sought a number of reliefs and concessions from this Tribunal. Schedule 7 of the plan reads thus: -

**“SCHEDULE 7**

**KEY RELIEFS, CONCESSIONS AND ENTITLEMENTS**

*The Resolution Professional shall, in its application for seeking approval of this Resolution Plan (in the event of approval of the same by the COC), shall also seek the following specific orders from the Adjudicating Authority:*

**(i) Access to Assets of the Company**

*Upon approval of this Resolution Plan by Adjudicating Authority, each of the lessors/owners of the assets where the Company conducts its business shall provide unrestricted access to the Resolution Applicant, the Company, and each of their respective representatives, employees, officers and agents to such locations without holding any asset of the Company located at such premises for ransom.*

**(ii) Consents and Permits**

*Upon approval of this Resolution Plan by Adjudicating Authority, all actions stated in this Resolution Plan shall be deemed to be approved. Accordingly, any action or implementation of this Resolution Plan shall not be a ground for termination of any Clearances or the like that has been granted to the Company or for which the Company has made an application for renewal or grant.*

**(iii) Amendment in constitutional document of the CD**

*The Memorandum of Association of the CD shall stand revised. The amendment to the Memorandum of Association, including the revisions to the capital clause therein, shall be pursuant to the order of the NCLT and shall not require any additional approval from the shareholders or otherwise.*





*The Resolution Applicants may cause amendments to the Articles of Association of the CD, if required once the authorized persons who will be part of managing and operating the affairs of the CD are identified.*

***(iv) Licenses, Consents, and approvals***

*The Resolution Applicant has also considered that by virtue of the order of the Adjudicating Authority approving this Resolution Plan and since the Resolution Applicant, would acquire the Company on a 'going concern' basis, all consents, licenses, approvals, rights, entitlements, benefits and privileges under any law, contract, lease or license, granted in favour of the Company or to which the Company is entitled or accustomed to, which might have already lapsed or expired due to any non-compliance or efflux of time and wherever need to be reapplied and obtained by Resolution Applicant, in that event Resolution Applicant shall be allowed a period of 12 months from the Approval Date to comply with the said statutory obligations without suffering any adverse implications i.e. stoppages of construction work, any revocation of licenses or levy of penalties, interest etc.*

*Similarly, Resolution Applicant shall be allowed a period of 12 months from approval date to comply pending compliances under Companies Act 2013, SEBI, Stock Exchange, Company Law Tribunal, Income Tax Act, GST Act, etc. and other applicable laws & regulations without suffering any adverse implications i.e. levy of penalties, interest etc, disallowance of carry forward losses, input credit or any other such benefits, entitlement or privileges which it would have entitled, had there been no delay / lapse on the part of corporate debtor.*

***(v) Treatment of ongoing litigation and violations***

*1. It is proposed that, all cases under litigation whether final or not, crystallised or uncrystallised shall stand revoked and extinguished with effect from Approval Date and no claims of whatsoever nature shall subsist. Further proposed that following the Approval Date, any allegations in relation to the non-compliance with the terms of any contract or Clearances obtained by the Company, the related litigations will be treated as withdrawn on and for the effective date and that no coercive action be taken against the Company to the extent permitted under s. 32A of the Code". It is currently expected that a period of 12 months from the Approval Date will be required*





for the Resolution Applicant to cause the Company to remedy such underlying breaches (if found to be true).

2. All litigations, prosecutions, legal proceedings, suits, claims (including claims for damages), notices, show cause notices, demand notices, actions including passing of any Decree, Award or Orders, arbitration by any administrative, judicial quasi-judicial, regulatory, government, or any enforcement agencies, pending or threatened against the company or whose outcome adversely affects the company (including but not limited to the proceedings set out in the RFRP) against prior to or after the Effective Date, other than the rights of the Financial Creditors to proceed against the guarantees issued for the loans to the company, in the manner set out in this resolution plan, shall be deemed to have been withdraw or dismissed and will be deemed to have been barred with effect from the Approval Date.

3. On Approval Date all liabilities, obligations, demands, actions including any Decree, Award or Order(s) or penalties made or imposed in relation to any proceedings, whether or not claimed, whether or not filed, whether or not assessed, whether or not crystalized, whether or not accrued, whether or not admitted, whether or not notional, whether or not known, whether due or contingent, whether or not disputed, present or future, whether or not being adjudicated in any proceedings, whether or not decreed, whether or not reflected in any record, document, statement, statutory or otherwise, arising prior to or after the Approval Date, and pertaining to a period prior to the Approval Date, in relation to the corporate debtor, shall be deemed to have been irrecoverably waived and permanently extinguished and written off in full and settled at NIL value with effect from the Approval Date by virtue of full and settled at nil value with effect from the Approval Date by virtue of the order of Hon'ble NCLT approving this Resolution Plan. No fresh proceedings shall be instituted against the corporate debtor and no notice shall be issued or claim or demand or investigation shall be made against the Corporate Debtor or interest, penalty fine or liability imposed by any governmental authority or any person whether under any applicable law or contract or otherwise arising out of any act or omission relating to a period prior to the Approval Date.

4. No proceedings shall lie against the Corporate Debtor or the Resolution Applicant for any claim, obligations, liability; damage, or





*due relating to the period prior to the Approval Date. It is clarified that the existing promoters and existing shareholders, managers, directors, officers, employees, workmen, or other personal of the company shall continue to be liable for all the claims, demand, obligations, Penalties etc. arising out of any (i) proceedings inquires, investigations order show causes, notices suites, litigations etc. (including those arising out of any orders passed by the Hon'ble NCLT pursuant to Sections 43,45,49,50,66,68,70,71,72,73,74 of the Code), whether civil or criminal, pending before any authority, court, tribunal, or any other forum prior to the Approval Date or (II) that may arise out of any proceedings, enquires, investigations, orders, show cause notices, suites litigation etc.(including any orders that may be passed by the Hon'ble NCLT pursuant to sections 43,45,49,50,66,68,70,71,72,73,74 of the Code), whether civil or criminal, that may be initiated or instituted post the approval of the resolution plan by the Hon'ble NCLT on account of any transactions entered into or decisions or actions taken by, such existing promoters and existing shareholders, managers, directors, officers, employees, workmen, or other personnel of the Corporate Debtor, and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto to the extent permitted u/ s 32A of the Code.*

*5. Further, any other recoveries by the Corporate Debtor/Resolution applicant from the erstwhile promoters/directors or other entities against avoidance transactions (PUFE transactions under IBC, 2016) shall vested with Financial Creditors and the expenses for pursuing/follow-up the pending Applications after the Approval date shall be borne by the Financial Creditors.*

*6. All relevant Governmental Authorities to grant relief from payment of stamp duty, registration fees and applicable fees (including fees payable to the jurisdictional Registrar of Companies) for the successful implementation of the Plan (including for the capital reduction, issuance and transfer of shares and other securities, change of ownership of the Corporate Debtor and assignment of Debt); and for the execution and registration of the Deed of Conveyance and other documents for transfer of clear legal title of the Land/office in favour of CD free from the Encumbrances, liens, charges and attachments;*





7. In the event, any Liabilities (including any Contingent Liabilities) is accrued to the Corporate Debtor or any pre-existing attachments/ Encumbrances on the Land/ office are not released by any Governmental Authorities any such liability shall be extinguished and attachment shall be vacated as per the law of Insolvency Bankruptcy Code.

8. The entire restructuring/ cancellation/ re-issue/ fresh issue of share capital as proposed above by the RA shall not require separate application for granting approval to various regulatory authorities including stock exchanges to be filed by the Resolution Applicant. The approval of resolution plan by the AA shall be deemed approval for all such authorities to have been obtained and without any further action on the part of RA shall be treated as final approval for successful implementation of resolution plan.

9. In order to maintain the CD as going concern and to protect the interest of general public shareholders, RA prays for the revocation of suspension order by the stock exchange. Any non-compliance, non-payment of fees by the CD before the effective date shall be condoned by the stock exchanges/ regulatory authorities without any payment for the same by the RA.

10. All statutory and other liabilities and dues relating to RBI, NSE, BSE, SEBI etc. whether outstanding or demanded till effective date or not, or whether recorded in the books of accounts or not, including all interest, penalties, fines, etc. as also all other taxes, levies, charges, outgoings, etc. by whatsoever name called and payable to any Governmental Authority including RBI, NSE, BSE, SEBI, or any other regulatory authority etc. or any other Person under any Applicable Law for the time be waived and/ or the liability in respect of the same be fully extinguished;

11. RA and CD after the successful acquisition by the RAs shall not be responsible for any defaults for the period prior to Effective Date of any nature under any law as may be applicable from time to time including but not limited to ED/ RBI/ CBI/ CVC/ PMLA/ FEMA / FERA, customs, excise, VAT, GST, ST/ CST/ Octroi, Income Tax, Companies Act, 2013, SEBI Regulations, Stock Exchange Listing Agreement Compliances, Property Tax and any other law/ enforcement agencies even if not mentioned here;





12. *The Resolution Applicant/ Corporate Debtor shall not be liable for any payments against any contingent liability whether mentioned in the Information Memorandum or not included in the Information Memorandum but not limited to liabilities on account of bank guarantees or other commitments given to or as a financial consequence of a legal proceeding, whether already determined, ongoing or yet to be instituted against, in so far as the cause of such legal proceedings related to a date prior to the Approval Date- customers or any other entity, Income Tax, Sales Tax, VAT, Excise Duty, Custom Duty and any other duty, Tax, Cess, levies etc. due to Centre, State, or Local Bodies other than as proposed in this Resolution Plan, shall be deemed to be settled and extinguished vide payment of a NIL amount, as part of the terms of this Resolution Plan.*

13. *Nothing in this Resolution Plan shall affect the rights of the Corporate Debtor to recover any amounts due to the Corporate Debtor from any third party including any Related Parties of the Corporate Debtor and there shall be no set off of any such amounts recoverable by the Corporate Debtor against any amount paid by the Corporate Debtor or any liability discharged, satisfied or extinguished pursuant to this Resolution Plan.*

14. *Waiver of dues under Demand notice if any issued or to issue for the period up to the approval date including penalty and interest by Assessing Authority under VAT, CST, GST, Entry Tax, Income Tax, Wealth Tax, and other statutory Law and Regulation.*

15. *It is proposed that Resolution Applicant will be allowed to avail unused / balance input credit / take refund, available as on NCLT approval date to the company irrespective of any procedure delay/lapse/non filling of any application/return etc by erstwhile management. Resolution Applicant will be allowed a period of 12 month from approval date to comply pending procedure / requirement/return/ application documents necessary to avail such input credit/ refund as per applicable procedure, Rules and regulation under the GST/ VAT Act.*

16. *All domain names, servers, being currently used by the Company to the extent not owned shall continue to be available for use by the Company for a period of 3 months from the Approval Date.*





17. *There shall be no adverse effect on the rights of the Company over its immovable properties.*

18. *Any right of subrogation, reimbursement, recompense, under any corporate guarantee, letters of comfort or similar instruments of debt or any obligation provided by any promoter, affiliate or Related Party of the Company shall stand extinguished and become null and void as of the Approval Date.*

19. *Each of the directors whose offices are being vacated pursuant to the provisions of the Resolution Plan, the Related Parties whose Contracts are being terminated pursuant to this Resolution Plan shall have no claim against the Company either in law or tort including on account of any loss of office, profit or repute.*

20. *Any stamp duty liabilities or Tax liability arising pursuant to the transactions contemplated under this resolution plan shall be exempted or waived off. As per information made available in IM and otherwise as on date there is no outstanding liability of stamp duty etc, however, in case any authority demand any stamp duty or any tax liability which relates to period prior to insolvency commencement date, the same shall stand extinguished and waived off.*

21. *As per the information made available CD have not given any assets/property on lease. However subsequent to our takeover, if any contract is found relating thereto, the same shall stand terminated at option of Resolution Applicant. All Lease Deed / Rent Agreement if any executed by Corporate Debtor shall remain in existence and all premises in possession of corporate debtor whether Rent Agreement, lease deed executed or not, shall be continuing as per existing terms and conditions. However, Resolution Applicant shall be at liberty to review such agreement (s) as it deems appropriate and shall be entitled to vacate such premises if so desired without any compensation, damages, and other charges, rent for unexpired period of lease / premature vacation of premises. Existing lessor shall not restrict access to Resolution applicant to such premises and continue to fulfil their obligation by paying municipal and other applicable taxes and carry out repair and maintenance as stipulated in respective Agreement.*





We hope the Resolution Professional would find our Resolution Plan suitable for presentation before the COC for its approval. We further request the Resolution Professional to feel free for any additional information required with request to the Plan proposed herein and give an opportunity for removal of any defect or any deficiency in the Resolution Plan or documents provided.

**(vi) Specific Relief from RIICO**

The plot of land allotted to the corporate debtor is on lease from the RICCO and it has been cancelled. The value of the corporate data is dependent upon the plot on which the factory is located. Therefore, the restoration of plot to the corporate debtor is essential for creating value of the corporate debtor. Therefore, the Hon'ble NCLT is humbly requested to pass the necessary directions to the RICCO to restore the allotment of the plot on which the factory is established with waiver of the interest and penalties for the delay in payment.

Post the approval of Resolution Plan by the Adjudicating Authority, the RIICO shall be bound to renew the existing lease deed and shall not have any right to cancel it on the ground of non-payment of pending dues accrued till the approval of Resolution Plan by the Adjudicating Authority.

Furthermore, the RICCO shall grant all necessary approvals/renewals to the Resolution Applicant for successful implementation of the Resolution Plan.

**(vii) Subsidiary Company**

As per the information available in Information Memorandum, there are certain foreign subsidiaries of the corporate debtor. The resolution applicant hereby disconnect itself from the assets and liabilities of foreign subsidiaries. Hence, the Resolution Applicant will not claim any right over the assets of the foreign subsidiaries and will not be liable for any obligations with respect to any liability whatsoever. The RA proposes to renounce the shareholding of foreign subsidiaries and upon approval of Resolution Plan by Hon'ble Adjudicating Authority, the foreign subsidiaries will not have any relation with the Resolution Applicant/Corporate Debtor.”





36. It is pertinent to note that in Form- H, the Applicant/ RP has stated that the fair value and liquidation value of the CD is Rs. 12,34,41,863/- and Rs. 9,27,45,554/- respectively. Thus, we find that the value of the plan is more than the fair value of the Corporate Debtor, assessed by the valuers appointed by the RP in terms of the provisions of Regulation 27 of CIRP Regulations, 2016 r/w Regulation 35 thereof.

37. The SRA has also filed the three addendums to the Resolution Plan dated 09.02.2024, 27.02.2024 and 01.03.2024. The relevant excerpt of addendums reads thus:-

***“Addendum to Resolution Plan submitted via email on 04.02.2024***

*1. Any performance guarantee/ corporate guarantee/ collateral related with the debt of the corporate debtor shall remain vested with the financial creditors and Resolution Applicant does not have objection in exercising any recovery action against the same by financial creditor and the recovery being made on above shall remain with the financial creditors only.*

*2. On page 46 of the Resolution Plan, total payment is written inadvertently as Rs. 11 Crore and the same be read as Rs. 25.21 Crore. Details are already mentioned correctly.”*

**XXX**

***“Addendum-II to Resolution Plan submitted via email on 04.02.2024 read with Addendum-I dated 09.02.2024.***

*The Resolution Applicant clarifies the following points:*

*1. Any Personal Guarantee/ Corporate Guarantee/ Collateral related with the debt of the corporate debtor shall remain vested with the financial creditors and Resolution Applicant shall not have any right on such guarantees and assets.*





2. With respect to sub- para ii of para 1.3 on page 50 which reads as follows:

*"The Resolution Applicant reserve the right to make early payment than proposed in the resolution plan after adjusting the discounting rate i.e., 12% p.a. as is mentioned to calculate the net present value in the e-bidding process."*

*It is clarified that an early payment was envisaged by the financial Creditor. The present plan proposes payment of plan value within 270 days. The deferred payment was discounted @12% to arrive at the NPV. In case, of pre-payment of the plan value before 270 days and to equate it with upfront payment, the RA proposes to apply the same rate of discount i.e., 12%p.a. on such prepaid amount. Accordingly, the Net Present Value of the plan value shall remain the same and shall be non- impact for financial creditor to arrive at NPV calculation."*

**XXX**

***"Addendum-III to Resolution Plan submitted via email on 04.02.2024 (read with Addendum-I dated 09.02.2024 and Addendum -II dated 27.02.2024)***

*The Resolution Applicant refers to para 1.3 (ii) on page 50 which read as follows:*

*"The Resolution Applicant reserve the right to make early payment than proposed in the resolution plan after adjusting the discounting rate i.e., 12% p.a. as is mentioned to calculate the net present value in the e-bidding process."*

***The said para 1.3 (ii) shall stand deleted."***

**38.** Besides, we note that in terms of the judgment of Hon'ble Supreme Court in the case of **Committee of Creditors of Essar Steel India Limited Through Authorised Signatory vs. Satish Kumar Gupta & Ors.** [Civil Appeal No. 8766-67 of 2019], it is the subject matter of commercial wisdom of CoC to take decision

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regarding the amount of bid offered by SRA and the scope for this Tribunal to interfere on such issues is negligible. The above view was also reiterated by Hon'ble Supreme Court in ***Ebix Singapore Private Limited vs. Committee of Creditors of Educomp Solutions Limited & Anr.*** (Civil Appeal No. 3224 of 2020) wherein the Hon'ble Court ruled that the scope of examination of the application for approval of Resolution Plan by this Tribunal is confined to the provisions of Section 30(2) of IBC, 2016. Para 153 of the Judgment reads thus:

*“153. Regulation 38(3) mandates that a Resolution Plan be feasible, viable and implementable with specific timelines. A Resolution Plan whose implementation can be withdrawn at the behest of the successful Resolution Applicant, is inherently unviable, since open-ended clauses on modifications/withdrawal would mean that the Plan could fail at an undefined stage, be uncertain, including after approval by the Adjudicating Authority. It is inconsistent to postulate, on the one hand, that no withdrawal or modification is permitted after the approval by the Adjudicating Authority under Section 31, irrespective of the terms of the Resolution Plan; and on the other hand, to argue that the terms of the Resolution Plan relating to withdrawal or modification must be respected, in spite of the CoC's approval, but prior to the approval by the Adjudicating Authority. The former position follows from the intent, object and purpose of the IBC and from Section 31, and the latter is disavowed by the IBC's structure and objective. The IBC does not envisage a dichotomy in the binding character of the Resolution Plan in relation to a Resolution Applicant between the stage of approval by the CoC and the approval of the Adjudicating Authority. The binding nature of a Resolution Plan on a Resolution Applicant, who is the proponent of the Plan which has been accepted by the CoC cannot remain indeterminate at the discretion of the Resolution Applicant. The negotiations between the Resolution Applicant and the CoC are brought to an end after the CoC's approval. The only conditionality that remains is the approval of the Adjudicating Authority, which has a limited jurisdiction to confirm or deny the legal validity of the Resolution Plan in terms of Section 30 (2) of the IBC. If the requirements of*





*Section 30(2) are satisfied, the Adjudicating Authority shall confirm the Plan approved by the CoC under Section 31(1) of the IBC.”*

**39.** As far as the issue of reliefs and concessions which fall in the jurisdiction of different Government Authorities, and/ or are subjected to the provisions of different laws for the time being in force are concerned, it is made clear that the amount payable by the SRA in terms of the plan to different creditors, stakeholders, and to keep the Corporate Debtor as a going concern cannot be subject to any condition, assumptions, relief/ concessions and/ or qualification. It also needs to be underlined that the provisions of Section 31(4) of IBC, 2016 mandates the Resolution Applicant to obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under Section 31 of the IBC, 2016. In terms of the provisions of Section 14 of the Code even during the period of CIRP, no default in payment of current dues is a precondition for continuation of the License, Permit, Registration and similar rights. Thus, even during the moratorium period, some of the facilities forming part of the reliefs and concessions sought are made available to the CD only when there is no default in payment of the current dues. On approval of the Resolution Plan, the SRA/CD cannot be put on a better footing by exempting it from paying its legitimate dues under the law. For the sake of convenience, the explanation below Section 14 of the code is extracted below:

**“14. Moratorium. –**

*(1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely: -*

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(a) .....

(b) .....

(c) .....

(d) *the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

*Explanation.- For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;*

(Emphasis Supplied)

**40.** In any case, in terms of the provisions of Sections 13 and 15 of the IBC 2016 read with Regulations 6, 6A, 7, 8, 8A, 9 and 9A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016, all the claimants such as Operational Creditors, Financial Creditors, Creditors in Class, Workmen and Employees and other Creditors can raise their claims before the IRP/RP. The claims are dealt with by IRP in terms of the provisions of Section 18(1)(b) of the IBC, 2016 and by RP in terms of the provisions of Section 25(1)(b) thereof read with Regulations 12A, 13 and 14 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Thereafter, the RP prepares an Information Memorandum in terms of the provisions of Regulation 36(2) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Memorandum contains inter alia a list of creditors containing the range of

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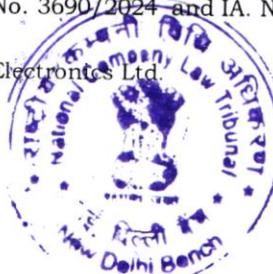
creditors, the amounts claimed by them, the amount of their claim admitted and the security interest if any in respect of such claims. As has been provided in Regulation 36(1) of the Regulations (ibid), the Information Memorandum is required to be submitted in electronic form to each member of CoC, on or before 95th day from the Insolvency commencement date. As has been provided in Regulation 36A of the Regulations the RP publish brief particulars of the invitation for Expression of Interest in Form G of Schedule I to the Regulations at the earliest i.e. not later than 60th day from the Insolvency commencement date, from interested and eligible Prospective Resolution Applicants to submit Resolution Plans. As can be seen from Regulation 36B of the Regulations, the RP shall issue Information Memorandum Evaluation Matrix (IMEM) and request for Resolution Plans, within 5 days of the date of issue of provisional list of eligible Prospective Resolution Applicants (required to be issued under Regulation 36A(10) of the Regulations). It is with reference to such Information Memorandum Evaluation Matrix that the RP issues request for Resolution Plan. The request for Resolution Plan details each step in the process and the manner and purposes of interaction between the Resolution Professional and the Prospective Resolution Applicant. The Resolution Plan submitted after consideration of the IMEM and RFRP is then examined by the Committee of Creditors. Nevertheless, it needs to satisfy the requirements of Regulation 37 and 38 of the extant Regulations. Once the plan is approved by the CoC, in terms of the provisions of Regulations 39 of the aforementioned Regulations, it virtually becomes a contract entered into between the CD represented through RP, SRA and the Creditors of the CD. On being approved by this Adjudicating Authority,





by operation of Section 31(1) of the Code, the plan becomes binding on the Corporate Debtor and its employees, members, creditors (including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being enforced such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan. Thus, Section 31(1) of IBC, 2016, takes care of most of the relief/concession/waiver solicited by the Resolution Applicant.

**41.** Besides, in terms of the provisions of Section 32A, for an offence committed prior to the commencement of the Corporate Insolvency Resolution Process, the liability of the CD ceases and the CD is not liable to be prosecuted from the date of approval of Resolution Plan by this Adjudicating Authority, if the Resolution Plan results in change of management or control of the CD to a person who was not promotor or in the management or control of the CD or a related party of such a person or a person with regard to whom the concerned Investigating Agency has reason to believe that he had abated 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. In such cases, where the prosecution is instituted against the CD, during CIRP, the CD stands discharged qua the same from the date of approval of the Resolution Plan. Nevertheless, every person who was a designated partner as defined in clause (j) of Section 2 of the Limited Liability Partnership Act, 2008, “an officer who is in default” as defined in Clause (60) of Section 2 of Companies Act, 2013 or was in any manner in charge of, or responsible to the CD for the conduct of his business or associated with the CD





in any manner and was directly or indirectly involved in the commission of an offence as per the report submitted or complaint filed by Investigating Agency shall continue to be liable to be prosecuted and punished for such an offence committed by the Corporate Debtor notwithstanding the Corporate Debtors' liability ceases after approval of the plan.

**42.** In the wake of the provisions of Section 32A(2), no action is 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 CD, where such property is covered under Resolution Plan approved by this Authority under Section 31, which result in the change in the control of the CD to a person who was not a promotor or in the management or control of the Corporate Debtor or related party of such person or a person with regard to whom the Investigating Agency has reason to believe that he had abated or conspired for commission of the offence and has submitted or filed a report or complaint to the relevant statutory authority or Court.

**43.** The action against the property of the Corporate Debtor as referred to in Section 32A of the Code includes the attachment, seizure, retention or confiscation under such law as may be applicable to the Corporate Debtor. One may also be not oblivious of the fact that in the backdrop of provisions of Section 31(3)(a) of the IBC, 2016, the moratorium order passed by the Adjudicating Authority under Section 14 ceases to have effect. In sum and substance, the SRA/CD would be entitled to no other relief/concession/waiver except those, which are available to it as per the provisions of Section 31(1) and 32A of IBC, 2016.

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44. In any case, the SRA has also stated in the Resolution Plan that the plan is unconditional. Relevant excerpt of the same reads thus: -

*“(j) We further undertake and confirm that the Financial Proposal submitted as part of the Resolution Plan is unconditional and irrevocable and acknowledge and agree that the CoC reserves the right to negotiate better terms with the Resolution Applicants who have submitted Resolution Plans and any decision taken by the CoC and/or the Resolution Professional in relation to the Resolution Plan and the Resolution Plan Process shall be final and binding on the Resolution Applicant.”*

**(Emphasis Supplied)**

45. It is further directed that the SRA shall implement the plan as per the timelines indicated in the Resolution Plan.

46. In the backdrop of aforementioned factual position, discussion, analysis and findings, the IA-43/2024 filed by the Applicant/ RP for approval of the Resolution Plan is allowed. The Plan submitted by the SRA, certified by the RP by issuing a certificate in prescribed form viz. Form “H”, is approved.

47. As a sequel, we issue the following directions: -

- i. The approved Resolution Plan shall become effective from the date of passing of this Order and shall be implemented strictly as per the term of the plan and implementation schedule given in the Plan;
- ii. The SRA/CD would be entitled to no other reliefs/ concessions/waivers except those are available/ permissible to it as per the provisions of Section 31(1) and 32A of IBC, 2016. The SRA is at liberty to approach the relevant authorities who would consider





these claims as per the provisions of the relevant law in an expeditious manner;

iii. Following steps would be taken in terms of the resolution plan: -

SL. NO.	STEP TO BE TAKEN	Within 30 Days	Within 180 Days	Within 270 days
1.	Payment of CIRP Cost	Rs.100,00,000 or at Actuals as the case may be.		
2.	Payment to Secured Financial Creditors	Rs.5,00,00,000	10,00,00,000	9,00,37,000
3.	Payment to Unsecured Financial Creditors	Rs.10,00,000		
4.	Payment to Operational Creditors (Govt. dues/ Statutory Dues)	Rs.63,000		

iv. On the Approval Date, the change in management of the Corporate Debtor, including the appointment of new directors, shall take place, and the Monitoring Committee shall be constituted.

v. The order of the moratorium in respect to the corporate debtor passed by this Adjudicating Authority under Section 14 of the IBC, 2016 shall cease to operate with immediate effect.

vi. The SRA shall act in terms of the provisions of Section 31(4) of IBC 2016;





- vii.** The Monitoring Committee shall file progress report regarding implementation of the Plan before this Tribunal, every month;
- viii.** The RP shall forward all the records relating to the conduct of the CIRP and the Resolution Plan to the IBBI for its record and database;
- ix.** The RP shall also forthwith send a copy of this order to the participants and the Resolution Applicant. He would also send a copy of this order to the ROC concerned within 15 days of this order;
- x.** The RP shall intimate each claimant about the principle or formulae, as the case may be, for payment of debts under the Plan;
- xi.** Since the object of CIRP is to put the CD back to its feet, in due deference to such object it is directed that the SRA would not change hands qua its control / assets for a period of 2 years, without the consent of the creditors. If the assets of the CD are disposed off before expiry of 2 years, the difference between the plan value and the sale proceed would go to secured creditors.
- xii.** In the event of there being any laxity in implementation of the resolution plan, the action in terms of provisions of Section 24 of IBC would be invited and IBBI would act in terms thereof.
- xiii.** The present order would not come in the way of any action/investigation conducted by CBI, SFIO, DRI and NSE against the ex-promoter/directors qua the Corporate Debtor and their properties. The SRA/Monitoring Committee/RP would ensure that all required cooperation is extended in all the pending investigations against the ex-directors.





**xiv.** Even the property/asset of the CD would not be immune from any criminal proceedings and as has been viewed hereinabove, the only benefit available to CD would be as per Section 32A of the IBC.

**48.** The Court Officer and Resolution Professional (RP) shall forthwith make available/send a copy of this Order to the CoC and the Successful Resolution Applicant (SRA) for immediate necessary compliance.

**49.** The RP is also directed to act in terms of the provisions of Regulations 39(5 to 6) and 39A of IBBI (CIRP) Regulations 2016.

### **I.A. No. 1727/ND/2024**

The present application has been filed by the Resolution Professional, Mr. Manoj Kulshrestha, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the NCLT Rules, 2016, seeking directions to Respondent No. 1 to defreeze the bank accounts of the Corporate Debtor, M/s. Five Core Electronics Limited.

**2.** The prayer made in the captioned application reads thus :-

*“a) direct the respondent no.1 to defreeze the bank account nos. 048111100003934 and 048199100000423 of the Corporate Debtor.*

*b) direct the Respondent no. 2 to release the Security Deposit of the unsuccessful RA as per the details submitted by the applicant.*

*c) any other relief or order that this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case may also be granted in favor of the applicant.”*

**3. Submissions made by the Applicant i.e. Mr. Manoj Kulshrestha**

IA. No. 13/2024, IA. No. 1727/2024, IA. No. 3690/2024 and IA. No. 4290/2025 in  
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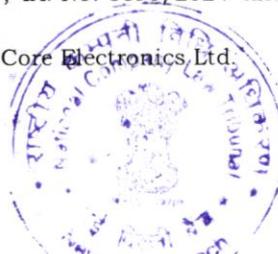




- i. The applicant submits that Respondent No. 2 received a notice from Respondent No. 1, which was forwarded to the applicant on 30.01.2024. In response, the applicant filed a reply on 12.02.2024, clarifying that the amount lying in the Corporate Debtor's bank account does not belong to the Corporate Debtor but was deposited by the Prospective Resolution Applicant (PRA) and is required to be refunded as per the provisions of the IBC, 2016.
- ii. It is also submitted that on 26.03.2024, the applicant requested Respondent No. 2 to refund the security amount deposited by unsuccessful PRAs. However, instead of releasing the said amount, Respondent No. 2, vide email dated 30.03.2024, informed that the Corporate Debtor's bank account had been frozen by Respondent No. 1, despite there being no prior intimation regarding such freezing.

**4. Submissions made by the Respondent No. 1 i.e. Deputy Commissioner of Income Tax**

- i. The respondent, in its reply to the captioned application, has prayed that the Resolution Professional be directed to ensure that the outstanding tax liabilities of the Corporate Debtor are duly addressed in the resolution plan. It is further prayed that the attachment of the Corporate Debtor's bank accounts be allowed to remain in force as a precautionary measure until the final approval of the resolution plan.
- ii. The respondent submits that the Corporate Debtor, namely M/s Five Core Electronics Limited, has substantial outstanding tax liabilities amounting





to ₹67,21,83,829/-, accumulated over multiple assessment years owing to continuous non-compliance with statutory provisions.

- iii. The respondent further states that tax dues constitute operational debts within the meaning of the Code and, therefore, must be given due priority during the CIRP or liquidation proceedings.
- iv. It is averred that a notice dated 28.01.2020 under Section 221(1) of the Income Tax Act, 1961 was issued to the Corporate Debtor raising a demand of ₹1,66,26,899/- for Assessment Years 2016-17 and 2017-18, which remained unpaid despite repeated reminders. Subsequently, another notice dated 03.11.2023 under Section 221(1) of the Act was issued, raising a further demand of ₹15,28,41,658/- for Assessment Years 2014-15 to 2018-19, to which the Corporate Debtor again failed to respond.
- v. The respondent contented that due to persistent default, a notice dated 17.01.2024 was issued under Section 226(3) of the Income Tax Act, 1961, intimating that if the outstanding amount of ₹14,72,98,648/-, along with applicable interest, was not paid, the bank accounts of the Corporate Debtor would be frozen until full discharge of the liability.
- vi. The respondent submitted that a notice dated 13.05.2024 was issued to the Corporate Debtor under Section 221(1) of the Income Tax Act, 1961, raising a demand of ₹64,05,75,944/- for the Assessment Years 2014-15 to 2019-20, which also remains unpaid, thereby adding to the cumulative tax liability.



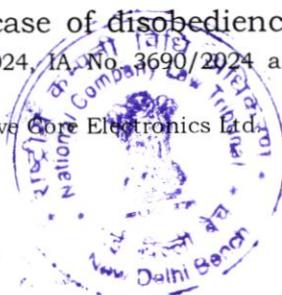


- vii. It is stated that, as per the Demand Analysis and Recoverability Status Report dated 26.09.2024, the total outstanding tax dues against the Corporate Debtor amount to ₹67,21,83,829/-, inclusive of unpaid taxes, penalties, and interest for multiple assessment years.
- viii. The respondent contends that the freezing of the Corporate Debtor's bank accounts was carried out in discharge of its statutory duty to secure recovery of unpaid tax dues, the demands for which had repeatedly gone uncomplied with.

5. The RP has not given any explanation for not considering the claim of Income Tax Department and no notice is issued to it under Regulation 6A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 could be issued to the Income Tax Department. It is not so that the communication to Income Tax Department was not possible. In such cases, where a creditor is informed about CIRP and either his claim is considered or no claim is submitted by him, the claim would extinguish. However, where the creditor, the communication to whom could not be possible is not apprised of the CIRP and his entitlement to stake the claim, may be he can have no claim against the SRA/new management, but he cannot be deprived of his such remedy which can be resorted to by him, without affecting the new management.

6. As far as the issue of moratorium is concerned, indubitably, with commencement of CIRP, the same comes into operation mandatorily. However, where the Adjudicating Authority expressly declare moratorium and the same is breached by anyone, the remedy is to resort to such process/remedy which is available to affected party in case of disobedience of the order passed by this

IA. No. 13/2024, IA. No. 1727/2024, IA. No. 3690/2024 and IA. No. 4290/2025 in  
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Adjudicating Authority/Tribunal. In the cases like the present one, where action is taken by any statutory authority and the RP has an impression that the action is in breach of moratorium, he can seek remedy against the action by resorting to appropriate process of law. Like in the present case, the Income Tax Act provides remedy against the action taken under Section 226 thereof. While availing the remedy, the RP can always take plea of Section 14 of the Act. This Tribunal has no jurisdiction to reverse the action taken under Section 226 of the Income Tax Act, while considering the present IA. It could be different issue, if the RP could have resorted to process, provided under law in case of disobedience of the order passed by this Tribunal. The test and yardsticks applied in such process is different. One may say that the remedy may take long time and the period of CIRP is limited. The doubt can be clarified with the view that the CD can pursue its remedy even during CIRP and also after culmination of CIRP through SRA/new management. A mention regarding pending litigation need to be made by the RP in the Information Memorandum.

7. Nevertheless, in the present application, we are concerned with the refund of the amount to be made to unsuccessful PRA, which could not be refunded as the account of the CD could be frozen. Apparently, the account has been frozen on account of action taken by Income Tax Department under Section 226 of Income Tax Act. It would be open to SRA/Monitoring Committee to resort to remedy available to it against the action taken under the aforementioned provision of Income Tax Act. If as an outcome of such remedy, the account is defreezed, the unsuccessful SRA would be entitled to refund of the amount due





and payable to him in accordance with law. Subject to aforementioned observation and direction, the present application stands disposed of.

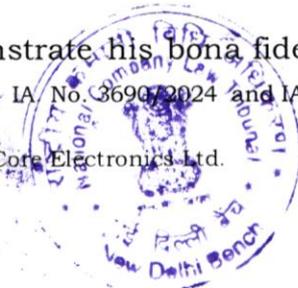
### **I.A. No. 3690/ND/2024**

The present application has been filed by Mr. Anuj Goyal, in his capacity as a Prospective Resolution Applicant, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016, seeking refund of ₹ 2.3 Crores deposited as earnest money. The applicant alleges that the Resolution Professional ("RP") of the Corporate Debtor has arbitrarily and unilaterally withheld the said amount, despite repeated requests and without any authority in law.

#### **2. Submissions made by the Applicant i.e. Mr. Anuj Goyal**

- i. The applicant submits that he had duly submitted his resolution plan on 10.04.2023. However, as the RP refused to place the plan before the Committee of Creditors (CoC), the applicant filed I.A. No. 1978/2023 seeking a direction for consideration of his plan. The said application was dismissed in terms of the order dated 12.04.2023, though this Tribunal observed that Clauses 1.5 and 1.17 of the RFRP empower the CoC to exercise its commercial wisdom to consider even belated plans.
- ii. Resultantly, the applicant addressed an email on 12.04.2023 requesting that his plan be placed before the CoC. However, by email dated 13.04.2023, the RP sought his bank details to process refund of the earnest money. The applicant again requested consideration of his plan on

15.04.2023, and, to demonstrate his bona fides, arranged an additional IA. No. 13/2024, IA. No. 1727/2024, IA. No. 3690/2024 and IA. No. 4290/2025 in CP (IB)-1671/(ND)/2019 Northern ARC Capital Ltd. vs. Five Core Electronics Ltd.





deposit of ₹ 2 Crores through his strategic investor, M/s B2B Metals Pvt. Ltd. on 21.04.2023. According to the applicant, he has been incurring heavy interest costs on the said amount since then.

- iii. The applicant avers that despite directions of the CoC in its 20th meeting held on 21.04.2023 to file an application for placing the applicant's plan before this Tribunal, the RP failed to do so and instead, by his representation dated 29.05.2023, advised the CoC against consideration of the plan.
- iv. Subsequently, this Tribunal, in terms of the order dated 15.01.2024 passed in I.A. No. 3927/2023, filed by another prospective resolution applicant, directed that the pending resolution plans be examined and assessed by way of a Swiss Challenge Method within two weeks. Having come to know about such development, the applicant sent an email dated 20.01.2024 seeking details of the process.
- v. The applicant contends that retention of money deposited by RP is illegal and beyond the scope of the RP's authority. He asserts that the RP's conduct amounts to a breach of due process and merits examination by the IBBI.
- vi. The applicant made reference to various e-mails sent by him since February 2024 seeking refund of the deposited amount. The RP, by email dated 16.02.2024, directed M/s B2B Metals Pvt. Ltd. to provide explanations regarding the alleged transactions, pursuant to which both the applicant and M/s B2B Metals Pvt. Ltd. submitted their detailed representations on 24.02.2024. As there was no response, the applicant





again sought refund of ₹ 30 lakhs by email dated 31.03.2024, and M/s B2B Metals Pvt. Ltd. sought refund of ₹ 2 Crores on 01.04.2024.

- vii. The RP, vide email dated 05.04.2024, stated that the representations were unsatisfactory and lacked relevant information. The applicant asserts that such remarks are arbitrary and that the RP has no power either to adjudicate upon representations or to retain the earnest money. Despite a further email dated 23.05.2024 reiterating his request for refund, no response or refund was received.
- viii. In these circumstances, the applicant contends that continued withholding of the earnest money by the RP is wholly illegal and without any basis in law, compelling him to approach this Tribunal by way of the present application for refund of the deposit.
- ix. The applicant further contends that the RP's reliance on alleged fraudulent transactions involving M/s B2B Metals Pvt. Ltd. to justify withholding of the earnest money has no legal foundation. It is submitted that, as per the law laid down by the Hon'ble Supreme Court in *Gluckrich Capital v. State of West Bengal & Ors.*, Diary No. 6732 of 2023, dated 19.05.2023, no proceedings under Section 66 of the Insolvency and Bankruptcy Code can be initiated against third parties such as the Applicant or M/s B2B Metals Pvt. Ltd. The applicant asserts that, if the Resolution Professional seeks to recover any amount, he must do so through appropriate independent civil or criminal proceedings, and not by unilaterally withholding earnest money deposits.





3. Submissions made by the Respondent No. 1 i.e., Mr. Manoj Kulshrestha (RP)

- i. The Applicant, Mr. Anuj Goyal, was one of the Prospective Resolution Applicants (PRAs) but failed to submit his Resolution Plan by the last date i.e., 06.01.2023. An email dated 07.01.2023 was sent to the Applicant, whereafter the Applicant expressed his unwillingness to proceed and requested refund of his Earnest Money Deposit (EMD) of ₹5,00,000/-, which was duly refunded on 23.02.2023.
- ii. Subsequently, on 08.04.2023, the Applicant again expressed his desire to submit a Resolution Plan and sought permission to deposit the security money. The Respondent, vide communication dated 10.04.2023, declined the request and specifically instructed the Applicant not to deposit any amount in the account of the Corporate Debtor. Despite this, the Applicant emailed a copy of his resolution plan and details of an EMD amounting to ₹30,00,000/- on 10.04.2023.
- iii. The Applicant thereafter filed I.A. No. 1978 of 2023, seeking consideration of his resolution plan, which was dismissed by this Tribunal vide order dated 12.04.2023. Following the dismissal, the Respondent requested the Applicant to provide his bank details for refund of the said deposit, but the Applicant failed to do so.
- iv. Surprisingly, on 21.04.2023, the Applicant caused a deposit of ₹2,00,00,000/- (Rupees Two Crores) from the account of M/s B2B Metals Pvt. Ltd. into the account of the Corporate Debtor without any prior instruction or permission from the RP. The Respondent pointed out that





the Applicant had initially participated in his individual capacity but later attempted to file a resolution plan jointly with M/s B2B Metals Pvt. Ltd., which was neither invited nor accepted under the process.

- v. Upon verification of records, it was found that M/s B2B Metals Pvt. Ltd., incorporated in January 2022, had a nominal authorized and paid-up capital of ₹15,00,000/-. Its directors, Mr. Arun Kumar Jain and Mr. Ankit Gupta, Mr. Arun Kumar Jain are also Directors in M/s B.C. Power Controls Ltd. (a listed company) and M/s Bonlon Industries Ltd. The forensic audit of the Corporate Debtor revealed fraudulent transactions to the tune of ₹58.37 Crores paid to M/s B.C. Power Controls Ltd. without any consideration. The said transactions were declared fraudulent by this Tribunal vide order dated 11.01.2024 in I.A. No. 2718 of 2022.
- vi. In view of the close nexus between the directors of M/s B2B Metals Pvt. Ltd. and M/s B.C. Power Controls Ltd., the RP submitted that the deposit of ₹2 Crores by B2B Metals Pvt. Ltd. required further scrutiny to ascertain its true purpose. Accordingly, the RP filed I.A. No. 4828 of 2023 seeking directions against the directors of B2B Metals Pvt. Ltd. to explain their involvement in the said fraudulent transactions and prayed that in case of failure to do so, the said amount of ₹2 Crores be forfeited.
- vii. Despite due service in the said proceedings, neither the Applicant nor B2B Metals Pvt. Ltd. appeared, and the Tribunal, vide order dated 15.01.2024, directed the directors of B2B Metals Pvt. Ltd. to explain the transactions carried out through M/s B.C. Power Controls Ltd. and M/s Bonlon Industries Ltd. The RP, in compliance with the order, sent an email on





23.01.2024 seeking such explanation, but no reply was received. No appeal was preferred against the said order.

- viii. The RP further pointed out that, as per Clause 1.8.5 of the RFRP, the Bid Security of unsuccessful resolution applicants is to be refunded within seven days from the declaration of the successful resolution applicant or expiry of the plan validity period, whichever is later; however, the deposit of ₹2 Crores by B2B Metals Pvt. Ltd. was without any lawful basis or instruction under the Code.
- ix. The RP also received an email from B2B Metals Pvt. Ltd. dated 24.02.2024, wherein the company denied liability to explain the ₹58 Crores transactions, claiming that its directors were not bound to respond. The RP submitted that Mr. Arun Kumar Jain, being the Managing Director of B.C. Power Controls Ltd., was fully aware of and involved in the fraudulent transactions but deliberately failed to provide any explanation.
- x. It was lastly stated that the bank account of the Corporate Debtor has been attached by the Income Tax Department, and an application bearing I.A. No. 1727 of 2024 seeking defreezing of the said account is pending adjudication before this Tribunal. Despite repeated directions and communications, the directors of B2B Metals Pvt. Ltd. have not complied with the order dated 15.01.2024 by failing to explain the ₹58 Crores transaction made from the Corporate Debtor's account.

**4.** We do not find any substance in the plea raised on behalf of the RP for retaining the earnest money deposited by the applicant. There is no allegation of involvement of B2B in fraudulent transaction the involvement of some other





company qua which the directors of B2B are directors in fraudulent transaction can be no ground to retain the earnest money deposited by the Applicant. The action for entering into fraudulent against BC Power Control Limited should be pursued separately and independently. Nevertheless, the applicant would be entitled to refund of his amount if and when the account in question of the Corporate Debtor is defreezed.

### **I.A. No. 4290/ND/2025**

The Applicants, Mrs. Tajinder Kaur and Mrs. Poonam Khanna, through their respective Special Power of Attorney holders, have approached this Tribunal seeking directions to the Resolution Professional, Mr. Manoj Kulshrestha, to remove the goods of M/s Five Core Electronics Limited from their property bearing Khasra No. 26/5, Mahinder Singh Park, Village Nangli Sakrawati, Najafgarh, New Delhi, measuring approximately 1250 sq. yards.

2. The Applicants also seek that the Respondent No. 1 or the Committee of Creditors (CoC) be directed to pay the occupation charges and to clear all arrears while undertaking to pay future rent/occupation charges.

3. The prayer made in the captioned application reads thus :-

*“(a) Direct Mr. Manoj Kulshreshtha, Resolution Professional, to immediately remove all goods of M/s Five Core Electronics Limited lying in the property bearing Khasra no. 26/5 Mahinder Singh Park, Village Nangli Sakrawati, Najafgarh, New Delhi-110018, total measuring 1250 sq. yards (approx.) within a time-bound period not exceeding 15 days from the date of order;*





*(b) In the alternative, direct the Committee of Creditors to immediately take a decision regarding:*

*i. Taking responsibility for payment of occupation charges for the period the goods remain in the premises;*

*ii. Clearing all arrears of occupation charges from 22.03.2024 till date @ Rs. 90,000/- per month (currently amounting to approximately Rs. 15,30,000/-);*

*iii. Undertaking to pay future occupation charges @ Rs. 90,000/- per month till the goods are removed;*

*(c) Direct the respondent no. 1 and/or the Committee of Creditors to pay occupation charges @ Rs. 90,000/- per month from 22.03.2024 (Date when possession with goods was handed over) till the date of actual removal of the goods of the company from the said premises;*

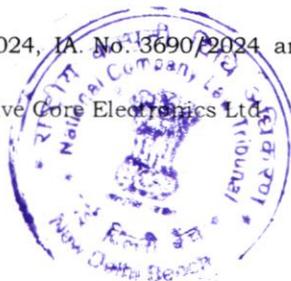
*(d) Direct that in case the goods are not removed within the time specified by this Hon'ble Tribunal, the Applicants be at liberty to remove/dispose of the same at the risk and cost of the Corporate Debtor;*

*(e) Grant costs of the present application to the Applicants;*

*(f) Pass any other order as may be deemed fit and proper in the facts and circumstances of the case.”*

**4. Submissions made by the Applicants i.e., Mrs. Tajinder Kaur and Mrs. Poonam Khanna**

- i. The Applicants are the owners of the said premises in the ratio of 70:30 and have been represented in these proceedings through their husbands holding Special Power of Attorney. The premises were initially let out to





Mr. Jagmeet Singh under a rent agreement dated 02.07.2019 at a monthly rent of ₹70,000 for a period of 11 months. However, Mr. Jagmeet Singh failed to pay rent from February 2020 onwards and, without the consent of the Applicants, sublet the premises to the Corporate Debtor, M/s Five Core Electronics Limited. On becoming aware of this, the Applicants terminated Mr. Jagmeet Singh's tenancy by legal notice dated 14.07.2020 under Section 106 of the Transfer of Property Act, demanding vacant possession within 15 days.

- ii. Subsequently, the Directorate of Revenue Intelligence (DRI) sealed the premises in January 2020 due to alleged illegal activities and later de-sealed it in January 2021, handing over the goods lying inside to the Respondent No. 1. Despite repeated legal notices, including the notice dated 12.02.2021, the Respondent No. 1 failed to hand over the premises to the Applicants. The Applicants clarified that they have no relationship with the promoters or directors of the Corporate Debtor and have no intention to allow the use or occupation of the premises by the Respondent No. 1 or the Corporate Debtor.
- iii. Feeling aggrieved, the Applicants filed I.A. No. 1150/2021 seeking possession of the property, which was rejected on 18.04.2022 with liberty to pursue other legal remedies. An appeal before the NCLAT, Company Appeal (AT) (Insolvency) No. 763/2022, was also dismissed on 15.07.2022. The Applicants thereafter filed a civil suit CS(Comm.) No. 524/2022 against Mr. Jagmeet Singh and M/s Five Core Electronics Limited for recovery of possession, arrears of rent, and damages/mesne profits. The





Hon'ble Court, by judgment and decree dated 23.11.2023, decreed in favor of the Applicants, granting possession, arrears of rent @ ₹70,000 per month (Jan-Jul 2020), damages/mesne profits @ ₹90,000 per month (Aug 2020 until handing over possession), pendente lite and future interest @ 9% per annum, and costs of suit. During these proceedings, actions against the company were stayed under Section 14 of the IBC.

- iv. Execution proceedings were initiated (Execution (Comm.) No. 11/2024), resulting in issuance of a warrant of possession on 05.03.2024. However, full possession could not be taken as substantial goods of the Corporate Debtor remained in the premises. The Respondent No. 1 appeared as objector and filed objections under Order XXI Rule 99 read with Section 151 CPC, with directions for status quo on the goods. Subsequent orders dated 28.03.2024, 07.06.2024, 09.01.2025, and 17.07.2025 recorded that the Resolution Professional indicated that removal of goods could only be resolved via NCLT directions, granting adjournment to the Applicants.
- v. The Applicants submitted that the premises were originally let at ₹70,000 per month, and as per the decree, damages/mesne profits of ₹90,000 per month accrue from August 2020 until removal of goods. Consequently, they are entitled to recover occupation charges from the Respondent No. 1 from 22.03.2024 till removal of goods. The Applicants have suffered irreparable loss and hardship as they have been deprived of beneficial use of their property for over five years. Being senior citizens (aged 65 and 55), they rely on the rental income for livelihood and medical expenses.





- vi. The Applicants rely on the Hon'ble Supreme Court judgment in *Sincere Securities Pvt. Ltd. & Ors. v. Chandrakant Khemka & Ors.* (2025 INSC 931), which held that properties not required for CIRP and causing financial burden should be returned to owners, and the CoC's commercial wisdom must be respected. In terms of Section 18 of the IBC, the Resolution Professional is entitled to take control only over assets of the Corporate Debtor. The said premises is not a corporate debtor asset, and the goods therein serve no purpose in CIRP, causing continuing financial loss to the Applicants.
- vii. As on the date of filing, arrears of occupation charges from 22.03.2024 to August 2025 @ ₹90,000 per month amount to ₹15,30,000/-, which continue to accrue. The Applicants contend that the Respondent No. 1 has no right, title, or authority to retain the goods without payment of occupation charges and is causing undue delay, thereby inflicting continuing and irreparable loss.

**5. Submissions made by the Respondents i.e., Mr. Manoj Kulshreshtha and CoC**

- i. The respondents stated that they received communication from the DRI on 12.10.2020 about a warehouse where the stock of the Corporate Debtor was lying, which had been sealed. Upon becoming aware, the RP immediately took steps to preserve the assets of the Corporate Debtor and maintained constant coordination with the DRI. The DRI, after completing





formalities, de-sealed the warehouse and handed over possession of the stock to the RP on 05.01.2021.

- ii. The respondents further noted that the applicants had previously filed IA No. 1150/2021 before this Tribunal, which was dismissed on 18.04.2022, and that the subsequent appeal before the Hon'ble NCLAT (Company Appeal (Ins) No. 763 of 2022) was also dismissed on 15.07.2022. Thereafter, the applicants filed a civil suit (CS (Comm.) No. 524 of 2022) against Mr. Jagmeet Singh and the Corporate Debtor seeking recovery of possession and arrears. The respondents filed a written statement and an application for stay of proceedings, citing the moratorium imposed under the IBC. The District Court accordingly stayed the proceedings against the Corporate Debtor by order dated 04.09.2023.
- iii. The District Court, in its judgment dated 23.11.2023, decreed the suit against Mr. Jagmeet Singh, granting the applicants possession of the property, arrears of rent @ Rs. 70,000/- per month from January 2020 to July 2020, and damages/mesne profits @ Rs. 90,000/- per month from August 2020 until handing over possession.
- iv. The respondents contended that the applicants were fully aware that the property was in the possession of the RP and that goods/stock of the Corporate Debtor were lying therein. On 22.03.2024, upon being informed that the Court Bailiff had arrived with the applicants and police to take possession, the RP's counsel informed the Bailiff of the pending proceedings and that possession could only be handed over after the



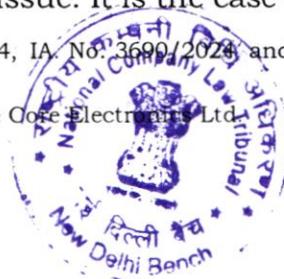


judgment debtor had taken possession from the RP. Despite this, the Bailiff refused to delay the proceedings.

- v. On the same day, the RP emailed the court seeking a stay, but the District Court heard the matter on 23.03.2024 and did not grant a stay, issuing notice for 28.03.2024. On 28.03.2024, the applicants' counsel informed the court that possession had already been delivered to the applicants, while the Corporate Debtor's goods remained.
- vi. Subsequently, on 19.04.2024, the RP filed an application under Order 21 Rule 99 read with Section 151 CPC for restoration of possession of the property. The District Court, by order dated 07.06.2024, directed the applicants to maintain status quo regarding the property and the goods lying therein. This order was continued until disposal of the RP's application on 01.05.2025.
- vii. The respondents submitted that there exists no privity of contract between the Corporate Debtor and the applicants. It is further clarified that the District Court's decree in the suit was passed solely against the Defendant No. 1, Mr. Jagmeet Singh, and not against the Corporate Debtor or the RP.
- viii. Additionally, it is denied that the applicants, Mrs. Tajinder Kaur and Mrs. Poonam Khanna, are the owners of the premises as alleged. The respondents contended that, under settled law, ownership cannot be claimed on the basis of unregistered documents such as the agreement to sell, power of attorney, possession letter, affidavit, or will.

6. As can be seen from the stand taken by the RP, he has not claimed any title of CD over the property in issue. It is the case of the applicant that the suit

IA. No. 13/2024, IA. No. 1727/2024, IA. No. 3690/2024 and IA. No. 4290/2025 in  
CP (IB)-1671/(ND)/2019  
Northern ARC Capital Ltd. vs. Five Ooze Electronics Ltd.





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instituted by them was decreed in favour and the execution proceedings could not continue on account of moratorium declared in the present proceedings. As can be seen from the provisions of Section 31(3)(a) of IBC, 2016, after approval of Resolution Plan, the moratorium order passed by the Adjudicating Authority under Section 14 of IBC shall ceased to have effect. Thus, once the Resolution Plan has been approved, there would be no moratorium regarding the aforementioned execution proceedings and the applicant would be free to pursue the same. It goes without saying that the parties to the execution proceedings and civil suit would also be entitled to take appropriate steps in the proceedings and resort to the remedies available to them in accordance with law. However, in view of the judgment of Hon'ble Supreme Court in **Ghanashyam Mishra & Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd., 2022 SCC OnLine SC 2241**, the CD will not be subjected to any liability beyond Resolution Plan. **Subject to aforementioned observation and direction, the IA is disposed of.**

Date of Receipt  
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 Date of Delivery of Copy 28/11/25  
 JR/DR/AR/Court Officer  
 National Company Law Tribunal  
 New Delhi

Sd/-  
**(RAVINDRA CHATURVEDI)**  
 MEMBER (T)



Sd/-  
**(ASHOK KUMAR BHARDWAJ)**  
 MEMBER (J)

28.11.2025  
 Deputy Registrar  
 National Company Law Tribunal  
 CGO Complex New Delhi-110003