INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

Casebook Issue

Corporate Insolvency Resolution Process Journey of

AQUA ELECTRONICS & SOLUTIONS PRIVATE LIMITED

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About Aqua Electronics & Solutions Private Limited

Aqua Electronics & Solutions Private Limited is a private limited company engaged in the manufacturing of electrical/electronic equipment. Incorporated in October 2008 and registered with the Registrar of Companies, Delhi, the Company operated as a non-government company limited by shares under the Companies Act. Over the years, the Company went through changes in its management, and by the time insolvency proceedings commenced, its board comprised additional directors overseeing its affairs.

Snapshot of the Company

Company Name	Aqua Electronics & Solutions Private Limited
Constitution	Private Limited Company
Corporate Identification Number ("CIN")	U31900DL2008PTC184457
Incorporation Date	23.10.2008
Registered Office	921A, Ninth Floor, Devika Towers, Nehru Place, New Delhi, South Delhi, Delhi – 110019
Registrar of Companies	RoC – Delhi
Business Operations	Manufacturing of electrical/electronic equipment
Principal Business Activity (NIC Code 3190)	Manufacture of other electrical equipment, n.e.c.
Authorised Share Capital	Rs. 13,01,00,000
Paid-up Share Capital	Rs. 2,52,04,000

The directors associated with the Corporate Debtor, as per records of the Ministry of Corporate Affairs, include Vinay Kumar Upadhyay and Shahnaz (Additional Directors), with Deepak Puri, Ratul Puri, and Kewal Kumar Khosla having served as directors in the past.

Major Financial Creditor

The Corporate Insolvency Resolution Process ("CIRP") of Aqua Electronics & Solutions Private Limited was initiated on the application of its sole financial creditor, and the Committee of Creditors ("CoC") so constituted comprised the following:

S.No.	Name	Voting Share (%)
1	Savitur Infrastructure Private Limited	100.00

CIRP of Aqua Electronics & Solutions Private Limited

CIRP Initiation under Section 7 of IBC, 2016

The Corporate Insolvency Resolution Process of Aqua Electronics & Solutions Private Limited was initiated following an application filed by Savitur Infrastructure Private Limited, a Financial Creditor, under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"/ "Code"), before the National Company Law Tribunal ("NCLT"), New Delhi Bench. Section 7 empowers a financial creditor to initiate insolvency proceedings against a corporate debtor upon the occurrence of a default in respect of a financial debt.

The Company Petition, registered as IB-130/ND/2024, alleged default by the Corporate Debtor in repayment of its financial obligations towards the Financial Creditor. Mr. Shamsher Bahadur Singh was proposed by the Financial Creditor as the Interim Resolution Professional in Part-III of the application.

Admission and Initiation of CIRP

The Adjudicating Authority (NCLT, New Delhi Bench – II) admitted the Company Petition vide its Order dated 01.04.2024 (received on 06.04.2024), thereby initiating CIRP against Aqua Electronics & Solutions Private Limited. Upon admission, the Adjudicating Authority declared a moratorium under Section 14 of the IBC, prohibiting, inter alia, the institution or continuation of suits and proceedings against the Corporate Debtor, transfer or disposal of its assets, and enforcement of any security interest created by it, along with recovery of any property occupied by the Corporate Debtor.

The moratorium was directed to remain in effect from the date of the Order until completion of the CIRP, in terms of Section 14 of the Code.

Appointment of IRP

Mr. Shamsher Bahadur Singh (IBBI Registration No. IBBI/IPA-003/0341/2021-2022/13623) was appointed as the Interim Resolution Professional ("IRP") vide the NCLT Order dated 01.04.2024 passed in IB-130/ND/2024, under Section 16 of the IBC. He was tasked with taking control and custody of the management of the Corporate Debtor, constituting the Committee of Creditors, and conducting the resolution process in accordance with the Code.

Public Announcement

In terms of Section 15 of the IBC read with Regulation 6 of the CIRP Regulations, the IRP made a Public Announcement in Form A on 07.04.2024, published in Financial Express (English) and Jansatta (Hindi), inviting claims from the creditors of the Corporate Debtor. The last date for submission of claims, as specified under Regulation 6(2)(c) of the CIRP Regulations, was 20.04.2024.

Claims received from creditors were verified by the IRP in terms of Regulation 17(1) of the CIRP Regulations. As on the date of the claims list, the Corporate Debtor was found to have no operational creditors, no claims from workmen or employees, and no dues owed to any public or private bank other than the Financial Creditor.

Constitution of CoC and Confirmation of RP

Pursuant to verification of claims, the IRP filed a report certifying constitution of the Committee of Creditors, which was taken on record by the Adjudicating Authority on 20.05.2024. The CoC comprised the sole Financial Creditor, Savitur Infrastructure Private Limited, holding 100% voting share.

The 1st Meeting of the CoC was convened on 04.05.2024, during which the members resolved to confirm Mr. Shamsher Bahadur Singh as the Resolution Professional ("RP") of the Corporate Debtor.

Expression of Interest to Invite Prospective Resolution Applicant(s)

During the 2nd Meeting of the CoC held on 28.05.2024, the draft eligibility criteria for inviting Expressions of Interest ("EOI") in Form G were approved. Pursuant thereto, the RP published the first Form G on 31.05.2024 under Regulation 36A (1) of the CIRP Regulations, inviting EOIs with the last date for submission of EOI as 15.06.2024. Three EOIs were received by this date.

In its commercial wisdom, and with a view to maximize the value of the Corporate Debtor's assets by seeking wider participation, the CoC decided to republish Form G. The republished Form G was accordingly published on 11.07.2024, pursuant to which six new EOIs were received as on 26.07.2024. The provisional list of Prospective Resolution Applicants ("PRAs") was thereafter prepared and following scrutiny of eligibility under Section 29A of the IBC, the final list of PRAs was issued on 20.08.2024.

Form G Version	Date of Invitation / EOI	Date of Evaluation Matrix / PRA List	Last Date for Submission
1st Form G	31.05.2024 (last date for EOI: 15.06.2024)	25.06.2024	30.06.2024
Republished Form G	11.07.2024 (last date for EOI: 26.07.2024)	05.08.2024	10.08.2024 (2nd date extended)

Request for Resolution Plan and Evaluation Matrix

During the 4th Meeting of the CoC held on 28.08.2024, the RP placed before the members the Information Memorandum Evaluation Matrix and the Request for Resolution Plan ("RFRP"), prepared in terms of Regulation 36B of the CIRP Regulations, for circulation to the PRAs and for evaluation of Resolution Plans to be submitted by them.

The last date for receipt of Resolution Plans was initially fixed as 24.09.2024. However, since no plan had been received by that date, the CoC, during its 5th Meeting held on 23.09.2024, directed the RP to extend the timeline by 15 days, in compliance with Regulation 36B of the CIRP Regulations. The last date for submission of Resolution Plans was accordingly extended to 28.09.2024.

Extensions of CIRP Period

As the CIRP period was set to expire on 28.09.2024 (180 days from the insolvency commencement date), the CoC, during its 5th Meeting, resolved to extend the CIRP period by 90 days beyond 180 days. The RP filed I.A. No. 4887/2024 under Section 12(2) of the Code seeking the said extension, which was allowed by the Adjudicating Authority vide Order dated 09.10.2024.

Subsequently, since the members of the CoC required further time to evaluate the enhanced financial proposal received from the Successful Resolution Applicant, the CoC, during its 8th Meeting held on 12.12.2024, resolved to extend the CIRP period by a further 60 days beyond 270 days (i.e., beyond 27.12.2024). The RP filed I.A. No. 6143/2024 seek this extension, which was allowed by the Adjudicating Authority Vide Order dated 03.01.2025.

Swiss Challenge and Selection of Successful Resolution Applicant

During the 6th Meeting of the CoC held on 19.10.2024, the RP apprised the members that two Resolution Plans had been received- from Gateway Investment Management Services (DIFC) Limited and Subhlaxmi Investment Advisory Private Limited- along with Earnest Money Deposits received from both PRAs on 14.10.2024 and 15.10.2024 respectively. The plans were opened before the CoC for evaluation of compliance with the Code and CIRP Regulations.

During the 7th Meeting of the CoC held on 21.11.2024, given that only two PRAs remained in contention, the members resolved to adopt the Swiss Challenge Mechanism for maximisation of value. Accordingly, during the 8th Meeting of the CoC held on 12.12.2024, a bidding process was conducted; in the third round of bidding, Subhlaxmi Investment Advisory Private Limited withdrew and declined to improve its financial proposal further. Gateway Investment Management Services (DIFC) Limited was consequently declared the H1 (highest) bidder, and the CoC requested it to further enhance its financial proposal.

During the 9th Meeting of the CoC held on 18.01.2025, the RP apprised the members that the Successful Resolution Applicant ("SRA"), Gateway Investment Management Services (DIFC) Limited, had improved its Resolution Plan dated 08.10.2024 to propose payment of the CIRP costs on an actual basis, together with an amount of Rs. 50,00,000 (Rupees Fifty Lakhs) to the creditors of the Corporate Debtor, with implementation of the Plan within 45 days of NCLT approval. The Resolution Plan was thereafter put to vote and approved by the CoC with 100% voting share.

The Corporate Debtor had no dissenting financial creditors, no operational creditors, and no claims from workmen or employees; accordingly, the Resolution Plan provided for NIL payment to statutory/government dues (other than EPFO, Gratuity and ESI), which were to stand extinguished upon approval of the Plan.

Pursuant to CoC approval, the RP issued a Letter of Intent to the SRA on 21.01.2025, which was unconditionally accepted by the SRA on the same date. The SRA thereafter submitted a performance security of Rs. 20,00,000 (in addition to the EMD of Rs. 10,00,000 already deposited) vide NEFT transaction dated 30.01.2025.

Approval of Resolution Plan

The RP filed IA-7/2025 in IB-130/ND/2024 before the NCLT, New Delhi Bench-II, under Section 30(6) read with Section 31 of the IBC, seeking approval of the Resolution Plan submitted by Gateway Investment Management Services (DIFC) Limited, as approved by the CoC with 100% voting share during its 9th meeting.

The Adjudicating Authority, after examining the Resolution Plan for compliance with Section 30(2) of the IBC and the applicable CIRP Regulations – including the RP's certification in Form H-approved the Resolution Plan vide Order dated 17.03.2025. The Tribunal held that the Plan satisfied the requirements of Section 30(2), that it was feasible and viable, and that the change in management and control of the Corporate Debtor to the SRA satisfied the conditions under Section 32A of the Code, thereby granting the Corporate Debtor immunity from prosecution for offences committed prior to commencement of the CIRP.

As directed by the Tribunal, the approved Resolution Plan became effective from the date of the Order, the moratorium under Section 14 ceased to have effect from that date, and a Monitoring Committee comprising an Insolvency Professional nominated by the SRA and a representative of the SRA was constituted to supervise implementation of the Plan, including the reconstitution of the Board of Directors of the Corporate Debtor within 45 days of the NCLT approval date.

Timelines

S.No.	Particulars	Date
1	Incorporation of Aqua Electronics & Solutions Private Limited	23.10.2008
2	Admission of Company Petition / Initiation of CIRP	01.04.2024
3	Appointment of IRP	01.04.2024
4	Public Announcement	07.04.2024
5	Last Date for Submission of Claims	20.04.2024
6	1st Meeting of CoC / Confirmation of RP	04.05.2024
7	Constitution of CoC taken on record by NCLT	20.05.2024
8	Publication of 1st Form G (Invitation of EOI)	31.05.2024
9	Republished Form G	11.07.2024
10	Final List of PRAs Issued	20.08.2024
11	Extension of CIRP by 90 days beyond 180 days	09.10.2024
12	Receipt of Resolution Plans (6th CoC Meeting)	19.10.2024
13	Adoption of Swiss Challenge Mechanism (7th CoC Meeting)	21.11.2024
14	Selection of H1 Bidder / Extension by 60 days beyond 270 days sought (8th CoC Meeting)	12.12.2024
15	Extension of CIRP by 60 days beyond 270 days (NCLT Order)	03.01.2025
16	Approval of Resolution Plan by CoC (9th Meeting)	18.01.2025
17	Letter of Intent Issued and Accepted	21.01.2025
18	Approval of Resolution Plan by Adjudicating Authority	17.03.2025

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- https://ibbi.gov.in/uploads/order/c7314dda2f14ec2884f7045157ee736f.pdf (Order approving Resolution Plan, dated 17.03.2025)
- https://www.mca.gov.in/content/mca/global/en/mca/master-data/MDS/company-master-info.html