



**INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**

**Casebook Issue 47:
Insolvency Tale of
Aditya Estates Private
Limited**

A large, torn piece of brown paper is shown against a light brown background. The paper is torn at the top and bottom edges, and one corner is folded over. The text 'INSOLVENCY UNCOVERED' is written in large, bold, black capital letters across the white space revealed by the tear.

**INSOLVENCY
UNCOVERED**

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About Aditya Estates Private Limited¹

Aditya Estates Private Limited is a Private incorporated on 13th July, 1984. It is classified as Non-government company and is registered at Registrar of Companies, Delhi. Its authorized share capital is Rs. 2,000,000/- and its paid up capital is Rs. 100,000/-.

The Corporate Identification Number (CIN) of Aditya Estates Private Limited is U74899DL1984PTCo18684. Aditya Estates Private Limited company's registered office address is H No.- 3 Bhagwan Dass Road, New Delhi-110001.

Directors of Aditya Estates Private Limited are Mr. Sunil Sharma and Mr. Bhavik Bharatkumar Shah.

Major Financial Creditors/Bankers

ICICI Bank UK PLC, ICICI Bank Ltd., Spirit Infrapower & Multiventures Pvt. Ltd. and Shailja Commercial Trade Frenzy Ltd. were part of the Committee of Creditors as major financial creditors.

CIRP of Aditya Estates Private Limited

Initiation of CIRP ²

The ICICI Bank UK PLC filed Petition under Section 7 of the Insolvency & Bankruptcy Code, 2016 ("IBC") read with Rule 4 (1) of Insolvency & Bankruptcy (AAA) Rules, 2016, by a Financial Creditor, (hereinafter referred as 'the Creditor')namely, ICICI Bank UK PLC. The financial Creditor is a wholly owned subsidiary of ICICI India.

Appointment of IRP

The application for initiation of CIRP was accepted by Adjudicating Authority (AA) vide order dated 26.02.2019, Mr. Alok Kailash Saksena was appointed as Interim Resolution Professional by the AA. The AA further directed the CIRP to proceed as per the timeline and imposed moratorium on the CD.

Order of Moratorium & Public Announcement

Moratorium shall have effect from 26.02.2019, it shall remain effective till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) Section 31 of IBC or passes an order for liquidation of corporate debtor under section 33 of IBC, as the case may be.

Public announcement of the Corporate Insolvency Resolution Process was made immediately as specified under section 13(2), IBC, 2016

CIRP

In terms of the provisions of Section 18(1) (c) of the Code, the Interim Resolution Professional constituted the Committee of Creditors and a report along with list of creditors was filed before NCLT on 29.03.2019. The first meeting of the Committee of Creditors ("CoC") was convened on 26.03.2019, wherein the IRP was unanimously appointed to act as the Resolution Professional for the Corporate Debtor with 100% voting shares

Further, with the approval of Committee of Creditors the Applicant had issued Form G on 29.04.2019 and revised Form G on 20.05.2019 seeking Resolution Plan for the Corporate Debtor. The last date for submission of Expression of Interest EOI was 15.06.2019 and the Applicant had issued a Provisional List of Resolution Applicants on 16.06.2019. The Information Memorandum, Evaluation Matrix and Request for Resolution Plan were issued to the Resolution Applicants on 24.06.2019.

Subsequently, only Two Resolution Applicants namely Adani Properties Private Limited (APPL) and Veena Investments Private Limited (VIPL) submitted their Resolution Plans on 07.08.2019.

The Committee of Creditors in its third meeting dated 26.04.2019 approved eligibility criteria applicable for the resolution applicants. In the fourth meeting of Committee of Creditors held on 20.06.2019 Evaluation Matrix was approved. The Committee of Creditors also ratified the appointment of the process advisors namely M/s Knight Frank India Private Limited and transaction auditor namely Saxena & Saxena, Chartered Accountants (S & S).

The CoC members further discussed and ratified the appointment of Resolution Plan Evaluation Manager and Professional agency for evaluation of eligibility criteria of Resolution Applicants Accordingly. BDO India LLP was appointed to evaluate the Resolution Plan and Manars India LLP was appointed to evaluate the eligibility of the Resolution Applicants.

A total of nine resolution plans were received by the RP. By the fourteenth CoC Meeting held on 18.11.2019, the CoC Members had again discussed the feasibility and viability of Resolution plans and were of the view that Resolution plan of Adani Properties Private Limited to be financially feasible and viable.

The CoC members decided that updated Resolution Plan of M/s. Adani Properties Private Limited offering 265 Crores which provides payment for CIRP Cost, Secured Creditors, Unsecured Creditors (other than suspended directors and related parties of the Corporate Debtor) which is certain as it excludes payment of all statutory liabilities (past, present and future and in particular L&DO, house rent etc.) be considered and put up for voting.

The resolution for approval of the resolution plan submitted by the resolution applicant was put for e-voting conducted from 19.11.2019 to 21.11.2019 and the following resolution was approved by 93,01% vote share of the members of the Committee of Creditors in terms of Section 30(4) of the Code.


Extension of CIRP 3


Committee of Creditors in its fifth meeting held on 22.07.2019 resolved to extend the last date of submission of the Resolution Plan till 07.08.2019. In the same meeting the Committee of Creditors further resolved to extend the CIRP Period by 90 days. Subsequently, the IRP filed an Application for extension of CIRP period under Section 12 121 of the Code which was allowed by The NCLT vide Order dated 23.08.2019 and the CIRP period was extended by 90 days till 22.11.2019.


Acceptance of Resolution Plan by NCLT 4


NCLT via order dated 14.02.2020, accepted the resolution plan submitted by M/s. Adani Properties Private Limited. The NCLT was of the view that the resolution plan presented before them was in accordance with Regulation 38 & 39 of IBBI (CIRP) Regulations read with Section 30 & 31 of the Code.


Timeline


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- 13.07.1984
 - Incorporation of Aditya Estates Private Limited

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- 26.02.2019
 - Initiation of CIRP
 - Appointment of Mr.Alok Kailash Saksena as IRP

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- 29.03.2019
 - Constitution of CoC & Submission of list of creditors to NCLT

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- 23.08.2019
 - Extension of CIRP by 90 Days

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- 21.11.2019
 - Approval of Resolution Plan by CoC

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- 14.02.2020
 - Acceptance of Resolution Plan by AA

Bibliography

1. <http://www.mca.gov.in/mcafoportal/companyLLPMasterData.do>
2. [https://ibbi.gov.in/webadmin/pdf/order/2019/Mar/26th%20Feb%202019%20in%20the%20matter%20of%20Aditya%20Estates%20Private%20Limited%20C.P.%20No.%20IB-974\(PB\)-2018_2019-03-08%2014:01:04.pdf](https://ibbi.gov.in/webadmin/pdf/order/2019/Mar/26th%20Feb%202019%20in%20the%20matter%20of%20Aditya%20Estates%20Private%20Limited%20C.P.%20No.%20IB-974(PB)-2018_2019-03-08%2014:01:04.pdf)
3. <https://ibbi.gov.in/uploads/order/7513f733cc474f4b1c590c96b6de4884.pdf>
4. <https://ibbi.gov.in/uploads/order/2c9da94367d064b06ba2e689efe26b3e.pdf>