

**IN THE NATIONAL COMPANY LAW  
TRIBUNAL, MUMBAI BENCH- I**

**IA No. 2429 of 2021**

**IN**

**CP (IB) No. 3025 of 2019**

Under Section 30 (6) of the Insolvency and Bankruptcy Code, 2016 (“code”) r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the resolution plan under the provisions of Section 31(1) of the code.

**In the Application of**

**Anish Niranjana Nanavaty**

**...Applicant/Resolution Professional**

**Versus**

**Reliance Projects & Property Management**

**Services Limited Through its Division**

**Infrastructure Projects**

**...Respondents**

**In the matter of**

**State Bank of India**

**...Financial Creditor**

**Versus**

**Reliance Communications Infrastructure**

**Limited**

**...Corporate Debtor**

**Order Delivered on : 19.12.2023**

***Coram:***

Hon'ble Member (Judicial) : SH. Justice Virendrasingh G. Bisht (Retd.)  
Hon'ble Member (Technical) : SH. Prabhat Kumar

***Appearances:***

For the Applicant/Resolution

Professional : Mr. Anoop Rawat, Mr. Rishabh Jaisani,  
Mr. Deepak Deshmukh, Mr. Vivek  
Dwivedi, Mr. Hrishikesh Nadkarni  
Advocates

**ORDER**

***Per: Prabhat Kumar, Member (Technical)***

1. The present Application is moved by Resolution Professional **Mr. Anish Niranjana Nanavaty** (hereinafter called as the "**Applicant**") under section 30(6) of the Insolvency and Bankruptcy Code, 2016 ("**Code**") r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the resolution plan of **Reliance Projects & Property Management Services Limited** (hereafter called as the "**Successful Resolution Applicant/SRA**") under the provisions of Section 31(1) of the code, for resolution of **Reliance Communications Infrastructure Limited** (hereinafter called as the "**Corporate Debtor**") and for passing order/appropriate direction that this Tribunal may deem fit in the present matter.

**Brief Facts**

2. The CIRP was initiated against the Corporate debtor vide Order dated 25.09.2019. Mr. Anish Niranjana Nanavaty was appointed as the Interim Resolution Professional (hereinafter referred to as the "**IRP**").

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3. The IRP published a Public Announcement in Form-A on 28.09.2019 inviting claims from the creditors of the Corporate Debtor. After the receipt of claims, the CoC was constituted by the IRP on 17.10.2019.
  4. The Applicant submits that till the date of filing of the present Application, a total of 18 (Eighteen) CoC meetings of the Corporate Debtor have been held from time to time.
  5. The Committee of Creditors ("**CoC**") in its 1<sup>st</sup> meeting held on 22.10.2019 confirmed the appointment of the IRP as the Resolution Professional ("**RP**") and appointed Duff & Phelps as the Process Advisor.
  6. At the 1<sup>st</sup> CoC Meeting, the CoC appointed two registered valuers, namely Girish Pawar (VGK Trueman Consultancy) and Rakesh Narula (Rakesh Narula & Co.) ("**Registered Valuers**") and a third Registered Valuer GAA Advisory LLP was appointed in the 8<sup>th</sup> Meeting of the CoC conducted on 27.05.2020 to determine the liquidation value and fair value of the Corporate Debtor. The average liquidation value of the Corporate Debtor was determined as Rs.428,51,00,000/- (Rupees Four Hundred and Twenty Eight Crores and Fifty Nine Lakhs Only). The average fair value of the Corporate Debtor was determined as Rs.722,59,00,000/- (Rupees Seven Hundred and Twenty Two Crores and Fifty Nine Lakhs Only).
  7. In respect of the timelines as applicable to the CIRP of the Corporate Debtor, the period of 180 days upon the commencement of CIRP was set to expire on 22.03.2020. Thereafter, in terms of the order dated 19.03.2020 of the NCLT Mumbai Bench, the period of CIRP of the Corporate Debtor was extended by a period of Ninety days to June 22, 2020. Thereafter, on account of the outbreak of the COVID-19 pandemic, and in light of the various notifications/ circulars issued by

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the Central Government & the Government of Maharashtra (where the registered office of the Corporate Debtor is situated) and considering the order dated March 30, 2020, of the Hon'ble NCLAT in Suo Moto - Company Appeal (AT) (Insolvency) No. 01 of 2020, the period from March 22, 2020 to May 31, 2021 was excluded from the calculation of the CIRP of the Corporate Debtor. Considering the above-mentioned extension/exclusions, the CIRP of the Corporate Debtor (270 day period) expired on August 30, 2021. On 27.08.2021, the RP filed an IA No. 2060 of 2021 before the Hon'ble Tribunal seeking an additional time period of 15 days in the CIRP of the Corporate Debtor. The said application was allowed *vide* Order dated 03.05.2023, and the CIRP period was extended to 14.09.2021.

8. Subsequently, on 01.11.2019, 'Form G' was published by the Applicant in newspapers inviting Expression of Interest (“**EOI**”) from interested Prospective Resolution Applicants (“**PRA**”). A copy of Form G and detailed invitation for expression of interest were also uploaded on the websites of the Corporate Debtor and the IBBI.
9. At the 3<sup>rd</sup> CoC Meeting held on 25.11.2019, the CoC was apprised that 3 EOIs were received by the RP. Consequently, the RP issued a Provisional List of PRAs on 25.11.2019 and the Final List of PRAs on 09.12.2019. However, EOIs were received from 4 additional entities, including the Respondent herein, beyond the prescribed timeline. The CoC, pursuant to meetings dated 19.12.2019, 27.05.2020 and 25.06.2020 approved the condonation for delay in submission of EOI by these entities and their inclusion in the Final List of PRAs. The RP issued the revised Final List of PRAs on 01.07.2020.
10. The last date of submission of Resolution Plan in terms of the RFRP was 17.12.2019. The said date was extended from time to time, as per

COC approval, pursuant to which the last date of submissions of Resolution Plan was 31.07.2020. The Applicant received Resolution Plans from the below mentioned PRAs which were opened at the 11<sup>th</sup> CoC meeting held on 03.08.2020:

- a) Sify Technologies Limited
- b) Reliance Projects & Property Management Services Limited, through its division, Infrastructure Projects
- c) Asia Connectivity Pte Limited
- d) UV Asset Reconstruction Company Ltd.

11. The RP and its advisors were engaged in discussions with the PRAs in order to provide comments from the perspective of ensuring compliance with the Code. The COC continued to discuss and engage with the resolution applicants in relation to the commercials of the plans, pursuant to which the PRAs were requested to submit their revised/ updated resolution plans as per the discussion with COC.

12. The PRAs submitted their revised/ updated resolution plans on the following dates:

- a) Sify Technologies Limited – 08.09.2020, which was further revised and submitted on 24.11. 2020;
- b) Reliance Projects & Property Management Services Limited, through its division Infrastructure Projects (i.e. Respondent herein) – 07.09.2020 which was further revised and submitted on various occasions, the final one being submitted on 21.06.2021 and an additional addendum on 09.08.2021;
- c) Asia Connectivity Pte Limited – 08.09.2020 which was further revised and submitted on 03.11.2020 and 30.11.2020;
- d) UV Asset Reconstruction Company Ltd.- 07.09.2020.

13. UV Asset Reconstruction Company Ltd., vide email dated 21.01.2021, expressed its intention to withdraw from the resolution

plan process of the Corporate Debtor, which was intimated to and noted by COC in the 15<sup>th</sup> COC meeting, held on 21.01.2021.

14. Further, considering that the revised/updated compliant plans were not received from Sify Technologies Limited and Asia Connectivity Pte Limited, the RP addressed an email to them, inter alia, informing them that since the compliant Resolution Plans were not received from them, the RP would be proceeding with the available compliant Resolution Plan. Therefore, the Resolution Plan submitted by the Respondent remained the sole Resolution Plan in respect of the Corporate Debtor.
15. At the 16<sup>th</sup> CoC meeting, the RP confirmed the compliance of the said Resolution Plan with the mandatory provisions of the Code and the CIRP Regulations (including in respect of Section 29A of the Code basis the affidavit submitted thereunder) to the COC.
16. At the 17<sup>th</sup> COC meeting, COC and their Process Advisor conducted detailed discussions on the various provisions, and the feasibility and viability and evaluation, of the Resolution Plan as received. The Process Advisor presented to the COC their analysis of the said Resolution Plan from the perspective of the evaluation matrix and feasibility and viability and concluded that the Resolution Plan is viable and feasible.
17. At the 18<sup>th</sup> CoC meeting, held on 05.08.2021, the RP presented the Resolution Plan of the Respondent before the CoC for its approval. Thereafter, between 11.08.2021 and 27.08.2021, e-voting was conducted for the approval of the Resolution Plan by the COC and for issuance of the Letter of Intent (“**LOI**”) to the Resolution Applicant in compliance with the RFRP. Upon request by certain lenders, the e-voting was extended till 30<sup>th</sup> August, 4pm.

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18. The e-voting was concluded on 30.08.2021. As per the e-voting result, the COC by a majority of 67.97% approved the Resolution Plan of the Respondent and authorised the RP to issue the LOI.
  19. Pursuant to the approval of the Resolution Plan by the CoC, the Successful Resolution Applicant has unconditionally accepted the Letter of Intent dated 30.08.2021 in accordance with the RFRP and the Successful Resolution Applicant has issued a Performance Bank Guarantee for a sum of INR 2.04 Crores (Rupees Two Crores and Four Lakhs Only) dated 30.08.2021.
  20. The Applicant submits that the Resolution Plan and the approval of the Resolution Plan are in accordance with all the provisions of the Code and CIRP Regulations and that it does not contravene any of the provisions of the law for the time being. The Successful Resolution Applicant has also confirmed its eligibility under Section 29A of the Code.

**Salient Features of the Resolution Plan**

21. The Resolution Applicant is Reliance Projects and Property Management Services Limited through its division Infrastructure (“**RA**” or “**Resolution Applicant**”). RA is also a part of the Reliance Industries Group. Reliance Industries Limited (“**RIL**”) is the flagship company of the Reliance Industries Group. Reliance Industries Group has a robust business portfolio ranging from energy to materials, retail to digital services and entertainment. Reliance Jio Infocomm Limited (“**RJIL**”) is the country’s most profitable and fastest growing telecommunication and digital services company and is also part of Reliance Industries Group. Presence of RJIL would bring synergy in terms of operation, procurement, marketing and sales and would result in running the Corporate Debtor in a cost effective manner.

**Rationale of the Resolution Plan**

22. RA's resolution plan for Reliance Infratel Limited ("RITL"), one of the affiliate of the Corporate Debtor has been approved by the NCLT vide an order dated 03.12.2020 ("**RITL Resolution Plan**").
23. In the past, RCIL was engaged in the business of internet data centre. RA would explore the possibility of providing data centre services and synergize the data centre services with the existing operations of the Reliance Industries group. The Corporate Debtor also has Right of Way (ROW) of 28,275 KM of inter-city route and 7,846 KM of intra city route. The ROW can be leveraged with the existing ROW of RJIL and other RIL Entities to substantially scale up the operations.
24. RITL owns the fibre assets and ROWs are owned by the Corporate Debtor/ RCIL. Pursuant to the plan approval of the RITL Resolution Plan, the fibre assets are now vested with the RA. The ROWs are required for the use of the fibre assets of RITL, now vested with the RA. Hence, the RA has proposed the present Resolution Plan for continued enjoyment and use by the Resolution Applicant of the ROW and the fibre assets.

**Going Concern**

25. The Plan envisages the business plan for maintaining the Corporate Debtor as a going concern. The Resolution Applicant proposes to turnaround operations of the Corporate Debtor by making investment in upgrading the assets, sale of Identified Real Estate Assets (as defined in the Resolution Plan), timely maintenance to deliver required service levels, as considered appropriate by the Resolution Applicant, at its sole discretion. The Resolution Applicant expects operational efficiencies through synergy with existing business. Since the Corporate Debtor has no operations currently, any business opportunities in the Corporate Debtor will be examined once the



Resolution Applicant takes over the Corporate Debtor in accordance with this Plan. The Resolution Applicant has the required operational expertise to implement the turnaround strategy. To this effect, the following action plan has been provided in the Plan -

- (i) **Working Capital:** The Resolution Applicant will facilitate the Corporate Debtor in raising working capital facilities as per the operational requirements of the Corporate Debtor, which will help in running the Corporate Debtor at optimal utilization levels.
- (ii) **Capital Expenditure:** The Resolution Applicant will leverage the proven track record of the Reliance Industries Group of “best in class project execution” to ensure upgradation of the infrastructure, if deemed necessary by the Resolution Applicant in its discretion. Such capex would be to address any ongoing concerns of the Corporate Debtor. Consequently, the Corporate Debtor is likely to have better market standing with the potential to transact business on better terms as compared to its present situation. The Corporate Debtor will also benefit from, the scale and the efficiency that the Resolution Applicant already enjoys, as India’s leading companies.
- (iii) **Manpower:** The Corporate Debtor does not currently have any active employees on its payroll. On and with effect from the Effective Date, the Resolution Applicant proposes to take such measures, as it may deem fit to enroll employees, as may be required, depending upon the operations of the Corporate Debtor in accordance with the policies of the Resolution Applicant.
- (iv) **Fund infusion:** As part of the Plan, it has been proposed that the Resolution Applicant, shall infuse funds in one or more tranches,

into the Corporate Debtor by way of such instruments, as may be determined by the Resolution Applicant in its sole discretion, i.e. equity, equity-linked, quasi equity and/or other securities and/or shareholder debt and/or deposits, third party debt or a combination thereof which shall be utilized for (i) mandatory payments under the Code, (ii) payments proposed to be made to certain creditors (including Operational Creditors) of the Corporate Debtor, (iii) meeting the working capital and/or capital expenditure requirements and / or (iv) other operational improvements of the Corporate Debtor.

**Payment under the Plan**

26. The Plan contemplates the following overall payments for the insolvency resolution of the Corporate Debtor as a going concern pursuant to the provisions of the Code:

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (INR)</b>
1.	Total Resolution Amount which may be increased by an additional amount of INR 35,00,00,000. <b>(See Note 1 below)</b>	57,00,00,000
2.	Available cash balance and fixed deposit balances on the Effective Date (after payment of the CIRP Cost, Interim Management Cost, any other mandatory payments under the provisions of the Code and the creation of the Corpus)	Upto 123,52,00,000
3.	Assignment/transfer of the Reliance Bhutan Loan in accordance with sub-section 3.3.20 of Part B of the Plan	195,00,00,000 <b>(See Note 2 below)</b>

4.	Real Estate Monetization Proceeds	90,00,00,000 <b>(See Note 3 below)</b>
5.	Upfront Equity Infusion	5,00,00,000
6.	Interim Management Cost	Upto 5,00,00,000
	<b>Total</b>	<b>Upto 475,52,00,000</b>

**Notes to the table:**

**Note 1:** As per Annexure 2 of the Plan, if the mandatory payments prescribed under the Code (including the CIRP Cost, payments to Operational Creditors and Mandatory Dissenting Financial Creditors Payments) are not sufficient to be met out of the total financial outlay set out in the Plan, the RA will infuse additional funds as may be necessary to meet the shortfall in making the mandatory payments specified under the Code of up to INR 35 crores.

**Note 2 (Assignment of Reliance Bhutan Loan):** The Corporate Debtor had extended certain loans to Reliance Bhutan Limited (a wholly owned subsidiary of RITL). As on 31.03.2020, the outstanding amount in relation to such loan is INR 195,00,00,000 (“**Reliance Bhutan Loan**”). The Resolution Applicant has agreed to transfer the Reliance Bhutan Loan in favour of the Approving Financial Creditors on the Effective Date by way of assignment agreement. However, on or before the Effective Date, the approving financial creditors and the Resolution Applicant may agree on an alternative mechanism for transfer of the Reliance Bhutan loan in favour of the approving financial creditors or such other entity as may be identified by them, provided that there are no adverse tax implications on the Corporate Debtor or the Resolution Applicant on account of such transfer or

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assignment. Any amounts realised by the Approving Financial Creditors shall be distributed to the stakeholders in the manner provided in the Plan.

**Note 3:**

**Real Estate Asset Monetisation:** The RA has identified certain real estate assets (except Versova property) of the Corporate Debtor and proposes to monetise them through price discovery mechanism, in order to generate funds within 1 year from the issuance of the Closing Action Notice. In the event the monetisation of the identified real estate assets is not completed within 1 year from the issuance of the Closing Action Notice, the RA may request the designated financial creditor (nominated by the CoC) for a further period of 1 year which the designated financial creditor may grant at its sole discretion. The RA expects to generate an amount of approximately INR 90 crores. This amount is only estimated realization of the Real Estate Monetization Proceeds. Actual realization may depend and/or vary on account of the factors specified in sub-section 1.2.10 of the Plan. In the event the sale of any or all of the identified real estate assets is not consummated within 1 year from the issuance of the Closing Action Notice, the RA shall transfer such unsold identified real estate assets to a trust which shall be settled for this purpose and with a person chosen by the approving financial creditors as its trustee. The trustee shall hold in trust for the financial creditors the trust property, and shall be entitled to deal with the assets in any manner whatsoever.

**Note 4** – In addition to the above, Plan also provides for recoveries from applications under Sections 43, 45, 47, 49, 50 or 66 of the Code, which shall be solely for benefit of the Financial Creditors.

**Manner of distribution under the Plan**

27. The Plan proposes that the manner of distribution as follows -

- (i) payment of unpaid corporate insolvency resolution costs (“**CIRP Costs**”) in full and in priority to all other stakeholders;

- (ii) out of the Total Resolution Amount, payment of INR 11,90,376 payable to the workmen and employees on pro-rata basis to their admitted debt;
- (iii) out of the Total Resolution Amount, payment of INR 26,46,971 payable to the operational creditors (other than workmen and employees) on pro-rata basis to their admitted debt
- (iv) payment of mandatory amounts to dissenting financial creditors in priority to any payment to approving financial creditors in accordance with the Plan;
- (v) the balance amount available, after making the aforesaid payments, will be distributed between and amongst the approving financial creditors on pro-rata basis to their admitted debt.

28. The payments of the Total Resolution Amount, i.e. INR 57 crores, under this Plan shall be effected within 30 days from the date of issuance of the Closing Action Notice, subject to other provisions of the Plan.

**Treatment of Stakeholders under the Plan**

(Sl. No.)	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed (INR)	Amount Admitted (INR)	Amount Provided under the Plan (INR)	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-	NA	NA	NA	NA

		section (2) of section 21				
		(b) Other than (a) above:				
		(i) who did not vote in favour of the Plan	1,38,11,61,65,631	1,32,27,12,64,358	3,17,49,58,996	2.30 %
		(ii) who voted in favour of the Plan	2,98,10,39,63,891	2,81,38,69,41,758	1,37,92,12,310	0.46 %
		<b>Total[(a) + (b)]</b>	<b>4,36,22,01,29,522</b>	<b>4,13,65,82,06,116</b>	<b>4,55,41,68,523</b>	<b>1.04%</b>
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	55,82,63,51,248	55,81,75,50,638	Nil	Nil
		(b) Other than (a) above:				
		(i) who did not vote in favour of the Plan	31,53,46,962	31,53,46,962	11,91,347	0.38 %
		(ii) who voted in favour of the Plan	-	-	-	-

		Total[(a) + (b)]	<b>56,14,16,98,210</b>	<b>56,13,28,97,600</b>	<b>11,91,347</b>	<b>0.002% [Note 4]</b>
3	Operational Creditors	(a) Related Party of Corporate Debtor	2,38,41,21,514	2,38,11,94,403	Nil	Nil
		(b) Other than (a) above:				
		(i) Government	1,69,18,33,028	17,38,99,347	19,40,761	0.11%
		(ii) Workmen & Employees	13,80,49,091	7,53,53,901	8,63,099	0.63%
		(iii) On the behalf of Workmen & Employees	2,85,73,214	2,85,73,214	3,27,276	1.15%
		(iv) Other Operational Creditors	7,57,04,975	6,32,78,920	7,06,209	0.93%
		<b>Total[(a) + (b)]</b>	<b>4,31,82,81,823</b>	<b>2,72,22,99,785</b>	<b>38,37,347</b>	<b>0.09%</b>
4	Other debts and dues	NA	NA	NA	NA	NA
<b>Grand Total</b>			<b>4,96,68,01,09,556</b>	<b>4,72,51,34,03,502</b>	<b>4,55,92,00,000</b>	<b>0.92%</b>

**Notes to the above table:**

- **Note 1:** Out of the total admitted financial debt of an amount of INR

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41,397.36 crores, the direct lending to the Corporate Debtor is only INR 182.20 crores (0.44% of total debt). The balance amounts have been admitted on the basis of corporate guarantees and other similar/ third party obligations of the Corporate Debtor, which claims are also admitted claims in the corporate insolvency resolution process of Reliance Communications Limited, Reliance Telecom Limited, Reliance Infratel Limited.

- **Note 2:** Amount provided under the Plan includes estimated value of non-cash components. It is not Net Present Value (“NPV”)
- **Note 3: CIRP Costs:** Outstanding CIRP Costs, as on 31.01.2023 (unaudited) is INR 2.85 crores, the amounts payable to all stakeholders as stated in the above table are calculated basis this amount. The CIRP Costs will be paid in full and in priority to any other creditor of the Corporate Debtor.
- **Note 4:** The amount set out for recoveries of the financial creditors has been based on the cash balances as on 28<sup>th</sup> February, 2021, and takes into consideration adjustments on account of interim management costs of INR 5 crores, litigation corpus of INR 5 crores, upfront equity commitment of INR 5 crores and CIRP costs of INR 4.60 crores.

### **Statutory Compliance**

29. In compliance of Section 30(2) of IBC, 2016, the Resolution Professional has examined the Resolution plan of the Successful Resolution Applicant and confirms that this Resolution Plan:
- a) Provides for payment of Insolvency Resolution Process cost in a manner specified by the Board in the priority to the payment of other debts of the corporate debtor;
  - b) Provides for payment of debts of operational creditor in such manner as may be specified by the board which shall not be less than
    - (i) the amount to be paid to such creditors in the event of liquidation of the corporate debtor under Section 53; or



- (ii) the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distribute in accordance with sub-section (1) of Section 53 in the event of liquidation of the corporate debtor.
  - c) Provides for management of the affairs of the Corporate Debtor after approval of Resolution Plan;
  - d) The implementation and supervision of Resolution Plan;
  - e) Does not prima facie contravene any of the provisions of the law for time being in force,
  - f) Confirms to such other requirements as may be specified by the Board.
  - g) As per the Affidavit, the Resolution Applicant is not covered under 29A.
30. In compliance of Regulation 38 of CIRP Regulations, the Resolution Professional confirms that the Resolution plan provides that
- a) The amount due to the Operational Creditors under resolution plan shall be given priority in payment over Financial Creditors.
  - b) It has dealt with the interest of all Stakeholders including Financial Creditors and Operational Creditors of the CD.
  - c) A statement that neither the Resolution Applicants nor any related parties have failed to implement nor have contributed to the failure of implementation of any other Resolution Plan approved by the AA in the past.
  - d) The terms of the plan and its implementation schedule.
  - e) The management and control of the business of the CD during its term.
  - f) Adequate means of Supervising its implementation.
  - g) The Resolution Plan Demonstrate that it addresses
    - i. The cause of the Default

- ii. It is feasible and viable
- iii. Provision for effective implementation
- iv. Provisions for approvals required and the time lines for the same.
- v. Capability to Implement the Resolution Plan

31. The Resolution Professional has submitted Form H vide Additional Affidavit dated 09.11.2021 under Regulation 39(4) of the CIRP Regulations to certify that the resolution plan as approved by the CoC meets all the requirements of the IBC and its Regulations, the relevant parts of which are reproduced below :

### FORM H

#### COMPLIANCE CERTIFICATE

*(Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016*

2. The details of the CIRP are as under:

<b>Sl. No.</b>	<b>Particulars</b>	<b>Description</b>
1	Name of the CD	<b>Reliance Communications Infrastructure Limited</b>
2	Date of Initiation of CIRP	September 25, 2019
3	Date of Appointment of IRP	September 25, 2019
4	Date of Publication of Public Announcement	September 28, 2019
5	Date of Constitution of CoC	October 17, 2019
6	Date of First Meeting of CoC	October 22, 2019

7	<i>Date of Appointment of RP</i>	<i>October 31, 2019</i>
8	<i>Date of Appointment of Registered Valuers</i>	<i>1. Girish Pawar – November 01, 2019</i>  <i>2. Rakesh Narula – November 01, 2019</i>  <i>3. GAA Advisory LLP – June 03, 2020</i>
9	<i>Date of Issue of Invitation for EoI</i>	<i>November 01, 2019</i>
10	<i>Date of Final List of Eligible Prospective Resolution Applicants</i>	<i>December 09, 2019, which was further revised and issued finally on July 1, 2020.</i>
11	<i>Date of Invitation of Resolution Plan</i>	<i>November 25, 2019</i>
12	<i>Last Date of Submission of Resolution Plan</i>	<i>December 17, 2019, which was further extended to July 31, 2020</i>
13	<i>Date of Approval of Resolution Plan by CoC</i>	<i>August 30, 2021</i>
14	<i>Date of Filing of Resolution Plan with Adjudicating Authority</i>	<i>August 30, 2021</i>
15	<i>Date of Expiry of 180 days of CIRP</i>	<i>June 01, 2021<sup>1</sup></i>
16	<i>Date of Order extending the period of CIRP</i>	<i>March 19, 2020</i>
17	<i>Date of Expiry of Extended Period of CIRP</i>	<i>August 30, 2021<sup>2</sup></i>

18	<i>Fair Value</i>	<i>INR 722.59 crores</i>
19	<i>Liquidation value</i>	<i>INR 428.51 crores</i>
20	<i>Number of Meetings of CoC held</i>	<i>18</i>

4. I hereby certify that-

- (i) *the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.*
- (ii) *the Resolution Applicant Reliance Projects & Property Management Services Limited has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.*
- (iii) *the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 67.97 % of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.*
- (iv) *The voting was held in the meeting of the CoC on [state the date of meeting] where all the members of the CoC were present.*

or

*I sought vote of members of the CoC by electronic voting system which was kept open at least for 24 hours as per the regulation 26.*

*[strike off the part that is not relevant]*

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

(Amount in INR)

<i>Sl. No</i>	<i>Category of Stakeholder*</i>	<i>Sub-Category of Stakeholder</i>	<i>Amount Claimed</i>	<i>Amount Admitted</i>	<i>Amount Provided under the Plan</i>	<i>Amount Provided to the Amount Claimed (%)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
<i>1</i>	<i>Secured Financial Creditors [Note 3]</i>	<i>(a) Creditors not having a right to vote under sub-section (2) of section 21</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>
		<i>(b) Other than (a) above:</i>				
		<i>(i) who did not vote in favour of the resolution Plan</i>	<i>1,38,11,61,65,631</i>	<i>1,32,27,12,64,358</i>	<i>3,17,49,58,996</i>	<i>2.30 %</i>

		<i>(ii) who voted in favour of the resolution plan</i>	2,98,10,39,63, 891	2,81,38,69,41 ,758	1,37,92,12,31 0	0.46 %
		<b>Total[(a) + (b)]</b>	<b>4,36,22,01,29 ,522</b>	<b>4,13,65,82,0 6,116</b>	<b>4,55,41,71,30 6</b>	<b>1.04%</b>
2	<i>Unsecured Financial Creditors</i>	<i>(a) Creditors not having a right to vote under sub-section (2) of section 21</i>	55,82,63,51,2 48	55,81,75,50,6 38	<i>Nil</i>	<i>Nil</i>
		<i>(b) Other than (a) above:</i>				

		<i>(i) who did not vote in favour of the resolution Plan<sup>3</sup></i>	31,53,46,962	31,53,46,962	11,91,347	0.38 %
		<i>(ii) who voted in favour of the resolution plan</i>	-	-	-	-
		<i>Total[(a) + (b)]</i>	<b>56,14,16,98,210</b>	<b>56,13,28,97,600</b>	<b>11,91,347</b>	<b>0.002% [Note 11]</b>
3	<i>Operational Creditors</i>	<i>(a) Related Party of Corporate Debtor</i>	2,38,41,21,514	2,38,11,94,403	Nil	Nil
		<i>(b) Other than (a) above:</i>				
		<i>(i) Government</i>	1,69,18,33,028	17,38,99,347	19,40,761	0.11%

		<i>(ii) Workmen &amp; Employees</i>	13,80,49,091	7,53,53,901	8,63,099	0.63%
		<i>(iii) On the behalf of Workmen &amp; Employees</i>	2,85,73,214	2,85,73,214	3,27,276	1.15%
		<i>(iv) Other Operational Creditors</i>	7,57,04,975	6,32,78,920	7,06,209	0.93%
		<b>Total[(a) + (b)]</b>	<b>4,31,82,81,823</b>	<b>2,72,22,99,785</b>	<b>38,37,347</b>	<b>0.09%</b>
4	Other debts and dues	NA	NA	NA	NA	NA
<b>Grand Total</b>			<b>4,96,68,01,09,556</b>	<b>4,72,51,34,03,502</b>	<b>4,55,92,00,000</b>	<b>0.92%</b>

*\*If there are sub-categories in a category, please add rows for each sub-category.*

**Note 1:** Amount provided under the Resolution Plan includes estimated value of non-cash components. It is not NPV.

**Note 2:** Outstanding CIRP Costs, as on July 31, 2021 (unaudited) is INR 4.60 crores, the amounts payable to all stakeholders as stated in the above table are calculated basis this amount.

**Note 3:** Financial Creditors having both Secured and Unsecured facilities have been considered as Secured Financial Creditors for the purpose of this table.

**Note 4:** The Resolution Plan provides for a payment of INR 11,90,376 or amount payable to the Workmen and Employees in accordance with Section 30(2)(b) of the



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*Code, whichever is higher, for the Workmen and Employees which is bifurcated in the table above at points 3(b)(ii) and 3 (b)(iii).*

**Note 5:** *The Resolution Plan provides for a payment of INR 26,46,971 or amount payable to the Operational Creditors (other than Workmen and Employees) in accordance with section 30(2)(b) of the Code, whichever is higher, for the Operational Creditors (other than Workmen and Employees) which is bifurcated in the table above at points 3(b)(i) and 3(b)(iv).*

**Note 6:** *Apart from the claims admitted shown as per Table above, certain claims filed by statutory creditors and workmen/employees amounting to INR 152.70 crores have been admitted on contingent basis.*

**Note 7:** *As per Annexure 2 of the Resolution Plan, if the mandatory payments prescribed under the Code (including the CIRP Cost, payments to Operational Creditors and Mandatory Dissenting Financial Creditors Payments) are not sufficient to be met out of the total financial outlay set out in the Resolution Plan, the Resolution Applicant will infuse such additional funds as may be necessary solely to meet the shortfall in making the mandatory payments specified under the Code of up to INR 35 crores.*

**Note 8:** *The amount set out for recoveries of the financial creditors has been based on the cash balances as on February 28, 2021, and takes into consideration adjustments on account of interim management costs of INR 5 crores, litigation corpus of INR 5 crores, upfront equity commitment of INR 5 crores and CIRP costs of INR 4.60 crores.*

**Note 9:** *The amounts indicated for recovery to financial creditors also includes estimated realization of the Real Estate Monetization Proceeds of approximately INR 90 crores. Actual realization may depend and/or vary on account of the factors specified in sub-section 1.2.10 (Sale of Identified Real Estate Assets and realization of Real Estate Monetization Proceeds) of Part B (Financial Proposal) of the Resolution Plan.*

**Note 10:** *In respect of the payouts to the approving financial creditors, it is clarified that an amount of INR 195 crores is included basis the understanding that the existing*

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*loans to Reliance Bhutan Limited shall be assigned to the approving financial creditors on the Effective Date (subject to any alternative mechanism as may be agreed between the Resolution Applicant and the approving financial creditors prior to the Effective Date for transfer of such loans).*

**Note 11:** *Out of the total admitted debt of an amount of INR 41,397.36 Cr, only an amount of INR 182.20 Cr pertains to the direct lending to the Corporate Debtor. The balance amounts are admitted basis corporate guarantees and other similar payment obligations, which are also subject matter of admitted claims in the corporate insolvency resolution process of Reliance Communications Limited, Reliance Telecom Limited, Reliance Infratel Limited and/or Reliance Communications Infrastructure Limited.*

32. On perusal of the Resolution Plan, we find that the Resolution Plan provides for the following:
- a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
  - b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
  - c) For management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified U/s 30(2)(c) of the Code.
  - d) The implementation and supervision of Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.
33. The RP has complied with the requirement of the Code in terms of Section 30(2)(a) to 30(2)(f) and Regulations 38(1), 38(1)(a), 38(2)(a), 38(2)(b), 38(2)(c) & 38(3) of the Regulations.
34. The RP has filed Compliance Certificate in Form-H along with the Plan. On perusal the same is found to be in order. The Resolution Plan has been approved by the CoC by majority of 67.97%%.

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35. On 22.11.2023, the Bench had sought clarification in relation to Clause 8.2.2(iii) of the Resolution Plan which reads as under:

*“(iii) Communication of the order of the NCLT sanctioning the Resolution Plan by the Resolution Professional with all the stakeholders (including any Government and Statutory Authorities) of the Corporate Debtor, Reliance Communications Limited (RCL), Reliance Infratel Limited (RITL) and Reliance Telecom Limited (RTL) by: (a) publishing the order on the website of the Corporate Debtor, RCL, RITL and RTL; and (b) communicating the order to the stock exchanges where the shares of RCL are listed to be done within 14 business days from the receipt of copy of the order of the NCLT sanctioning the Resolution Plan;”*

36. The Counsel for the Applicant clarified vide Additional Affidavit dated 04.12.2023, stating that the condition precedent in clause 8.2.2(a)(iii) does not make the Resolution Plan contingent on the approval of the Resolution Plan of RCL, RITL and RTL. This Clause was incorporated for the limited purpose of communicating the order passed in the present resolution Plan to all the stakeholders of the Corporate Debtor, including RCL (i.e. the holding company of the Corporate Debtor), RITL and RTL (being group companies of RCIL), and the implementation of the present Resolution Plan is not contingent upon approval of the Resolution Plans in respect of RCL, RITL and RTL.

37. Considering the submissions, this Bench is of considered view that the Condition Precedent which is read as if plan is contingent on approval of Resolution Plans of RCL, RITL and RTL is arising on account of existence of coma after the words Corporate Debtor. Since the SRA has categorically clarified that the implementation of this plan is not contingent on approval of Resolution Plan in case of Reliance Communication Limited and Reliance Telecom Limited, we do not find any reason to

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consider this plan as contingent on the basis of clause 8.2.2(iii) of the Resolution Plan.

38. In *K Sashidhar v. Indian Overseas Bank & Others* (in Civil Appeal No.10673/2018 decided on 05.02.2019) the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2). The Hon'ble Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) when the Resolution Plan does not conform to the stated requirements.
39. In view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38 (1A) and 39 (4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same needs to be approved.
40. It has been observed that certain avoidance applications have been filed involving the Group Companies of the Corporate Debtor, wherein there are certain reliefs claimed for as well as against the Corporate Debtor. These applications are pending for adjudication. It

is clarified that the net receivable/payable inter se Group Companies shall be dealt with in accordance with the terms of this Plan.

41. The Resolution Plan along with the Addendum thereto annexed to the Application is hereby **approved**. It shall become effective from this date and shall form part of this order with the following directions:

- i. It shall be binding on the Corporate Debtor, 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 is due, guarantors and other stakeholders involved in the Resolution Plan.
- ii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/liabilities of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of Supreme Court in *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited*, the relevant para's of which are extracted herein below:

“95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution

plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;

(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.”

- iii. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), Mumbai, Maharashtra for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.
- iv. The moratorium under Section 14 of the Code shall cease to have effect from this date.

- v. The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.
- vi. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- vii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

Sd/-

**Prabhat Kumar**  
Member (Technical)

/SP/

Sd/-

**Justice V.G. Bisht**  
Member (Judicial)