

MELSTAR INFORMATION TECHNOLOGIES LIMITED

(Under Insolvency Resolution Process)

CIN: L99999MH1986PLC040604

Regd Address: 159, Industry House, 5th Floor, Churchgate Reclamation,

Mumbai City - 400020. Phone no: 022-62356400;

Email id:irpneehal.melstar@gmail.com

SUB : Regulation 30 of SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015-

BOMBAY STOCK EXCHANGE LIMITED P.J. TOWERS DALAL STREET MUMBAI-400001 SCRIP CODE 532307	NATIONAL STOCK EXCHANGE OF INDIA BANDRAS KURLA COMPLEX, LIMITED EXCHANGE PLAZA , BANDRA (EAST) MUMBAI- 400001 SCRIP CODE 532307
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Date : 08/11/2023

SUB : Approval of Resolution Plan of Melstar information technologies limited (Under Insolvency Resolution Process) wide order no IN IA No. 467 of 2021&IA No. 555 of 2020 INCP No. (IB) 2839/MB/2018 in CP (IB) No. 2839/MB /2018 , in NCLT, Mumbai , Branch-I dated 01.11.2023

Dear Sir / Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and under the provisions of the Insolvency and Bankruptcy Code 2016, the intimation is made to the Stock Exchange for the Approval of Resolution plan under the provision of Insolvency and Bankruptcy Code, 2016 ("code") of Melstar information technologies limited.

The Order has been attached for your kind reference.

Request you to take the above on your records.

Thanking you,

Your faithfully

**For Melstar Information Technologies Limited,
(Under Insolvency Resolution Process)**

**Neehal Mahamudal Pathan
Resolution Professional
[IBBI/PA-001/IP-P01561/2019-20/12406]**



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH- I

IA No. 467 of 2021

IA NO.555 of 2020

IN

CP (IB) No. 2839/MB /2018

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 IA No. 467 of 2021

In the Application of

Mr Neehal Mahamul Pathan,

Resolution Professional of "Melstar Information Technologies Limited
...Applicant/Resolution Professional

IN IA NO.555 of 2020

In the matter of

Melstar Information Technologies Limited

Applicant/Corporate Debtor

Order Delivered on :- 01.11.2023

Coram:

Sh. Prabhat Kumar

(Justice) VirendraSingh G.Bisht

Hon'ble Member (Technical)

Hon'ble Member (Judicial)

Appearances:

For the Applicant
Advocate

: Manoj Kumar Mishra,

For the Resolution Applicant
Advocate

: Ms. Prachi Wazalwar,



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ORDER

Per: Justice V.G Bisht (Judicial)

1. The present application is moved by Resolution Professional **Mr Neehal Mahamul Pathan** (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 Melstar Information Technologies (hereafter called as the “**Successful Resolution Applicant/SRA**”) under the provisions of Section 31(1) of the code, for the Corporate Debtor **Melstar Information Technologies** (hereinafter called as the “**Corporate Debtor**”) and for passing order/appropriate direction that this Tribunal may deem fit in the present matter.
2. The CIRP was initiated against the Corporate debtor vide Order dated 03.10.2019 and the Applicant herein was appointed as the IRP. The Interim Resolution Professional (hereinafter referred to as the IRP) made a public announcement in Form A on 03.10.2019. The IRP constituted the Committee of Creditors (hereinafter referred to as the CoC) on 28.10.2019. Subsequently, the First CoC meeting took place on 30.10.2019 wherein the IRP was appointed as the Resolution Professional and the decision to conduct forensic audit as permissible in code was approved unanimously.



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3. The Applicant is the Resolution Professional of the Corporate Debtor appointed by this tribunal vide order dated 01.10.2019.
4. The Applicant submits that till the date of filing of the present Application, a total of 8 (Eight) CoC meetings of the corporate Debtor have been held from time to time.
5. At the 2nd CoC meeting held on 3rd January 2020, the RP appointed two valuers in each class to value Financial Assets class and Plant & Machinery class of assets, separately in accordance with the requirement of the regulation. The Liquidation value of the corporate debtor as per the valuation report of Sanjoy Gupta is Rs.469.98 Lakhs and as per valuation report of Shri Debashis Nanda is Rs. 469.98 Lakhs. M/s J. Kala & Associates a Chartered Accountant firm was appointed to do the transaction audit in accordance with Section 43,45,49,50 & 66 of the code for the period of 2 years.
6. The RP circulated the Expression of interest (EOI), Form (G) and evaluation matrix and published the same on 5th January 2020 with last date of receipt of the EOI on 20th January 2020. In absence of any EOI, the publication of fresh Form G was contemplated vide email dt. 20th Jan ,2020 circulated to members of CoC. In response to revised Form G, the RP received three EOI's which were duly scrutinized in accordance with Regulation 36A (7).



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7. In 3rd CoC Meeting the RP presented the list of the parties interested and their EOI's to the CoC members. The Operational Creditors raised the apprehension as how the CD can submit the EOI as they are prohibited by Section. 29A of I.B.C 2016. The RP informed that the CD is a registered MSME and thus not barred by Section 29A of I.B.C 2016. The 3rd CoC meeting was held on 7th February 2020. The RP presented the provisional list of Resolution Applicant (RA) before the CoC on 7th February 2020. The CoC extended the time period of acceptance of EOI's from 4th February to 15th February 2020 by 100% of vote.

8. *Claims admitted as per the Code*

a. **Financial Creditor:** Various Financial Creditors have filed their claims with the Resolution Professional as financial creditors of MITL. As per the Information Memorandum shared by RP and based on latest data available total claims filed by Banks/FI's (as on Insolvency Commencement Date) amounted to INR 3.63Crores. Of this, the Resolution Professional admitted claims of Financial Creditors to the extent of INR 3.63 Crores. The detail of individual admitted claims of Financial Creditors is set out below: -

Sr. No	Name of Creditors	Amount admitted in respect of such claim (in Rs)
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1	Birla Edutech Limited	1,04,00,000/-
2	Nikola Infrastructure Technologies Limited	2,06,96,223/-
3	Yash Society	53,02,055/-
	Total	3,63,98,278

b. **Operational Creditors (Workmen/Employees)** : As per the information memorandum the total outstanding salary payable to them upto 31/03/2020 is Rs 26,90,000/-

c. **Operational Creditors (Other than Workmen/Employees):**
The Corporate Debtor has, in the course of its business and operations, incurred operational debts from Operational Creditors. As per the Information Memorandum, the following non-workmen dues have been admitted by the Resolution Professional:

Sr. No	Name of Creditors	Amount admitted in respect of such claim (in Rs)
1	Nityo Infotech Services Pvt Ltd.	2,87,82,493.58/-
2	Ami Computer Consultancy	3,51,440/-
3	Govt of Karnataka, Department of Taxes (Profession Tax)	1,80,046/-
4	Ms. Sukhada Satish Joshi	2,24,854/-
5	Abhishek Furniture	3,90,983



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6	Directorate General of GST Intelligence	1,55,80,042
7	Integrity Verification Services Pvt ltd.	68,282/-
8	Daman Mehta	29,100/-
9	D J Mediaprint & Logistics Limited	1,67,477/-
10	GST Department	1,23,76,074
11	Prakash Salkar	66,000/-
12	Rahul Bharadwaj	82,644/-
13	S P Palaniappan	23,31,753
	Total	6,06,31,188.58/-

d. The 4th CoC meeting was held on 18th March, 2020. The RP informed the COC that subsequent to the 3rd Meeting of COC the RP has received few more claims from OC's. The RP further informed the COC that as per the code the CIRP process shall be completed within 180 days ending on 29th March 2020.

9. After deliberation in the 8th CoC meeting held on 10.11.2020, the CoC unanimously voted in favor of the Resolution Plan submitted by Mr. Shivasons Solution India Pvt Ltd. ("SRA"). The SRA proposes to make the following payments:

Particulars	in Rs Lakhs
Financial Outlay	



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Upfront Consideration (Cash) toward CIRP Cost	42.95
Payment towards Employees	13.45
Payments to Financial Creditors	325.00
Payments to Operational Creditors	51.50
Total	389.95
Source of Funds	
From Promoter of Resolution Applicant / Associates:	-
1st Tranche Infusion (to be infused within 60 days of Effective Date) in the form of shares/debentures/ unsecured loan /secured loan	225.00
2nd Tranche Infusion (to be done within 90 days of Effective Date) in the form of shares/debentures/ unsecured loan /secured loan	39.20
3rd Tranche within 24 months of Effective Date in the form of recovery from capital receipt and existing debtors cash flow.	125.75
Total	389.95

A. Synopsis of financial proposal

A synopsis of the financial proposal of the Resolution Applicant is provided below (detailed break up is provided in Chapter VIII of the Plan)



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B. Indicative %Age Recovery of Each Stakeholder

Assuming that: (i) the CIRP cost will be INR 42.95 Lakhs, (ii) Outstanding dues of Workman / Employees (other than related parties of CD), including dues of PF/Gratuity/etc. is Rs. 26.90 Lakhs (iii) Unsecured Financial Creditors is INR 363.98 Lakhs, and (iv) Operational creditors (other than Employees and Workmen) is INR 299.52 Lakhs, payment to various stakeholders shall be as under:

INR Lakhs

Particulars	Admitted Claim as on date of Resolution Plan (INR Lakhs)	Settlement Amount * Upfront Payment (INR Lakhs)	Value as %age of admitted Debt * (INR Crore)		
			Deferred Payment (C)	Total (D=B+C)	%age (E= D/A)
Unsecured Financial Creditors	363.98	225.00	100.00	325.00	89%
Workman & Employees Dues	26.90	13.45	NIL	13.45	50%
Operational Creditors	606.31	25.75	25.75	51.50	8.32%
Sub-Total	997.91	264.20	125.75	388.95	39%
Shareholders belonging to category of Public Shareholders	NIL	NIL	NIL	NIL	NIL
Shareholders belonging to category of Promoter / Promoter Group Shareholders	NIL	NIL	NIL	NIL	NIL
CIRP Cost	42.95	42.95	NIL	42.95	100%
Total	1040.14	45.64	394.29	439.94	42%



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*Settlement Amount & % age are indicative in nature

10. IMPLEMENTATION AND SUPERVISION

A. Term of the Plan

The Resolution Plan shall continue till such time the dues of the financial and operational creditors, as specified in Chapter IX Clause D herein are paid.

B. Approvals Required for the Plan

i) NCLT

The Resolution Plan of the Resolution Applicant shall be required to be approved by the NCLT under Section 31 of the IBC.

ii) Companies Act

Explanation to Section 30 (2) of the Code read with MCA circular dated October 25, 2017 bearing No. IBC/01/2017 (Modification) provides that there is no requirement of obtaining approval of shareholder/members of a company under insolvency, for a particular action, required in resolution plan, which would have been required under the Companies Act or any other law and such an approval is deemed to have been given once the resolution plan has been approved by the NCLT.

In light of the above, no shareholder's approval under Companies Act is required to be obtained by the Corporate Debtor for issue of Equity Shares to the Resolution Applicant and the procedure for issuance of shares as set out in Section 62 of Companies Act read with Rule 13 of Share Capital and Debenture Rules, 2014 shall be followed only to the extent relevant and required in light



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of Explanation to Section 30(2) of the Code read with MCA Notification.

a) Re-organization of Corporate Debtor's capital

The Resolution Plan provides for a transfer of entire share capital held by the Promoters group and institutional shareholders of Corporate Debtor to the RA and its associates. In future if there are any claims from earlier shareholders in the name of Corporate Debtor, the same shall stand null and void.

iii) SEBI Approvals – Waiver of SEBI permission, if any

iv) Takeover Code Exemption – Does not apply in case of Corporate Debtor

v) Competition Commission of India (CCI) – Does not apply in case of Corporate Debtor

C. Monitoring and Supervision

- i) In order to ensure that the Resolution Plan is implemented in accordance here of and that the obligations undertaken herein are adhered to in letter and spirit, an appropriate monitoring agency/entity shall be appointed.
- ii) The Committee of Creditors shall constitute the monitoring agency, which may comprise of professionally qualified person / persons as may be decided.
- iii) The monitoring agency/entity, so appointed, shall have interalia the following responsibilities:
 - a. To supervise the implementation of the Resolution Plan and ensure that the Resolution Plan is implemented as approved without any deviations;



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- b. To ensure timely disbursement of funds to the financial and operational creditors, as per the payment terms set out above;
- c. To ensure that approvals, to the extent required for implementation of the Resolution Plan, are applied for and obtained in a timely manner.
- d. To bring to the notice of NCLT, any deviations/violations, of the Resolution Plan, by any person;
- e. To provide regular updates to the NCLT, as and when required;
- f. Support the RA in Control and management of Corporate Debtor from NCLT Approval Date till the date of payment of Second Tranche within 60 days.
- g. To assist RA in case of any hurdle is raised by any operational creditor, govt/semi govt department or any other creditor which is waived by NCLT as per the resolution plan.

11. 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

