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NCLT Okays Darwin's Revised Proposal for Revival of Lavasa

Mumbai bench approves resolution plan of ₹1,814 cr as against ₹1,601 cr proposed earlier

Maulik Vyas & Sangita Mehta

Mumbai: The Mumbai bench of the National Company Law Tribunal (NCLT) Friday approved a revised and improved resolution plan submitted by Darwin Platform Infrastructure for the revival of Lavasa Corp, which was formed to build India's first modern hill town after Independence.

A revised plan was submitted after the tribunal had directed lender-sof Lavasa Corp to consider an equitable distribution of proceeds from the sale of the township developer and its two units to winning bidder Darwin Platform Infrastructure. The tribunal had observed in that order that secured creditors cannot secure their dues at the cost of statutory dues.

The division bench of judicial member Kuldip Kumar Kareer and technical member Shyam Babu Gautam approved the resolution plan of ₹1,814 crore as against ₹1,601 crore proposed earlier.

"The resolution plan meets the necessary statutory requirements under the Code (IBC) as well as the

Reset Mode

Lavasa Corp was formed to build India's first modern hill town after Independence



Spread over **20,000 acres** in **Mulshi** and **Velhe** areas, **Pune** district

Revised plan submitted after tribunal directed lenders to consider equitable distribution of proceeds

Plan was approved by the lenders with over **84%** voting in favour

Admitted liabilities of **₹6,642 cr**

regulations, we hereby approve the same," said the tribunal in its 25-page order. "The resolution professional is further directed to hand over all records, premises/documents to the resolution applicant (Darwin Platform) to finalize the further line of action required for starting of the operation as contemplated under the resolution plan."

In February, the tribunal had also directed the winning bidder to submit a modified plan to the resolution professional (RP). This was to be placed before the lenders for

their consideration.

The revised plan was approved by the lenders with over 84% voting in favour.

The revised plan envisages a staggered payment of ₹1,814 crore to lenders against the total admitted liabilities of ₹6,642 crore.

"Approval of resolution plans by NCLT is always a welcoming move as it is a step forward in achieving the objective of IBC, which is value maximisation," said Akshat Khetan, founder of AU Corporate & Legal Advisory Services, Mumbai.

The plan provided ₹1,152 crore for secured creditors (20% of their claims), ₹5.57 crore for employees (59%) and ₹22.50 crore toward working capital infusion. A sum of ₹1.96 crore is toward statutory dues. It is 20.50% of the amounts claimed by the state revenue department and will result in the same proportion of recovery for financial creditors.

Set up in 2000 by the Ajit Gulabchand-led HCC, Lavasa was developing the country's first privately developed hill city spread over 20,000 acres in the Mulshi and Velhe areas in Maharashtra's Pune district, around 180 km from Mumbai. However, the project has been entangled in various issues, including environmental clearance and land acquisition problems, resulting in delayed payments to lenders.

NCLT had admitted Lavasa for debt resolution in August 2018, and in February 2020, it approved a consolidation resolution by including two wholly owned subsidiaries, Warasgaon Assets Maintenance (WAML) and Dasve Convention Centre (DCCL).