A Dream Written in the Winter Fog

It was a cold winter morning, and Ramdas Poddar was going to his jewellery shop. The streets of Jaipur were buried under a thick layer of fog, the gift of the winters that slowed everything down. Yet, it was Dhanteras, and business was booming in the bustling markets of the city, as was usually the case during Dhanteras. The sharp clang of gold against gold, the rustling of fabric, and the pleasant hum of voices from curious customers filled the air. Crowds of customers thronged to the store to buy their high-quality gold jewellery, Ramdas had been doing well. His shop, *Poddar Jewellers*, had steadily grown for several years. The recent Diwali week had been one of the most profitable, and the penetration of his establishment's popularity in newer parts of the city had been seamless. Ramdas was confident about his plans for further growth.

After his father passed away, Ramdas started working at his uncle, Ghanshaymdas Poddar's jewellery shop, after working there for 2 years Ramdas took his friend's advice and ventured out to the far east in search of better work prospects. Ramdas's mother, wife, and kids came to drop him off at the airport, where he took off for his journey to an unknown world. The day he had left for Hong Kong for the first time had been even colder, with an ominous winter fog looming above which served as a constant reminder of the familiarity and comfort of home which was being left behind. After working in Hong Kong for 6 years, Ramdas saved up quite a bit of capital, with which he decided to return to Jaipur. Upon returning, Ramdas was shattered to discover that his uncle's jewellery shop was struggling for survival. He decided to sell his father's ancestral land to save his bankrupt uncle's failing jewellery shop, and eventually, with the support of his savings, turned it into a highly profitable business. The decision to sell the land had weighed heavily on him, but it had to be done, for his uncle's jewellery shop was his only shot at bringing food to the table.

Diwali had passed, and the chilly December winds outside made their presence felt, but all this did little to dampen Mr. Poddar's spirits. It had been a dream of his father to see his family prosper beyond their modest ancestral house in the old city, which had long been crumbling under its own weight, one year at a time, and demanded urgent renovation or demolition. He stepped outside the office to look at the worn-out walls, serving as a reminder for Ramdas that even though their living conditions had improved, great prosperity lay only in expansion into the newer parts of the city. A grand opening was planned for their newest branch in the heart of C-Scheme, one of the most sought-after areas in Jaipur. For this, he had partnered with Mr. Manoharlal Kalla, a local businessman and politician. Kalla had been planning an entry into the jewellery business, and this partnership with Poddar seemed perfect. He came to meet Ramdas in his office to finalise the deal. "The aim would be to increase production to twice the current amount along with spending heavily on advertisements.", Kalla told Ramdas, "and, don't worry about the funding, leave that to me". Ramdas shook his hand, and the work began immediately.

The partnership doubled Ramdas's profits, with a steadily yearly increment. Mr. Kalla's financial support and political clout enabled Ramdas to establish *Poddar Jewellers* as a recognised name in the industry and helped him expand further into exporting his products to East and South-East Asia. The expansion was not just a commercial venture—it was a bold statement of intent.

It was January 8th, 1993; the morning passed in a flurry of sales and meetings. Ramdas found himself daydreaming about the possibilities ahead—about taking his business even further, perhaps even diversifying into new sectors. It was then that the idea of entering the aviation industry first took root in his mind, something he had been fascinated with since his first trip to Hong Kong.

The Rise of Marwar Airways

In the mid-90s, the Indian economy was changing. It was opening up, and the winds of liberalisation were filling the sails of entrepreneurs like Ramdas. The air was ripe with possibilities. Air travel, once the domain of the elite, was slowly becoming more accessible to the masses, and Ramdas saw this as an opportunity.

He began researching the aviation industry, carefully studying the market dynamics, the players involved, and the growth potential. By the end of 1995, Ramdas launched *Marwar Airways*, an airline designed to cater to the growing demand for domestic air travel. His vision was clear—he wanted to offer both affordability and comfort, a blend that would distinguish his airline from the likes of the Bharat Airways, which still held the monopoly on air travel in India at the time.

The business was not easy to set up. Still, with Kalla’s continued financial backing and guidance, Ramdas managed to procure an aircraft and set up routes connecting Jaipur to major cities like Delhi, Mumbai, and Kolkata. The response was overwhelmingly positive. The airline quickly gained a reputation for punctuality and excellent service. Ramdas had done the unthinkable; the success of *Marwar Airways* had made him a local hero.

Over the next decade, *Marwar Airways* grew at an astounding pace. The fleet expanded, and Ramdas introduced new international routes, first to Dubai and later to Bangkok and Hong Kong. The airline became a symbol of success in the city and expanded its fleet to Delhi and Mumbai. The partnership with Mr. Kalla proved to be a stroke of genius—his political connections and influence helped the airline gain the necessary permissions, and his constant investments, along with investments from his other business partners, ensured that the airlines had the capital to expand.

Ramdas's ambitions didn't stop there. The idea of international domination was always at the back of his mind. By 2005, *Marwar Airways* had become one of India's largest private carriers, its fleet swelling to nearly 30 aircraft. He was not just a businessman anymore—he was an icon who had built an empire from nothing.

The Beginning of the End

The expansion into the international market forced Ramdas to introduce more premium services to cater to the elite customer base. However, the winds of change blew harshly around the airlines as the Indian aviation industry saw a tectonic shift. In 2005, new low-cost carriers started making their debut in India. These new players operated on a completely different model—offering no-frills services at a fraction of the cost of traditional carriers. At first, Ramdas dismissed them as a passing trend, but soon, the low-cost revolution began to shake the industry's foundations, even more so in the domestic sector.

Marwar Airways, despite its top-notch services, was facing fierce competition due to the stark difference in fares along with a lesser diminishing value over their services due to the same. The younger, more agile low-cost carriers were eating into the market share. What had been a lucrative business was slowly turning into a battleground with newfound competition. The failure to adapt to the changing dynamics of the market marked the beginning of *Marwar Airways'* struggles.

Ramdas, stubborn as ever, refused to change his business model. He believed that quality would always trump price and kept expanding to newer international routes with hopes of catering to the elite consumers and making up for its steadily decreasing market share by increasing its profit margins. Still, as the years passed, his debts mounted. "Ramdas yaar, I hope you know that we are never going to compete with these domestic budget airlines; our competition has always been the big global players, isn't it?" Kalla boldly asserted while chewing pan. While the elite customer base was keeping the airlines afloat, the burden of mounting debts weighed in on Ramdas, who urgently needed remodelling. His semi-premium model and global network, once a source of pride, were now an anchor around his neck.

By 2017, the company had accumulated massive debt. To keep the business afloat, Ramdas began borrowing from financial institutions, taking loans that further strained his cash flow. The airline was no longer the profitable business it once was. The debt was spiralling out of control, and despite his best efforts, there was no clear path to recovery.

The Insolvency

In 2020, *Marwar Airways* officially filed for insolvency under the Insolvency and Bankruptcy Code (IBC), a law designed to help struggling companies recover or undergo liquidation. The airline was admitted into the Corporate Insolvency Resolution Process (CIRP).

Mr. Kalla, who had supported Ramdas through thick and thin, now found himself caught up in the turmoil. The fallout from the failed airline was unavoidable. Kalla's political ties had been a significant factor in *Marwar Airways'* initial rise, but now they seemed to carry little weight. Kalla's name was tarnished by the public's growing discontent with the airline's financial failures, and he subsequently lost the elections. He thereafter got mired in a corruption and money-laundering case.

The Liquidation

The boardroom was quiet, save for the soft hum of the air conditioning. Chairs stood neatly around a gleaming mahogany table, but the room held an unmistakable tension. At the head of the table sat Ramdas Poddar, the CEO of *Marwar Airways*, his hands clasped tightly as if he could hold the company together through sheer will. The faces around him bore the same mix of exhaustion and resignation. This was not a meeting to plan expansion or announce quarterly profits. This was the last ride.

Marwar Airways was once a trailblazer and was celebrated for its luxurious service and regional connectivity in India's burgeoning aviation sector. It had thrived during the economic liberalisation of the 1990s, offering the aspirational middle class a chance to experience air travel. But the last decade had been brutal. Rising fuel costs, aggressive competition, and a failure to adapt to low-cost carrier models had chipped away at the company's once-solid foundation. The pandemic was the final blow, grounding its ageing fleet and leaving it haemorrhaging cash.

Now, the company faced an insurmountable debt—a staggering ₹8,000 crore owed to creditors ranging from fuel suppliers to airports, aircraft lessors to employee pension funds. The final blow had come the previous week: a consortium of banks led by the National Bank of India had declined to restructure its loans. The writing was on the wall.

Ramdas watched helplessly as the value of his once-prized fleet depreciated with each passing month. The aircraft, mostly leased, represented the most critical and volatile assets. Without continuous maintenance and operational use, their value plummeted rapidly. The very nature of the aviation industry made a successful resolution almost impossible—a cruel irony that haunted every meeting of the committee of creditors.
The legal battles became increasingly complex. Multiple applications were filed—some by the resolution applicant seeking extensions, others by creditors demanding strict adherence to the original resolution plan. The National Company Law Appellate Tribunal (NCLAT) became a battleground of legal arguments, with each hearing revealing the intricate challenges of corporate insolvency.

By early 2023, the situation had become untenable. The Supreme Court, in an unprecedented move, began to scrutinise the prolonged resolution process. Drawing from recent precedents, the court emphasised the critical balance between revival attempts and preventing further value erosion. Initially seen as a safety net, the performance bank guarantee became a point of legal contention.

In a landmark judgment in March 2023 that will be discussed in legal circles for years to come, the Supreme Court invoked its extraordinary powers under Article 142 of the Constitution. The message was clear—endless resolution attempts were no longer acceptable. Liquidation was not just an option; it was now the only viable path forward.

The final blow came swiftly. The court directed the immediate liquidation of Marwar Airways, citing repeated failures to implement the resolution plan and the deteriorating value of its assets. Ramdas Poddar, the once-celebrated entrepreneur, now sat in his office, surrounded by memories of past glory. The fog of Jaipur, which had witnessed his initial dreams decades ago, now seemed to symbolise the uncertainty that had consumed his life’s work. The empire he had built—from a small jewellery shop to an expansive airline—was now reduced to a case study in corporate insolvency.

The liquidation process began with an inventory of the airline’s assets. The fleet of 15 aircraft, many ageing and overdue for maintenance, were the most significant tangible assets *Marwar Airway*s owned. Hangars and office spaces at key airports were evaluated for market value. Then there were the intangible assets—a once-revered brand name, flight slots at prime airports, and customer databases. But of course, the most significant asset was the headquarters in Malviya Nagar in Jaipur, which was 15-storey tall and had been the centre of operations since 2010.

“The slots might fetch something,” muttered Prashant Rao, the appointed Liquidator, as he reviewed the books. But even he knew that liquidations rarely result in creditors recovering their full dues. His task was not to revive the airline but to dismantle it piece by piece, returning whatever scraps he could to the creditors.

The announcement of liquidation was devastating for the 7,000 employees of *Marwar Airways*. Pilots, engineers, ground staff, cabin crew, and the staff at their corporate office—many of whom had dedicated decades to the company—found themselves staring at an uncertain future. Unpaid and severance pay took their place in the growing list of claims. “I gave this company 25 years of my life,” said Pooja Sharma, a senior cabin crew member, choking back tears during a protest outside the airline’s headquarters. “And now we’re left with nothing.” Efforts were made to prioritise employee dues as per the waterfall mechanism, which grants them preferential treatment alongside secured creditors. But with the company’s liabilities far exceeding its assets, even this assurance felt like cold comfort.

Eventually, the day of the auction arrived with little fanfare. Prospective buyers logged in for the online bidding process in a silent and sterile conference room. The Airlines, private equity firms, and leasing companies scrutinised the incoming offerings. The day of the auction arrived with little fanfare. Prospective buyers logged in for the online bidding process in a sterile conference room. Aircraft lessors, who had repossessed most of the fleet early in the insolvency process, were conspicuously absent from the proceedings. Only a few remaining aircraft, primarily owned by the airline and long past their prime, were put on the block. These were sold for a fraction of their original cost, their value diminished by years of use and overdue maintenance. Office equipment, lounge furniture, and even the airline's trademark saffron-and-gold uniforms found buyers. The prized flight slots saw some competition, with rival airlines snapping them up to bolster their operations. But for all the assets sold, the realisation value barely scratched the surface of Marwar's debt.

The Final Chapter

Months later, a final meeting of the creditors was convened. The Liquidator presented his report: ₹1,500 crore had been recovered and distributed according to the waterfall mechanism outlined in the IBC. Secured creditors took the lion's share, leaving little for operational creditors and employees. The airline's shares were rendered worthless, wiping out the investments of countless retail shareholders.

Outside the meeting room, Ramdas Poddar stood alone, looking at a model of a *Marwar Airways* plane displayed in the lobby. It bore the tagline that had once been synonymous with hope and possibility: *Connecting Hearts, Bridging Distances.*