



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – II, CHENNAI**

IA (IBC) (PLAN) / 4 / (CHE) / 2024

In

IBA/ 45/ 2020

(Filed under Section 30(6) & 31(1) of the Insolvency & Bankruptcy Code, 2016 read with Regulation 39(4) of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

In the matter of M/s. Kiran Global Chems Limited

SHRI ANIL KUMAR KHICHA,

Resolution Professional of M/s. Kiran Global Chems Limited,

No. 184, Poonamalle High Road,

6-FF, Golden Enclave, 1st Floor, Kilpauk,

Chennai, Tamil Nadu – 600 010

... Applicant/Resolution Professional

-Versus-

1. Manmohan Singh Jain,

Flat No. 1-A, Prathamesh Apartments,

New No. 5 Lakshrni Street, Kilpauk,

Chennai, Tamil Nadu – 600010

2. Atul Jain,

Flat No. 1-A, Prathamesh Apartments,

No. 5 Lakshrni Street, Kilpauk

Chennai, Tarnil Nadu - 600010

... Respondents

In the matter of

STATE BANK OF INDIA

... Financial Creditor

-Versus-

M/S. KIRAN GLOBAL CHEMS LIMITED

... Corporate Debtor

Order Pronounced on 9th August 2024



CORAM
SHRI JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present

For Applicant : Mr. Venkatavaradan, Mr. P. Ramesh Kumar,
Mr. S. Gautham Venkatanarayanan, Mr. Logesh Ganesh,
Advocates.

**For Respondents /
Promoters** : Mr. P. H. Arvindh Pandian, Senior Advocate.

ORDER

1. IA(IBC)(PLAN)/4/(CHE)/2024 is an application moved on 20.04.2024 by the Resolution Professional of the Corporate Debtor Viz., *M/s. Kiren Global Chems Limited* under Section 30(6) and 31(1) of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as ("**the Code**")) read with Regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as ("**the Regulations**")) seeking reliefs as follows:

- a) *Pass an order approving the Resolution Plan dated 15.02.2024 read with Addendums dated 23.02.2024 and 29.02.2024 submitted by the Successful Resolution Applicant in respect of the Corporate Debtor, and duly approved with the requisite majority of the CoC, under Section 31(1) of the Code and declare that the same shall be binding on the Corporate Debtor and its employees, members and all creditors (including the Central Government, 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, such as authorities to whom statutory dues are owed), guarantors and all other stakeholders of the Corporate Debtor;*
- b) *May pass an order for allowing the reliefs and concessions requested by the resolution applicant in the Part XIII of the COC Approved resolution plan.*



2. **ABOUT THE CORPORATE DEBTOR**

The Corporate Debtor is an unlisted public company incorporated in India engaged in the manufacturing of sodium silicate and potassium silicate and is also involved in trading ash, caustic soda and other detergent chemicals. The Corporate Debtor is carrying on business since 2002 has quite good experience in the field of Chemical Manufacturing particularly the Sodium Silicate and Soluble Glass. The Corporate Debtors has also been registered as Medium Enterprise. The executive summary of the Corporate Debtor is as hereunder,

<i>Name of the Corporate Debtor</i>	<i>Kiran Global Chems Limited</i>
<i>CIN</i>	<i>U24299PY2002PLC000618</i>
<i>UDYAM Registration No.</i>	<i>UDYAM-TN-02-0056385</i>
<i>Date of Incorporation</i>	<i>09.04.2002</i>
<i>Date of UDYAM Registration</i>	<i>27.05.2021</i>

3. **CORPORATE INSOLVENCY RESOLUTION PROCESS OF M/S. KIRAN GLOBAL CHEMS LIMITED**

The Corporate Insolvency Resolution Process in respect of the Corporate Debtor viz., Kiran Global Chems Limited was initiated by this Adjudicating Authority vide its order dated 27.04.2021 based on an application moved by State Bank of India, in the capacity of a Financial Creditor under Section 7 of the code in IBA/45/2020, and one Mr. Tharuvai Ramachandran Ravichandran was appointed as the 'Interim Resolution Professional' and subsequently as 'Resolution Professional'. Thereafter, based on an application moved by the ARCIL (one of the FC) under Section 60(5) of the code, the applicant herein Mr. Anil Kumar Khicha was appointed as the Resolution Professional vide order dated 30.08.2023.



The key dates and events during the Corporate Insolvency Resolution Process period are tabulated as hereunder,

S. No.	DATE	EVENTS
1	27.04.2021	Initiation of CIRP, Appointment of IRP in respect of the CD
2	29.04.2021	Public Announcement through Publication regarding initiation of Corporate Insolvency Resolution Process
3	13.05.2021	The Committee of Creditors was constituted by the IRP based on the claims received
4	18.05.2021	<i>1st CoC Meeting</i>
5	25.05.2021	Confirmation of IRP into RP
6	05.07.2021	Appointment of Registered Valuer for valuation of Land, Building, Plant and Machinery
7	19.09.2021	Invitation for Expression of Interest (EoI) and Publication of Form G
8	24.10.2021	End of 180 days of Corporate Insolvency Resolution Process Period
9	28.10.2021	Addendum to Form G Published
10	07.12.2021	Final List of Eligible Prospective Resolution Applicants arrived
11	15.11.2021	Order Excluding 83 days and granting extension by 90 days for continuing CIRP
12	25.05.2022	Order Excluding 79 days from CIRP Period
13	25.05.2022	Appointment of SFA Valuers
14	30.08.2023	Order Appointing Mr. Anil Kumar Khicha as RP to the CD replacing Mr. Tharuvai Ramachandran Ravichnadrans
15	13.10.2023	Order Excluding 480 days from CIRP Period
16	30.11.2023	Order Excluding 89 days from CIRP Period
17	15.02.2024	Last Extended date for submitting Resolution Plan
18	23.02.2024	Order granting Extension by 60 days for continuing CIRP



19	21.03.2024	Approval of Resolution plan by CoC with 99.08% Voting in the 28 th CoC Meeting
20	05.04.2024	Order granting Extension by 30 days for continuing CIRP
21	20.04.2024	Filing of Resolution Plan before the Adjudicatory Authority.
22	22.04.2024	Expiry of Extended Period of CIRP
23	13.05.2024	29 th CoC Meeting where decision as to withdraw the Pending PUFEE and other applications connected to the CD and SRA/ Promoters.

4. DELIBERATION OF THE COC ON THE FEASIBILITY OF THE PLAN

During the 27th CoC Meeting held on 29.02.2024 and 01.03.2024 and deliberations were made by the members of the CoC on the Resolution Plan submitted by the SRAs and decision was made to vote the same. Accordingly, the Resolution Plan was approved unanimously during the e-voting conducted between 04.03.2024 to 21.03.2024. The e-voting results were declared during the 28th CoC meeting held on 21.03.2024.

The voting results is extracted hereunder

The voting on the resolution plans is concluded on 21st March, 2024.

The RP presented in the following table the voting results to discuss and decide on the consequential actions.

Agenda No.		4A	4B
Name of the CoC Member	% of Voting Share	To approve the Resolution Plan of M/s Rajalakshmi Wind Energy Limited.	To approve the Resolution Plan of the promoters, Mr. Manmohan Singh Jain and Mr. Atul Jain.
Axis Bank Limited	22.74	X	✓
Asset Reconstruction Company (India) Limited (ARCIL)	53.41	X	✓
LIC Housing Finance Limited	22.93	X	✓
Sundaram Finance Limited	0.92	-	-
TOTAL	100%	-	99.08%

Further the RP informed that as the members would be aware, the resolution for approval of resolution plan shall be declared as approved, when voted in favor for not less than sixty six percent of voting share of Committee of Creditors in terms of section 30 (4) of the Insolvency and Bankruptcy Code, 2016.

The Approved resolution is as hereunder,



Resolution 2: To approve the Resolution Plan of the promoters, Mr. Manmohan Singh Jain and Mr. Atul Jain.

The final revised password protected resolution plan was received by RP on 15.02.2024 and the addendum thereon received on 23.02.2024 and 29.02.2024. The members of the Committee deliberated thereon and having found the same feasible and viable, directed the RP to put the plan to vote and hence the following resolution.

'RESOLVED THAT the members of the Committee of Creditors be and hereby approves the Resolution Plan dated 15.02.2024 (& addendums thereon submitted on 23.02.2024 & 29.02.2024) submitted by the promoters, Mr. Manmohan Singh Jain and Mr. Atul Jain in the matter of Kiran Global Chems Limited after considering its feasibility and viability in terms of section 30(4) of Insolvency and Bankruptcy Code, 2016 (" Insolvency Code").'

'RESOLVED FURTHER THAT the members of the Committee of Creditors be and hereby authorizes the Resolution Professional to file an application under section 30(6) of Insolvency and Bankruptcy Code, 2016 read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for the approval of the Resolution Plan to the Hon'ble NCLT, Chennai Bench.'

5. DETAILS OF THE SUCCESSFUL RESOLUTION APPLICANT

NAME	CATEGORY	ELIGIBILITY OF RA
Mr. Manmohan Singh Jain @ Manmohana Jain and Mr. Atul Jain	Individuals (Promoters/ Suspended Directors of the CD)	Eligible - Affidavits & Declarations to that effect has been submitted.

It is submitted that the CD is a MSME within the meaning of MSME Act, 2006 and in view of Section 240A of the code, existing Promoter / Principal Shareholders are entitled to submit Resolution Plan and take part as Resolution Applicant. Further it is submitted that the Promoters has not been declared as Wilful Defaulter as per Law. An Affidavit to that effect has



been submitted at Page 168 – 175. Thus the Promoters have become the Successful Resolution Applicant when the CoC approved their Plan. It is submitted that the SRA has proven footprints for years in the manufacture of Sodium Silicate and Potassium Silicate. The SRAs are well qualified engineers and individuals having vast experience in the field of manufacturing to run a large scale business. SRA also proposed to include Key Managing Personal and Resource Experts to consolidate the existing business and Infuse funds.

6. *SOURCE OF FUND*

On Perusal of the Plan document the source of funds are observed as follows,

1. A sum of Rs.30.35 Crores from the Resolution Applicants themselves (which includes Rs.17.14 as Bank Guarantee)
2. A sum of Rs.44.71 Crores from Company's Cash Flows and
3. A sum of Rs.16.32 Crores from the Disposal of Assets.

The Amounts referred above are to be sourced at different timelines over a maximum period of 4 years. A sum of Rs.13.35 Crores is to be infused by the Resolution Applicant themselves by way of unsecured debt. Further the RA provides for Performance Security for a sum of Rs.17.14 (25% of Total Resolution Plan Value i.e Rs.68.56 Crores) either as fixed bank deposits or direct transfer.

The table showing the same is extracted hereunder,

VI. SOURCE OF FUNDS:

INR Cr.

Pay-out under the Resolution Plan					Sources of Payment			
Year	Milestone	Total Debt payment including Interest to Secured and Unsecured FC	CIRP and OC payments	Total	Company Cash Flows	Resolution Applicants Contribution	Assets	Total
1 st	Upfront	18.04	2.01	20.05	6.70	13.35	0.00	20.05
	I	4.07	0.00	4.07	0.00	0.00	4.07	4.07
	II	7.25	0.00	7.25	0.00	0.00	7.25	7.25
2 nd	III	8.90	0.00	8.90	3.90	0.00	5.00	8.90
	IV	10.96	0.00	10.96	5.96	5.00	0.00	10.96
3 rd	V	11.10	0.00	11.10	6.10	5.00	0.00	11.10
	VI	10.38	0.00	10.38	5.38	5.00	0.00	10.38
4 th	VII	9.69	0.00	9.69	9.69	0.00	0.00	9.69
	VIII	8.98	0.00	8.98	6.98	2.00	0.00	8.98
	Total	89.37	2.01	91.38	44.71	30.35	16.32	91.38
Share					49%	33%	18%	100%

7. SALIENT FEATURES OF THE RESOLUTION PLAN

- The total resolution value as per the Respondent's plan is an amount of Rs.68.56 Crores.
- The liquidation value of the Corporate Debtor is Rs.176.82 Crores (excluding inventories) and the fair value is Rs.225.08 Crores (excluding inventories).
- The Valuers excluded inventories from their scope/ report. When enquired the reason thereof they informed that they had asked certain details like item wise/ location wise details of inventories of Raw Materials/ WIP/ Finished Goods etc. with rates & quantity, which were not made available to them and hence they informed to the erstwhile Resolution Professional Mr. Tharuvai Ramachandran Ravichandran that they would not be able to value inventories. The erstwhile Resolution Professional agreed to the same and hence inventories were not valued.
- Furthermore, the Applicant informed the CoC in the 21st CoC meeting held on 12th December, 2023 that the valuation conducted by both the Securities and Financial Assets valuers were undertaken for all Securities and Financial Assets 'other than inventories' and that investments were valued at Nil.



- The Applicant brought to the knowledge of the CoC that the inventory as disclosed by the Management/ erstwhile RP in the Audited financial statements as on 31.03.2021 was Rs.9.87 Crores and as on 26.04.2021 was Rs.11.17 Crore
- Inventories of Rs.7.62 Crore has also written off for the FY 2021 - 2022.

8. **PAY-OUT TO STAKEHOLDERS AS PROPOSED IN THE PLAN**

Total Distribution to all the Stake Holders as per the Plan is as follows,

7. The amounts provided for the stakeholders under the Resolution Plan is as under:
(Amount in Rs. lakh)

Sl. No.	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	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-section (2) of section 21	Nil	Nil	Nil	Nil
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan Sundaram Finance Ltd	217.80	217.80	78.00	35.81%
		(ii) who voted in favour of the resolution plan Axis Bank Ltd	5357.98	5357.98	1920.00	35.83%
		ARCIL	12581.20	12581.20	4510.00	35.85%
		Total[(a) + (b)]	18156.98	18156.98	6508.00*	
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	Nil	Nil	Nil	Nil
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan Hinduja Leyland Finance	527.48	527.48	12.00	2.27%
		Franklin Eodrigo	7.00	7.00	0.17	2.43%
		Dhanraj Fernando	15.00	15.00	0.36	2.40%
		<i>(They are not included in the CoC due to delayed claims, pending approval of AA)</i>				
		(ii) who voted in favour of the resolution plan LIC Housing Finance	5401.92	5401.92	128.00	2.37%
		Total[(a) + (b)]	5951.40	5951.40	140.53**	
3	Operational	(a) Related Party of Corporate Debtor	Nil	Nil	Nil	Nil



	Creditors	(b) Other than (a) above:				
		(i)Government	4150.22	2139.04	1.00	0.02%
		(ii)Workmen	0.00	0.00	0.00	NA
		(iii)Employees	0.00	0.00	0.00	NA
		(iv)Others	653.43	498.77	100.00	15.30%
		Total[(a) + (b)]	4803.65	2637.81	101.00	
4	Other debts and dues					
	Grand Total		28912.03	26746.18	6749.53*	**

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

Amount provided over time under the Resolution Plan and includes estimated value of non-cash components. It is not NPV.]

Note:

*The amounts are exclusive of the assignment consideration of Rs.5 Lakhs which will be distributed proportionately among the Secured Financial Creditors.

** The amounts are exclusive of the assignment consideration of Rs.1 Lakh which will be distributed proportionately among the Unsecured Financial Creditors.

***The amount does not include unpaid CIRP costs of 100 lakhs which will also be paid by the Successful Resolution Applicant/Respondents.

INR Cr.

Sr. No.	Particulars	Proposed Payment	Upfront Payment (A)	Deferred Payment (B)	Interest Payable @16.50 % p.a. in 4 years (C)	Total Estimated Payment (A+B+C)
1.	Secured Financial Creditors	65.08	17.00	48.08	22.82	87.90
2.	Unsecured Financial Creditors	1.41	0.11	1.30	0.00*	1.41
	Total	66.49	17.11	49.38	22.82	89.31

*No Interest is payable on the deferred payment to unsecured Financial Creditors

Total Distribution to the secured creditors as per the Plan is as follows,

INR Cr.						
Tranches*	Period (As per plan approval date i.e., Effective Date)	ARCIL	Axis Bank	Sundaram Finance	Total	
Upfront (Cash)	Within 30 days	11.78	5.02	0.20	17.00	
I	Within 6 Months	0.00	0.00	0.00	0.00	
II	Within 12 Months	1.73	0.74	0.03	2.50	
III	Within 18 Months	3.46	1.48	0.06	5.00	
IV	Within 24 Months	5.20	2.21	0.09	7.50	
V	Within 30 Months	5.73	2.44	0.10	8.27	
VI	Within 36 Months	5.73	2.44	0.10	8.27	
VII	Within 42 Months	5.73	2.44	0.10	8.27	
VIII	Within 48 Months	5.73	2.44	0.10	8.27	
Total		45.10	19.20	0.78	65.08	

*Note: Estimated interest shall be paid @16.50% p.a. additionally to the amount paid here on semi-annual basis along with each payment. Estimated interest for the Resolution Plan period shall be around INR 22.82 Crores. INR 0.05 crores payment towards "Assignment Consideration 1" shall be distributed proportionately among the Secured Financial Creditors.



Time Line for Deferred Payments for Secured Financial Creditors is as follows,

(INR Cr.)

S. No.	Deferred Payment Schedule commencing from the Effective Date	Amount
1.	Payment on or before 6 months from the Effective Date (1 st installment)	0.00
2.	Payment on or before 12 months from the Effective Date (2 nd installment)	2.50
3.	Payment on or before 18 months from the Effective Date (3 rd installment)	5.00
4.	Payment on or before 24 months from the Effective Date (4 th installment)	7.50
5.	Payment on or before 30 months from the Effective Date (5 th installment)	8.27
6.	Payment on or before 36 months from the Effective Date (6 th installment)	8.27
7.	Payment on or before 42 months from the Effective Date (7 th installment)	8.27
8.	Payment on or before 48 months from the Effective Date (8 th installment)	8.27
Total		48.08

Total Distribution to the Unsecured Financial creditors as per the Plan is as follows,

INR in crores

Tranches*	Period (As per plan approval date i.e., Effective Date)	LIC HFL	Hinduja leyland	Franklin Eodrigo	Dhanaraj Fernando	Assignment Consideration	Total
Upfront (Cash)	Within 30 days	0.0998	0.0097	0.0001	0.0003		0.1100
I	Within 6 Months	0.5900	0.0576	0.0008	0.0016		0.6500
II	Within 12 Months	0.5900	0.0576	0.0008	0.0016	0.0100	0.6600
Total		1.2800	0.1200	0.0017	0.0036	0.0100	1.4200

Note: No Interest shall be payable on the unsecured loan of the Unsecured Financial Creditors

Time Line for Deferred Payments for Unsecured Financial Creditors is as follows,

(INR Cr.)

No.	Deferred Payment Schedule commencing from the Effective Date	Amount
1.	Payment on or before 6 months from the Effective Date (1 st installment)	0.65
2.	Payment on or before 12 months from the Effective Date (2 nd installment)	0.65
Total		1.30

9. IMPLEMENTATION & MONITORING COMMITTEE (IMC)

The Projected timelines of Plan Implementation is extracted as follows,



10. Proposed timelines for completion of the funding by the Successful Applicant

Step by step approach with timelines for implementing the proposed Resolution Plan is given below:

Sl. No.	Activity	Days
1	Receipt of Letter of Intent from the CoC	Y
2	Issuance of Performance Bank Guarantee – Performance Guarantee of INR 17.12 Cr. i.e. 25% of the Total Resolution amount will be provided within 3 days of issuance of LOI	Y + 2 days
3	Uploading of the order of Approval by Adjudicating Authority	X
4	First meeting of Monitoring Committee	X+3 days
5	Filings by the Monitoring Committee for implementation of the Resolution Plan	X+15 days
6	Infusion of Upfront Payment Amounts	Within X+30 days
7	Execution of the necessary documents	Within X+30 days

8	Disbursement of Upfront Payment Amount for payment to stakeholders	Within X+30 days
9	Payment of Assignment Consideration 1	X+30 days
10	Reinstatement of the board of directors of the Corporate Debtor	X+30 days
11	Payment of Assignment Consideration 2	Within X+365 days
12	Payment of Deferred Payment Amount, along with applicable interest, to Financial Creditors	Within X+48 months
13	Necessary statutory approvals*	Within X+12 months (In accordance with Sec 31(4) of the Code)

**Subject to necessary approval; In case any approval is delayed, the timelines would be accordingly delayed. The aforementioned timeline is indicative and a delay on account of regulatory reasons shall not be considered to be a contravention of this Resolution Plan, if all the steps are completed prior to the expiry of the Implementation Period. However, it is clarified that the delay in approvals etc. shall not affect payment to be made by RA under the approved Resolution Plan*

➤ Effective Date

- i) Date of Approval of Plan by the Adjudicatory Authority is the Effective date for implementation as per the plan.



- ii) Implementation & Monitoring Committee (IMC) shall be constituted to monitor the implementation of the Plan. The members shall comprise -
 1. *A Monitoring Professional, who shall be an Insolvency Professional (Chairman of the Committee), appointed on mutual consent by the CoC and the Resolution Applicant.*
 2. *Two Representative of the CoC*
 3. *Two Representative of the Resolution Applicant*

➤ **Upfront Payment Date**

- i) The IMC shall continue till Upfront Payment Date (Shall mean the date, not being a date later than 30 days from the Effective date, on which the Management and Control of the CD will be passed on to the management comprising of the representatives of the representatives of the Resolution Applicant i.e. On paying the Upfront Amount of Rs.19,12,00,000/-).
- ii) The Monitoring Committee shall be responsible for monitoring the implementation and supervision of the Resolution Plan with effect from the Effective Date. The Monitoring Committee shall provide such information on the implementation of the Resolution Plan requested by the Resolution Applicant.
- iii) The fees payable to the Chairman of the Monitoring Committee shall mutually agree between the Resolution Applicants and Monitoring professional.
- iv) On the Upfront Payment Date, the existing suspended board of directors of the CD shall be reinstated on, in the manner specified by the Resolution Applicant. The Management and control of the CD from the Upfront Payment Date will vest with the Resolution Applicant.



- v) The Monitoring Committee dissolves on Upfront Payment date after constituting Independent Monitoring Agency (MA) which will oversee and supervise the implementation of the Resolution Plan until complete Payments stipulated under the Resolution plan is paid as per the Deferred Payment Schedule until Closing Date (Shall mean the date of payment of last instalment under the Deferred Payment Amount).
 - vi) Payments to CIRP and Implementation costs.
 - vii) Initial Payments to Financial Creditors and Operational Creditors.
 - viii) Payment of Assignment Consideration 1 towards Assignment Debt - Rs.5 Lakh towards the release of charge in lieu of Schedule V Property.
 - ix) Initiating Measures for disposal of Identified Assets mentioned in schedule IV.
 - x) Re-instatement of suspended board of directors and shareholders of the CD.
 - xi) Appointment of Independent Monitoring Agency to support management and implementation for further 4 years till closing date.
- After upfront Payment date and Till Closing date
- i) Payment of Deferred Payment Amounts (Outstanding Principal + Interest) in respect of SFC debt and UFC debt.
 - ii) Payment of SFC (Secured Financial Creditor) debt in 8 instalments amounting to Rs.48.08 Crores towards Secured Financial Creditors with semi- Annual interest at 16.50% per annum over a period of 4 years after 180 days from effective date.
 - iii) Payment of UFC (Unsecured Financial Creditor) debt in 2 instalments amounting Rs1.30 crores towards unsecured



financial creditors without interest component over a period of 1 year after 60 days from the effective date.

- iv) Payment of Assignment Consideration 2 towards Assignment debt 2 of Rs.1 lakh towards other financial creditors over period of 365 days from effective date for purpose of releasing charge created over properties of CD by 3rd Parties.

10. MANAGEMENT OF THE CORPORATE DEBTOR

➤ **Board of Directors and Management team:**

On approval of the proposed Resolution Plan the existing board of directors of the Corporate Debtor shall be reinstated and continue to be responsible for the management and control of the Corporate Debtor upon infusion of the Upfront Payment Amount.

➤ **Share Holding Structure of the Corporate Debtor**

The Existing Equity shareholding structure of the Corporate Debtor shall continue pursuant to infusion of the Upfront Payment Amount.

The existing Shareholding pattern is extracted as follows,

Shareholding Pattern of KGCL					
S. No.	Name of Shareholders	Face Value	No. of Shares	Amount (In Cr.)	Percentage %
1	Manmohan Singh Jain	1,000	2,05,088	20.509	50.021%
2	Atul Jain	1,000	1,74,980	17.498	42.678%
3	Charles Navis Rufus	1,000	676	0.068	0.165%
4	Neha Atul Jain	1,000	12,600	1.260	3.073%
5	Advitya Jain	1,000	5,000	0.500	1.220%
6	Rayaansh Jain	1,000	5,000	0.500	1.220%
7	Kiran Global Business Investment Limited	1,000	5,717	0.572	1.394%

8	Syed Rasheed Mohammed	1,000	5	0.001	0.001%
9	Kiran M Jain	1,000	542	0.054	0.132%
10	Meghna Jain	1,000	370	0.037	0.090%
11	Devprakash Devnani	1,000	10	0.001	0.002%
12	Senthil Kumaran V.	1,000	7	0.001	0.002%
13	Rikhabdas Rakeshkumar Jain	1,000	5	0.001	0.001%
	Total		4,10,000	41.00	100.000%



11. MANDATORY COMPLIANCE UNDER IBC & REGULATIONS

From the averments made in the application as well as on perusal of Form -H, as filed by the Resolution Professional in relation to the procedural aspects, the same seems to have been duly complied with, for which the Resolution Professional has issued a certificate and it is not necessary for this Authority to go into the same. However, this Authority is duty bound to examine the Resolution Plan within the contours of Section 30 (2) of the IBC, 2016. A Comparison vis-à-vis with the Mandatory Compliance under the IBC and the Compliance made under the Resolution Plan are tabulated hereunder,

MANDATORY COMPLIANCE UNDER IBC, 2016	COMPLIANCE UNDER RESOLUTION PLAN
<u>S. 25(2)(h)</u> - Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of Operations of business of the CD	Clause IV (2) of the Resolution Plan
<u>S. 29A</u> - Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority	Clause IV (2) of the Resolution Plan
<u>S. 30(1)</u> - Resolution Applicant to submit an affidavit stating that he is eligible under Sec.29A of the Code, 2016	Resolution Applicant filed an Undertaking and affidavit at Page 168 - 175 of the application
<u>S.30(2)(a)</u> - Payment of Insolvency and Resolution cost in the manner specified by the Board	Clause V (1) of the Resolution Plan provides for the payment of CIRP costs in priority.
<u>S.30(2)(b)</u> - Payment of debts of Operational Creditors in such manner as may be specified by the Board, which shall not be less than the amount to be paid to the Operational Creditors in the event of a liquidation of the Corporate	Part V (3) of the Resolution Plan provides for the Operational Creditors' claims.



Debtor under Sec. 53.	
<u>S. 30(2)(c)</u> - Management of the affairs of the Corporate Debtor after approval of the Resolution Plan.	Part II (4) and Part VIII (8) of the Resolution Plan provides for Management and control of the operations of the Corporate Debtor.
<u>S.30(2)(d)</u> - Implementation and Supervision of the Resolution Plan.	Part VIII of the Plan provides for implementation & supervision of the plan.
<u>S. 30(2)(e)</u> - The plan does not contravene any of the provisions of the law for the time being in force.	Part XV of the plan expresses that the plan does not contravene any provisions of the law for the time being in force.
<u>S.30(2)(f)</u> - Conforms to such other requirements as may be specified.	Part XV of the plan provides for the same.
<u>S.30(4)</u> - Committee of Creditors approve the Resolution Plan by not less than 66% of the voting share of Financial Creditors, after considering its feasibility, viability and such other requirement as specified by the Board	The CoC, in its 28 th meeting, has approved the Resolution Plan with 99.08% voting.
<u>S.30(2)(f)</u> - Resolution Plan has provisions for its effective implementation of the plan, according to the CoC	Part VIII of the Plan

MANDATORY CONTENTS OF THE RESOLUTION PLAN IN TERMS OF REGULATION 38 OF CIRP REGULATIONS

	MANDATORY COMPLIANCE UNDER CIRP REGULATION	COMPLIANCE UNDER RESOLUTION PLAN
38(1)	The amount due to the Operational Creditor under Resolution Plan shall be given priority in payment over Financial Creditor.	Part V (3) of the Plan
38(1A)	A Resolution Plan shall include a statements as to how it has dealt with the interest of all stakeholders, including Financial Creditors and Operational Creditors of the Corporate Debtor.	Part V of the Plan



38(1B)	A Resolution Plan shall include a statement giving details if the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.	No
38(2)	a) term of the plan and its implementation schedule	Part VIII of the Plan
	b) management and control of the business of the Corporate Debtor during its term;	Part II (4) and Part VIII (8) of the Plan
	c) adequate means for supervising its implementation	Part VIII of the Plan
38(3)	a) it address the cause of default;	Part III of the Plan
	b) it is feasible and viable	Part XV of the Plan
	c) it has provisions for effective implementation	Part VIII of the Plan
	d) it has provisions for approval required and the timeline for the same; and	Part VIII of the Plan
	e) the resolution applicant has the capability to implement the Resolution Plan.	Part XV and Clause II of the Plan
39(2)	RP has filed applications in respect of PUFÉ Transactions observed, found or determined by him	Yes. (But Withdrawn in order to pursue the plan)
39(4)	Details of Performance Security Received as referred in Regulation 36B(4A)	Part XIV of the Plan.

12. JUDICIAL PRONOUNCEMENTS OF THE HON'BLE SUPREME COURT IN RELATION TO APPROVAL OF A RESOLUTION PLAN

12.1 In so far as the approval of the Resolution Plan is concerned, this Authority is not sitting in appeal against the decision of the Committee of Creditors and this Authority is duty bound to follow the Judgment



of the Hon'ble Supreme Court in the matter of **K. Sashidhar -Vs- Indian Overseas Bank** (2019) 12 SCC 150, decided on 05.02.2019 wherein in para 19 and 62 it is held as under;

"19.....In the present case, however, our focus must be on the dispensation governing the process of approval or rejection of resolution plan by the CoC. The CoC is called upon to consider the resolution plan under Section 30(4) of the I&B Code after it is verified and vetted by the resolution professional as being compliant with all the statutory requirements specified in Section 30(2).

62.....In the present case, however, we are concerned with the provisions of I&B Code dealing with the resolution process. The dispensation provided in the I&B Code is entirely different. In terms of Section 30 of the I&B Code, the decision is taken collectively after due negotiations between the financial creditors who are constituents of the CoC and they express their opinion on the proposed resolution plan in the form of votes, as per their voting share. In the meeting of the CoC, the proposed resolution plan is placed for discussion and after full interaction in the presence of all concerned and the Resolution Professional, the constituents of the CoC finally proceed to exercise their option (business/commercial decision) to approve or not to approve the proposed resolution plan. In such a case, non-recording of reasons would not per-se vitiate the collective decision of the financial creditors. The legislature has not envisaged challenge to the "commercial/business decision" of the financial creditors taken collectively or for that matter their individual opinion, as the case may be, on this count."

12.2 Further the Hon'ble Supreme Court in the matter of **K. Sashidhar v. Indian Overseas Bank and Ors.** (2019) 12 SCC 150 decided on 05.02.2019 has lucidly delineated the scope and interference of the



Adjudicating Authority in the process of approval of the Resolution Plan and held as under;

“55. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan “as approved” by the requisite per cent 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. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain



of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.

58. Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with Section 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the grounds specified in Section 61(3) of the I&B Code, which is limited to matters "other than" enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I&B Code and not to act as a court of equity or exercise plenary powers."

(Emphasis supplied)

12.3 The Hon'ble Supreme Court of India in the matter of **Committee of Creditors of Essar Steels -Vs- Satish Kumar Gupta & Ors.** (Civil Appeal No. 8766 - 67 of 2019) decided on 15.11.2019 at para 42 has held as under;

42.....Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of Section 30(2) of the Code, insofar as the Adjudicating Authority is concerned, and Section 32 read with Section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameters of such review having been clearly laid down in K. Sashidhar (supra).

12.4 Also the Hon'ble Supreme Court of India in the matter of **Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta and**



Ors. (2020) 8 SCC 531 decided on 15.11.2019 after referring to the decision in *K. Sashidhar (supra)* has held as under;

“73. There is no doubt whatsoever that the ultimate discretion of what to pay and how much to pay each class or sub-class of creditors is with the Committee of Creditors, but, the decision of such Committee must reflect the fact that it has taken into account maximizing the value of the assets of the corporate debtor and the fact that it has adequately balanced the interests of all stakeholders including operational creditors. This being the case, judicial review of the Adjudicating Authority that the resolution plan as approved by the Committee of Creditors has met the requirements referred to in Section 30(2) would include judicial review that is mentioned in Section 30(2)(e), as the provisions of the Code are also provisions of law for the time being in force. Thus, while the Adjudicating Authority cannot interfere on merits with the commercial decision taken by the Committee of Creditors, the limited judicial review available is to see that the Committee of Creditors has taken into account the fact that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; and that the interests of all stakeholders including operational creditors has been taken care of. If the Adjudicating Authority finds, on a given set of facts, that the aforesaid parameters have not been kept in view, it may send a resolution plan back to the Committee of Creditors to re-submit such plan after satisfying the aforesaid parameters. The reasons given by the Committee of Creditors while approving a resolution plan may thus be looked at by the Adjudicating Authority only from this point of view, and once it is satisfied that the Committee of Creditors has paid attention to these key features, it must then pass the resolution plan, other things being equal.”

(emphasis supplied)

12.5 The Hon’ble Supreme Court in its recent decision in **Jaypee**

Kensington Boulevard Apartments Welfare Association & Ors. -Vs-



NBCC (India) Ltd. & Ors in *Civil Appeal no. 3395 of 2020* decided 24.03.2021 has held as under;

76. *The expositions aforesaid make it clear that the decision as to whether corporate debtor should continue as a going concern or should be liquidated is essentially a business decision; and in the scheme of IBC, this decision has been left to the Committee of Creditors, comprising of the financial creditors. Differently put, in regard to the insolvency resolution, the decision as to whether a particular resolution plan is to be accepted or not is ultimately in the hands of the Committee of Creditors; and even in such a decision-making process, a resolution plan cannot be taken as approved if the same is not approved by votes of at least 66% of the voting share of financial creditors. Thus, broadly put, a resolution plan is approved only when the collective commercial wisdom of the financial creditors, having at least 2/3rd majority of voting share in the Committee of Creditors, stands in its favour.*

77. *In the scheme of IBC, where approval of resolution plan is exclusively in the domain of the commercial wisdom of CoC, the scope of judicial review is correspondingly circumscribed by the provisions contained in Section 31 as regards approval of the Adjudicating Authority and in Section 32 read with Section 61 as regards the scope of appeal against the order of approval.*

77.1. *Such limitations on judicial review have been duly underscored by this Court in the decisions above-referred, where it has been laid down in explicit terms that the powers of the Adjudicating Authority dealing with the resolution plan do not extend to examine the correctness or otherwise of the commercial wisdom exercised by the CoC. The limited judicial review available to Adjudicating Authority lies within the four corners of Section 30(2) of the Code, which would essentially be to examine that the resolution plan does not contravene any of the provisions of law for the time being in force, it conforms to such other*



requirements as may be specified by the Board, and it provides for: (a) payment of insolvency resolution process costs in priority; (b) payment of debts of operational creditors; (c) payment of debts of dissenting financial creditors; (d) for management of affairs of corporate debtor after approval of the resolution plan; and (e) implementation and supervision of the resolution plan.

77.2. The limitations on the scope of judicial review are reinforced by the limited ground provided for an appeal against an order approving a resolution plan, namely, if the plan is in contravention of the provisions of any law for the time being in force; or there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period; or the debts owed to the operational creditors have not been provided for; or the insolvency resolution process costs have not been provided for repayment in priority; or the resolution plan does not comply with any other criteria specified by the Board

77.6.1. The assessment about maximization of the value of assets, in the scheme of the Code, would always be subjective in nature and the question, as to whether a particular resolution plan and its propositions are leading to maximization of value of assets or not, would be the matter of enquiry and assessment of the Committee of Creditors alone. When the Committee of Creditors takes the decision in its commercial wisdom and by the requisite majority; and there is no valid reason in law to question the decision so taken by the Committee of Creditors, the adjudicatory process, whether by the Adjudicating Authority or the Appellate Authority, cannot enter into any quantitative analysis to adjudge as to whether the prescription of the resolution plan results in maximization of the value of assets or not. The generalised submissions and objections made in relation to this aspect of value maximisation do not, by



themselves, make out a case of interference in the decision taken by the Committee of Creditors in its commercial wisdom

78. To put in a nutshell, the Adjudicating Authority has limited jurisdiction in the matter of approval of a resolution plan, which is well defined and circumscribed by Sections 30(2) and 31 of the Code read with the parameters delineated by this Court in the decisions above referred. The jurisdiction of the Appellate Authority is also circumscribed by the limited grounds of appeal provided in Section 61 of the Code. In the adjudicatory process concerning a resolution plan under IBC, there is no scope for interference with the commercial aspects of the decision of the CoC; and there is no scope for substituting any commercial term of the resolution plan approved by the CoC. Within its limited jurisdiction, if the Adjudicating Authority or the Appellate Authority, as the case may be, would find any shortcoming in the resolution plan vis-à-vis the specified parameters, it would only send the resolution plan back to the Committee of Creditors, for re-submission after satisfying the parameters delineated by Code and exposted by this Court.

12.6 The Hon'ble Supreme Court in its recent decision in *Paschimanchal Vidyut Vitran Nigam Ltd. Verus Raman Ispat Private Limited & Ors.*

In Civil Appeal no. 7976 of 2029 decided 17.07.2023 has held as under;

49. Rainbow Papers (Supra) did not notice the 'waterfall mechanism' under Section 53 – the provision had not been adverted to or extracted in the Judgement. Furthermore, Rainbow Papers (Supra) was in the context of a resolution process and not during liquidation. Section 53, as held earlier, enacts the waterfall mechanism providing for the hierarchy or priority of claims of various classes of creditors. The careful design of Section 53, locates amounts payable to secured creditors and workmen at the second place, after the costs & expenses of the liquidator payable during the liquidation proceedings. However, the dues payable to the



government are placed much below those of secured creditors and even unsecured creditors. This design was either not brought to the notice of the Court in Rainbow Papers (supra) or was missed altogether. In any event, the Judgment has not taken note of the provisions of the IBC which treat the dues payable to secured creditors at a higher footing than dues payable to central or state Government.

(emphasis supplied)

12.7 Thus, from the catena of judgments rendered by the Hon'ble Supreme Court on the scope of approval of the Resolution Plan, it is crystal clear that only limited judicial review is available for the Adjudicating Authority under Section 30(2) and Section 31 of IBC, 2016 and this Adjudicating Authority cannot venture into the commercial aspects of the decisions taken by the Committee of Creditors.

13. RELIEF & CONCESSIONS:

The Resolution Applicant has sought for various waivers and Concessions in Clause XIII of the Resolution Plan, which are as follows,

S. NO.	RELIEF / CONCESSIONS/DISPENSATIONS SOUGHT FOR	ORDERS THEREON
1.	The Corporate Debtor shall not be denied any benefit under any Applicable Laws, government schemes, policy, incentives including but not limited to Income Tax Act, 1961, Goods and Service Tax, Act, merely on account of unavailability of supporting documents (including but not limited to purchase invoices, shipping bill, bill of export, etc.) and all stakeholders should cooperate with the Corporate Debtor for claiming any such amount	Appropriate authorities to consider keeping in view the object of IBC, 2016.
2.	The benefit of brought forward losses under Income Tax Act 1961 will not be denied due to change of management.	Appropriate authorities to consider keeping in view the object of IBC, 2016.



3.	All Governmental Authorities and other relevant Person shall provide a Cure period of 12 months after the Effective Date to the Corporate Debtor for curing any Non-Compliances of the Corporate Debtor under the Applicable Law, Permits or any contract, agreement or arrangement to which the Company is party, which was existing as on the Effective Date.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
4.	On and after the Effective Date, all the contracts of the Corporate Debtor which are in force on the Effective Date shall remain in existence on the same terms and conditions except to the extent the Resolution Applicant / Corporate Debtor at its sole discretion reserves the right under such contracts to modify, change or terminate the said contracts without assigning any reasons thereof and without any penalty, charges, fees, fines, liabilities, damages in relation thereto. In relation to any contracts of the Corporate Debtor, which are expired or to be expired within a period of six months from the Effective Date, the Resolution Applicant prays that to the extent such contracts, deeds or arrangements which are necessary for or incidental to continuing or carrying on the operations and business of the Corporate Debtor, such contracts, agreements or arrangements shall be renewed/ remain in existence for smooth transition of Corporate Debtor and implementation of Resolution Plan and shall continue for a period of at least six months from the Effective Date on the same terms and conditions as applicable to the parties thereto or as may be mutually agreed upon, notwithstanding the fact that such contracts are lapsed or expired due to any Non-Compliance or efflux of time.	Granted, subject to the provisions of IBC, 2016, mutual consensus between the contractual parties and other Applicable laws
5.	Direct GAIL to restore the combined gas supply to the Corporate debtors for operations through approval of this	Appropriate authorities to consider keeping in view the



	Resolution Plan.	object of IBC, 2016.
6.	Direct DGFT to remove the Corporate Debtor from Denied Entity Status ("DEL") Status.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
7.	Waiver from payment of fees, charges, stamp duty (whether by Department of Registration and Stamps and Governmental Authorities of Maharashtra and such other states and geographies where the Corporate Debtor or the Resolution Applicant carries on its business and operations or where its assets are located), registration and/or filing fees (including fees payable to the jurisdictional Registrar of Companies) for various actions contemplated under this Resolution Plan (including transfer of non-convertible debentures, issuance of Equity Shares pursuant to conversion of non-convertible debentures or otherwise, change in control, etc.) and that the fees payable (including stamp duty and any other charges) to the Registrar of Companies in respect of the increase of authorized share capital and amendment of memorandum of association and articles of association of the Corporate Debtor for allotment of fresh shares to the Resolution Applicant and other relevant parties be waived and the Registrar of Companies be directed to approve the relevant forms under the Companies Act and rules thereto without payment of fees in respect thereof.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
8.	The Corporate Debtor and the Resolution Applicant shall be granted an exemption from all Taxes, levies, surcharges, cess, fees, transfer premiums, and surcharges that arise from or relate to various actions contemplated under this Resolution Plan (including issuance of Equity Shares, change in control, etc.).	Appropriate authorities to consider keeping in view the object of IBC, 2016.
9.	With effect from the Effective Date,	Appropriate



	National Securities Depository Limited, Central Depository Services Limited and depository participants are requested to credit the new equity shares to the account of the new owners, the Resolution Applicant within timelines applicable under Law; any prior dues to the depositories shall be waived off. In case the shares are not in the dematerialized form, existing hard copy of shares stand null and void without any value being attributable from the Effective Date	authorities to consider keeping in view the object of IBC, 2016.
10.	On approval of resolution plan, all expenses claimed by the Company in the preceding eight years and returns as submitted or not submitted to be treated as assessed and all carry forward losses and depreciation to be treated as allowed	Appropriate authorities to consider keeping in view the object of IBC, 2016.
11.	The Corporate Debtor or the Resolution Applicant shall not, at any point of time, be held financially liable under the provisions in relation to the liability of the Corporate Debtor as per Section 170 of the Income Tax Act, 1961 on account of any action taken pursuant to this Resolution Plan including acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan	Appropriate authorities to consider keeping in view the object of IBC, 2016.
12.	The requirement of obtaining a no objection certificate under Section 81 of the Central Goods and Services Tax Act, 2017, Section 281 of the IT Act and provisions of taking over predecessor's Tax liability under Section 170 of the said Act shall not be applicable and be waived off- Further, the transaction shall not be treated as void under Section 281 of the IT Act for any claims in respect of Tax or any other sum payable by the Corporate Debtor or its existing shareholders or any principal officer as defined under Section 2(35) of the IT Act or their successors, Similarly, any requirements to obtain waivers	Appropriate authorities to consider keeping in view the object of IBC, 2016.



	<p>from any Tax Authorities in terms of Section 79 and Section 115JB or any other applicable provisions of the IT Act is deemed to have granted upon approval of this Resolution Plan on the Effective Date. In addition, the requirement of affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner of the Corporate Debtor under Section 79 of the IT Act is deemed to have been fulfilled upon approval of this Resolution Plan</p>	
13.	<p>Any change in shareholding of the Corporate Debtor pursuant to this Resolution Plan shall not result in lapse of any carry forward accumulated Tax losses of the Corporate Debtor in view of the specific provisions under Section 79 of the IT Act. Further, the Section 79 Notice may be issued to the Principal Commissioner or the Commissioner of Income Tax, as the case may be, by the Resolution Professional. If no representation is received from the Principal Commissioner or Commissioner of Income Tax within 30 (thirty) days of issuance of the Section 79 Notice or the Effective Date, whichever is earlier, it shall be deemed that the Principal Commissioner or Commissioner of income Tax have no objections to the Corporate Debtor carrying forward its Tax losses and such notice shall be treated as having accorded a reasonable opportunity of being heard to the Principal Commissioner or Commissioner of Income Tax in relation to this Resolution Plan. Furthermore, upon approval of the Resolution Plan by Adjudicating Authority, all Tax losses (including capital losses) of the Corporate Debtor shall be allowed to be carried forward and set off by Corporate Debtor.</p>	<p>Appropriate authorities to consider keeping in view the object of IBC, 2016.</p>
14.	<p>The Corporate Debtor shall be entitled to carry forward the accumulated input</p>	<p>Appropriate authorities to consider</p>



	tax credit balances under the indirect Tax laws and to utilize such amounts to set off against tax liability arising in future in accordance with applicable Laws.	keeping in view the object of IBC, 2016.
15.	The Financial Creditors shall confirm that, on and from the Effective Date, all accounts of the Corporate Debtor shall stand regularized and their asset classification shall be 'standard' for the purposes of all applicable Law.	Granted, subject to the provisions of IBC, 2016 and other Applicable laws.
16.	The Ministry of Corporate Affairs to release and extinguish all the security interests created by the Corporate Debtor in favour of the creditors on and from the Effective Date.	Granted, subject to the provisions of IBC, 2016 and other Applicable laws.
17.	The Resolution Applicant shall be granted a waiver, from all actions, Proceedings or penalties under any applicable Law for any non-compliance for an additional period of 12 (twelve) months starting from the day following the Effective Date	Appropriate authorities to consider keeping in view the object of IBC, 2016.
18.	Without prejudice to the other provisions of this Resolution Plan, it is prayed that the Taxes which may arise pursuant to implementation of this Resolution Plan (including but not limited to Tax under Sections 269T, 56,41(1), and 28 of the IT Act pursuant to implementation of this Resolution Plan) either on the Resolution Applicant or the Corporate Debtor and/or its successors or any other Person who is likely to be impacted due to the implementation of this Resolution Plan shall be waived and shall stand extinguished.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
19.	All Business Permits, rights, licenses, approvals, registrations, consents, etc. of the Corporate Debtor that may have lapsed or expired shall stand renewed by the respective Governmental Authorities with effect from the Effective Date and the Resolution Professional shall take all necessary	Appropriate authorities to consider keeping in view the object of IBC, 2016.



steps to ensure such renewal in furtherance of its satisfactory duties under Section 20(1) read with Section 23(2) of the Code. For avoidance of doubt it is hereby clarified that, all Business Permits, rights, entitlements, benefits, subsidies and privileges whether under applicable Law, contract, lease or license granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled to or accustomed to, which have expired on the Effective Date, shall be deemed to be renewed by the relevant Governmental Authority on an expedited basis and pending receipt of such Business Permits, the Corporate Debtor shall be permitted to continue to operate its business as a going concern, without disruption for the benefit of the Corporate Debtor for a period of 24 (twenty four) months or until renewed by the relevant Governmental Authority, whichever is later. Without any liability for non-compliance by the Corporate Debtor, during the time specified above, the Resolution Applicant undertakes to cause the Corporate Debtor to obtain/ renew such expired consents, licenses, approvals, rights, entitlements, benefits, incentives, subsidies and privileges, whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled or accustomed to, evaluate the steps required to address the same and take steps remedy the same to the extent possible. During the 24 (twenty four) month period, the Resolution Applicant and the Corporate Debtor shall have immunity from any actions and penalties under any applicable Law for any non-compliance of applicable Law in relation to the Corporate Debtor as well as with the terms of any agreement or arrangement entered into with the



	<p>Corporate Debtor which was existing as on the Effective Date and which continues for a period of 24 (twenty four) months from the date of acquisition of Control by the Resolution Applicant. If</p> <ul style="list-style-type: none">(i) any Governmental Authority has suspended, cancelled, revoked or terminated any Business Permits of the Corporate Debtor; or(ii) any Governmental Authority has threatened to suspend, cancel, revoke or terminate any Business Permits or the operations of any unit or facility of the Corporate Debtor; or(iii) where the Corporate Debtor has been in breach of the terms of any Business Permits or the provisions of applicable Law, then all such relevant Governmental Authorities shall provide 24 months after the Effective Date in order for the Resolution Applicant to assess the status of these Business Permits or such Non-Compliances and ensure that the Corporate Debtor is compliant with the terms of such Business Permits and applicable Law - without such Governmental Authorities initiating any investigations, actions or Proceedings in relation to such non-compliances or taking any adverse measure which may interrupt or suspend the operations of the Corporate Debtor or any facility/ unit thereof.	
20.	From the Effective Date, all inquiries, investigations, suits, Claims, disputes, counter-claims, Proceedings (including any Tax Proceedings), non-compliances	Appropriate authorities to consider keeping in view the object of IBC, 2016.



	<p>against the Corporate Debtor, pending or threatened present or future in relation to any period until the Effective date shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor will be deemed to have been written off fully, and permanently extinguished and no adverse orders passed in the said matters should apply to the Corporate Debtor or the Resolution Applicant. Upon approval of this Resolution Plan, all new inquiries, assessments, reassessments, rectifications, revisions, surveys, summons, investigations, notices, suits, claims, disputes, litigations, arbitrations or other judicial, regulatory (including any Tax Proceedings) or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Corporate Debtor in relation to any period until the Effective Date and the Corporate Debtor and/ or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.</p>	
21.	<p>From and on the Effective Date and upon complete implementation of the Resolution Plan, all assets of the Corporate Debtor (whether under dispute or not) (including freehold properties, leasehold interests, or rights of the Corporate Debtor under leave and license agreements executed by it until the Effective Date) shall be vested in the Corporate Debtor, free and clear of all Encumbrances, other than Encumbrances required to be assigned to the Resolution Applicant (to the extent applicable) and those expressly continued under the terms of this Resolution Plan.</p>	<p>Granted, subject to the provisions of IBC, 2016 and other Applicable laws.</p>



22.	All benefits, exemptions, deductions, rebates, reliefs, credits etc. under any tax laws in India available to the Corporate Debtor shall not lapse pursuant to the Resolution Plan and shall be available to Corporate Debtor post the Effective Date	Appropriate authorities to consider keeping in view the object of IBC, 2016.
23.	From and on the Effective Date, all non-compliances and defaults of the Corporate Debtor with any statutory or government authority or any other rules, regulations, circulars or guidelines issued by such authority for the period prior to the Effective Date shall be waived of and extinguished. It is hereinafter clarified that the Resolution Applicant shall not be liable for any non-compliances, breach or defaults in respect of the Corporate Debtor with the relevant statutory authority under applicable Laws for the period prior to the Effective Date.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
24.	The Corporate Debtor shall not be liable in any manner whatsoever or otherwise prosecuted (threatened, impleaded or otherwise) as a result of, arising from or in connection with, any transaction, act, omission, commission, default, (whether identified or unidentified) of the Company or Existing Promoters, subsidiary companies and/or group companies of the Company, for the period prior to and up to the Effective Date.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
25.	Any approvals that may be required &om Governmental Authorities (including Tax authorities) in connection with the implementation of the Resolution Plan including on account of change in ownership / Control / voting power of the Corporate Debtor shall be deemed to have been granted on the Effective Date.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
26.	No Governmental Authority (including regulatory, judicial and quasi-judicial authority) shall issue any orders, directions, decrees, Judgments etc. that	Appropriate authorities to consider keeping in view the object of IBC, 2016.



	will be in contravention of the provisions of the Resolution Plan (including the financial plan).	
27.	The Resolution Applicant is submitting the Resolution Plan for the Corporate Debtor as a going concern. If the Resolution Professional is considering a Resolution Plan providing for the acquisition or transfer of any of the undertakings of the Corporate Debtor separately, the Resolution Applicant shall be notified of the same and shall be accorded the right to modify this Resolution Plan appropriately.	Appropriate authorities to consider keeping in view the object of IBC, 2016.
28.	The provisions of this Resolution Plan shall prevail over the provisions of all agreements / arrangements / purchase orders / work orders, etc. entered into by the Corporate Debtor to the extent of any inconsistencies.	Granted, subject to the provisions of IBC, 2016 and other Applicable laws
29.	The Resolution Applicant and the Corporate Debtor shall have immunity in respect of any Proceedings initiated by any Person at any time in connection with any matter whatsoever which relates to the period prior to the Effective Date. For the avoidance of doubt, it is hereby clarified that such immunity shall also extend to; (i) any director or officer of the Corporate Debtor who was associated with the Corporate Debtor prior to the Effective Date and continues to be a director or officer of the Corporate Debtor following the Effective Date; and (ii) any individual who becomes a director or officer of the Corporate Debtor following the Effective Date.	Granted, subject to the provisions of IBC, 2016 and other Applicable laws
30.	All agreements, contracts, confirmations, terms and conditions, guarantees, indemnities, work orders, purchase orders, invoices, employment agreements, offer letters, standing orders, letters, commitments, guarantees, indemnities, power(s) of	Granted, subject to the provisions of IBC, 2016 and other Applicable laws



	attorneys, acceptances, promises, notes, hypothecations, pledges, mortgages, charges, trusts and/or any other deed or document in favour of, or for the benefit of, or executed with, any Operational Creditor, including any person whose Claim has not been filed or if filed, not been admitted, or any trustee or agent of such Operational Creditor, in relation to any period until the effective Date, shall stand terminated, unless as otherwise specified herein.	
31.	Notwithstanding anything contained in this Resolution Plan, the Resolution Applicant confirms in the event any of the reliefs sought by the Resolution Applicant in this Resolution Plan are not granted, such denial or rejection will not affect the remaining portions of the Resolution Plan and the Resolution Plan shall continue to be binding on the Resolution Applicant and the Resolution Applicant will implement the Resolution Plan as approved by the Adjudicating Authority or any appellate authority in accordance with the timelines stipulated herein. Further, the total amounts payable under the Resolution Plan shall also not be affected or reduced in case of any such reliefs not being granted. Further, the Resolution Applicant hereby undertakes and confirms to bear all costs in relation to the implementation of this Resolution Plan as per the terms stipulated herein.	Granted, subject to the provisions of IBC, 2016 and other Applicable laws

14. The Applicant has filed Form - H in accordance with the IBBI (CIRP Regulations, 2016) along with this Application and the same is placed along with the application. Further, it is observed from Form-H that the amount proposed in the plan is much lower than the Liquidation Value of the



Corporate Debtor. The fair value and the Liquidation Value as mentioned in Form-H is as hereunder,

1.	<i>Fair Value</i>	Rs. 225.08 Crore (excluding inventories)
2.	<i>Liquidation Value</i>	Rs. 176.82 Crore (excluding inventories)
3.	<i>Plan Value</i>	Rs. 68.56 Crore

15. It is seen from Form-H, that there are some application filed under Section 66 of the code and the same is under adjudication in respect of the CD. This Tribunal vide order dated 03.05.2024 directed the Applicant to clarify with CoC on all pending applications before this forum. The applicant vide memo dated 25.05.2024 clarified the status and intention of the CoC in respect of said applications. Based on the said memo and oral submissions made by the counsels this Tribunal vide order dated 25.06.2024 made the following orders,

Case No.	Decision
IA(IBC)/481(CHE)/2023	Disposed of as withdrawn
MA(IBC)/97/CHE/2021	Disposed of as withdrawn
IA(IBC)/1221/2021	Disposed of as withdrawn
IA/565(CHE)/2021	Disposed of as withdrawn
IA(IBC)/1113(CHE)/2022	Disposed of as withdrawn
IA(IBC)/23(CHE)/2023	Disposed of as withdrawn
IA(IBC)1064(CHE)/2022	Disposed of as withdrawn

16. All the related avoidance applications have been withdrawn. But there are litigations pending before various forum connected to the corporate debtor which can be observed from the Schedule III of the Resolution Plan.



17. This Tribunal vide order dated 22.07.2024 listed this application and sought certain records and clarifications in respect of the Plan. The same is extracted hereunder,

“The following Clarifications are sought:

1. *Master data of the company is not available.*
2. *MSME UDYAM registration certificate is not available.*
3. *Long payment schedule of 48 months to be reasoned. CoC’s rationale behind accepting such long payment schedules.*
4. *Information about powers and function of Independent Monitoring Agency is not explained.*
5. *Whether Operational Creditors and Dissenting financial creditors are satisfied at par with value realized by Liquidation of the CD is to be explained?*
6. *Resolution plan does not provide details about consequences on failure of Resolution applicant or any of its related parties in the implementation of the plan.*
7. *No proof submitted in respect of the performance guarantee.*
8. *The avoidance application filed against the Promoters by the applicant has been withdrawn stating that, the benefits coming out of said applications would again reach the SRA. The CoC’s is to explain the reason for this stand.*
9. *Schedule III of the plan shows lot of pending litigations in respect of the CD and its Promoters. Explanations as to the possibility of those litigations affecting the plan and its implementation is not clarified.”*

18. The applicant vide Affidavit dated 01.08.2024 provided the documents and clarifications concerned to the Plan after discussing with the CoC in the 31st CoC meeting dated 26.07.2024 which was adjourned to 29.07.2024 and this tribunal makes the observations as follows,

- i) The Master Data and MSME UDYAM registration certificated are placed at **Page 9 - 14 of the said Affidavit.**
- ii) The Respondents/ Resolution Applicants 4 Performance Guarantee (Bank Guarantee) dated 26.03.2024 and 28.03.2024 to a value of Rs.17.14 Crores is furnished at **Page 34 - 54 of the said Affidavit.**



iii) CoC reasoned its rationale behind approval of the present Plan having long payment schedules.

iv) The estimated realizable value of the assets of the Corporate Debtor would not be sufficient to cover the debt of the Secured Financial Creditors itself. Reference is made to Financial outlay in Part V of the Resolution Plan.

v) The Independent Monitoring Agency constituted after the upfront payment date is provided with supervisory power to access the information and documents necessary for complete implementation of the Resolution Plan.

vi) In event of Resolution applicant's failure/ contribute to failure of implementation of the Resolution Plan, the CoC or the RP have the right to forfeit the Performance Guarantee furnished. Reference is made to Clause (i) of Part VII and last para of the Part XV of the Resolution Plan.

vii) CoC confirmed that in the event of Resolution Plan being not approved by this Adjudicating Authority or in the event of failure of Implementation of the Resolution Plan, CoC reserves the right to pursue the withdrawn Avoidance Applications initiated against the Respondents.

viii) CoC affirmed that 4 legal proceedings are pending against the Corporate Debtor and 8 proceedings pending against the 3rd parties which were initiated by the Corporate Debtor and none has cascading effect on the Resolution Plan.

19. It is seen that the resolution plan has been approved with 99.08% voting share. As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. By and large, all the compliances have been made by the RP and the Resolution Applicant for making the plan effective after approval by this Authority. On perusal of the documents on record, we are satisfied that the Resolution Plan is in



accordance with Section 30 & 31 of the IBC and also in compliance with regulations 38 & 39 of the IBBI (CIRP) Regulations, 2016.

20. In the light of the aforesaid, it is hereby ordered that the payment to the members of the Monitoring Committee shall be made by the Corporate Debtor on such terms and conditions agreed between the parties for the entire period of implementation as mentioned in this resolution plan.
21. In case of non-compliance/non-implementation/ failure during implementation of this order or withdrawal of the Resolution Plan by the Successful Resolution Applicant, the RP shall forfeit the EMD/Performance Guarantee or any further amount paid as per the terms of the resolution plan without any recourse to this Authority.
22. Subject to the observations made in this Order, the Resolution Plan along with the addendum to the Resolution Plan is hereby **APPROVED** by this Adjudicating Authority. The Resolution Plan shall form part of this Order. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that the revival of the Debtor Company shall come into force with immediate effect. The Moratorium Imposed under section 14 shall cease to have effect from the date of this Order.
23. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for its record and also return to the Resolution Applicant. The Resolution Professional is further directed to hand over all records/premises/factories/documents to the Resolution Applicant to



- finalize the further line of action required for starting the operation of the Corporate Debtor under the control of the Resolution Applicant.
24. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance.
 25. Liberty is granted for moving any Application if required in connection with the implementation of this Resolution Plan.
 26. A copy of this Order be submitted to the Office of the concerned Registrar of Companies.
 27. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order.
 28. **IA (IBC) (PLAN)/4/CHE/2024** stands **disposed of** accordingly.
 29. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps.
 30. File be consigned to the record room.

-Sd/-
RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd/-
JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)

Ganesh Prabhu