

S.No.3

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1**  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
**24-03-2023 AT 10:30 AM**

**IA (IBC) 1563/2022 in CP(IB) No 17/9/HDB/2022**  
u/s. 9 of IBC, 2016

**IN THE MATTER OF:**

C J Chemiclas Pvt Ltd

**...Operational Creditor**

**VS**

L N Industries India Ltd

**...Corporate Debtor**

**C O R A M:-**

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)**  
**SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

**ORDER**

**IA (IBC) 1563/2022:** Orders Pronounced, recorded vide separate sheets. In the result resolution plan is approved as per the terms mentioned in the order.

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH-1**

**IA 1563 OF 2022**

**IN**

**CP (IB) NO.17/9/HDB/2022**

*APPLICATION U/S 30(6) IBC, 2016 R/W REGULATION 39(4) OF IBBI (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016.*

**IN THE MATTER OF**

**M/s. CJ CHEMICALS PRIVATE LIMITED**

**VERSUS**

**M/S. LN INDUSTRIES INDIA LIMITED (IN CIRP)  
(CIN: L18100TG1993PLC015268)**

**Filed by**

Mr. Maligi Madhusudhana Reddy  
Resolution Professional

**FOR M/s. LN INDUSTRIES INDIA LIMITED**

... Applicant/  
Resolution Professional

**Date of order: 24.03.2023**

Coram:

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member Judicial

Shri Charan Singh, Hon'ble Member Technical

**Appearance:**

For Applicant: Shri Maligi Madhusudhana Reddy, Resolution  
Professional in person

**PER: BENCH**

**ORDER**

- 1. 1563/2022** is filed by the Resolution Professional under Section 30(6) & 31 of IBC, 2016 r/w regulation 39(4) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for

Corporate Persons) Regulations, 2016 & Rule 11 of NCLT Rules, 2016, seeking approval of the resolution plan submitted by Mr. Ratakonda Vivek Kumar jointly with Ashok Kumar Buddhharaju (**Resolution Applicant**) as duly approved by the Committee of Creditors with 100% votes in favour of it.

2. To put concisely, the main petition filed by Operational Creditor, **M/s CJ Chemicals Private Limited** u/s 9 of IBC, 2016 was admitted by the Adjudicating Authority vide Order dated **01.07.2022** and ordered commencement of CIRP against the Corporate Debtor, M/s LN Industries India Limited and the Applicant herein was appointed as Interim Resolution Professional (IRP), who was subsequently confirmed as Resolution Professional.
3. On receipt of claims from the creditors pursuant to public announcement on 09.07.2022, the IRP constituted the Committee of Creditors (COC) comprising of Financial Creditors of the Corporate Debtor as under: -

S.No	Name of the Creditor	Amount of Claim submitted (Amount in R s)	Final Claim admitted (Amount in Rs)	% of Voting
1	Gandra Goutham Reddy	30,00,000	30,00,000	18.62%
2	GM Reddy Cotton Industries Pvt Ltd	74,00,000	74,00,000	45.93%
3	Kasireddy Karthik	25,99,943	25,99,943	16.14%
4	Busireddy Sudheer Reddy	10,00,000	10,00,000	6.20%
5	Kesireddy Venkateswar Reddy	21,12,300	21,12,300	13.11%
	<b>TOTAL</b>	<b>1,61,12,243</b>	<b>1,61,12,243</b>	<b>100%</b>

4. Pursuant to publication of Expression of Interest in Form G in Nava Telangana (Telugu) and Financial Express (English) in the state of Telangana on 30.08.2022, the Resolution professional had received

13 requests from the Prospective Resolution Applicants, out of which two PRAs fulfilled the requirements as per the EOI and deposited EMD prescribed.

5. The Resolution Professional then provided the Information Memorandum, Request for Resolution Plan on 20.09.2022 and Evaluation Matrix to the Prospective Resolution Applicants for submission of their Resolution Plans by 20-09-2022. The Applicant after conducting due diligence of Prospective Resolution Applicants as per the information available in public domain for eligibility U/s 29A of the IBC, 2016, released the final list of Prospective Resolution Applicants on 26-09-2022.
6. The Resolution Professional received the following Resolution Plans and states that they are in conformity with Section 30 (2) of the Code and Regulation 38 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

S. No	Name of Resolution Applicant
1	Kundan Care Products Limited
2	Ratakonda Vivek Kumar along with Ashok Kumar Buddharaju

7. The above resolution plans were placed before the CoC in the 5<sup>th</sup> CoC meeting and after due deliberations, the Resolution Applicants were requested to enhance their offer and timelines on the payment and were asked to submit their revised proposal with upward revision and modifications.
8. In compliance to the directions of the CoC, both the Resolution Applicants, after considering the request of CoC members have

submitted the Revised and Improved Resolution Plans to the Resolution Professional.

S. No	Name of Resolution Applicant	Original & Revised Plan Received	(Revised / improved Final Plan) Physical / email Received on (Date & Time)
1	Kundan Care Products Limited	Yes	<b>Hand Delivery:</b> 26 <sup>th</sup> November 2022 at 15:25 hours. <b>Mail:</b> Fri, 25 Nov, 16:31 hrs
2	Ratakonda Vivek Kumar along with Ashok Kumar Buddharaju	Yes	<b>Hand Delivery:</b> 25 <sup>th</sup> November 2022 at 16.11 hours <b>Mail:</b> 25 <sup>th</sup> November 2022 at 18:30 hrs

9. The Resolution Professional in the 06<sup>th</sup> CoC meeting held on 02-12-2022 placed the Final revised Resolution Plans before the CoC members and after deliberations, the same were put for e-voting from 04.12.2022 to 06.12.2022. The Resolution plan submitted by the Resolution Applicant, Mr. Ratakonda Vivek Kumar Jointly with Mr. Ashok Kumar Buddharaju was approved with 100% votes in favour of it. The copy of the minutes of 6<sup>th</sup> CoC meeting held on 02<sup>nd</sup> December 2022 approving resolution plan along with voting sheet and all other annexures is marked as **Annexure -8**. The Resolution Plan submitted by the successful Resolution Applicant along with the Scheme of merger / arrangement is attached in **Annexure-9**.
10. Contours of the Resolution Plan: -
- (A) The Resolution Applicants contemplate Corporate Restructuring through the merger of M/s ACS Technologies Limited (“Transferor Company”) with the corporate debtor. i.e. M/s. LN Industries India Limited (“Transferee/Resulting Company”) with effect from the “Appointed Date” i.e. 31<sup>st</sup> March 2022 under Regulation 37 of the

CIRP Regulations as per the Resolution plan, and consequent allotment of shares of Corporate Debtor to the shareholders of the M/s ACS Technologies Limited (“Transferor Company”) as per the terms and conditions as envisaged in the Resolution Plan, and the Scheme of Arrangement forming part of this plan.

(B) (i) **Transferor Company- ACS Technologies Limited**

M/s. ACS Technologies Ltd (“ACS”) is an unlisted public Limited Company having its Registered office at 3rd Floor, Sai Krishna, Plot No.797 A Road No.36, JubileeHills Hyderabad Hyderabad TG 500033 IN with CIN U72200TG1980PLC002703 incorporated on 04/06/1980.

**Transferor Company M/s. ACS Technologies Ltd** has one subsidiary namely M/s IOTIQ Innovations Private Ltd, in which Transferor Company holds 51% shareholding. Subsequent to the merger of the M/s. ACS Technologies Ltd into the Corporate debtor, M/s IOTIQ Innovations Private Ltd, becomes a subsidiary of Corporate debtor without any act or deed.

(ii) **Transferee Company- LN Industries India Limited**

LN Industries India Ltd (“Corporate Debtor”) is a public company incorporated on 19/01/1993 having CIN No. L18100TG1993PLC015268. The Company is engaged in the manufacture of Texturized Twisted Polyester Dyed Yarn and Nylon Dyed Yarn. The Company’s shares are listed on the Bombay Stock Exchange (BSE) (LNIND|530745| INE366C01013). As per the BSE, trading of the Company Shares are under suspension due to non-payment of listing fees and for other Penal reasons. The Company Registered office is at H.NO.8-3-898/16/4, Sri Laxmi Narasmiha

Niwas, Nagarjuna Nagar Colony, Road No: 2, Srinagar Colony,  
Hyderabad TG500073 IN.

- (C) The CoC comprised of the following Financial creditors and the distribution of voting share among them is as under:-

S.No	Name of the Creditor	Amount of Claim submitted (Amount in R s)	Final Claim admitted (Amount in Rs)	% of Voting
1	Gandra Goutham Reddy	30,00,000	30,00,000	18.62%
2	GM Reddy Cotton Industries Pvt Ltd	74,00,000	74,00,000	45.93%
3	Kasireddy Karthik	25,99,943	25,99,943	16.14%
4	Busireddy Sudheer Reddy	10,00,000	10,00,000	6.20%
5	Kesireddy Venkateswar Reddy	21,12,300	21,12,300	13.11%
	<b>TOTAL</b>	<b>1,61,12,243</b>	<b>1,61,12,243</b>	<b>100%</b>

- (D) **FINANCIAL PROPOSALS:** The amount provided to the stakeholders of the Corporate Debtor under the Resolution Plan is tabulated below:-

Rs.lakhs

Sl . N o.	Category of Stake holder*	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	-	-	-	-

		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	-	-	-	-
		(ii) who voted in favour of the resolution plan				
		<b>Total[(a) + (b)]</b>	-	-	-	-
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	7,02,36,702	7,02,36,702	-	-
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	-	-	-	-
		(ii) who voted in favour of the resolution plan	1,61,12,243	1,61,12,243	1,61,12,243	100.00%
		<b>Total[(a) + (b)]</b>	<b>8,63,48,945</b>	<b>8,63,48,945</b>	<b>1,61,12,243</b>	<b>18.66%</b>
	Operational Creditors	(a) Related Party of Corporate Debtor	-	-	-	-
		(b) Other than (a) above:	-	-	-	-
		(i) Government				
		(ii) Workmen	-	-	-	-
		(iii) Employees	-	-	-	-
		(iv) Other Operational Creditors				
		a. Regulatory dues	73,97,418	73,97,418	22,50,000	30.42%
		b. Other creditors	3,00,50,089	3,00,50,089	5,07,737	1.69%
	<b>Total[(a) + (b)]</b>	<b>3,74,47,507</b>	<b>3,74,47,507</b>	<b>27,57,737</b>	<b>7.36%</b>	
4	Other debts and dues	CIRP Cost (Estimate)	8,00,000	8,00,000	8,00,000	100%
		<b>Grand Total</b>	<b>12,45,96,452</b>	<b>12,45,96,452</b>	<b>1,96,69,980</b>	<b>15.79%</b>

\*in addition to the claims admitted by the resolution professional, the resolution applicant has considered the additional claim of Rs.4,65,000/- under operational creditors and provided the same amount in proportionate to the amounts provided to the same category of operational creditors.

(E) The break-up of the Resolution Plan to be invested by the Resolution Applicant for various purposes are detailed as under:

Category of the Creditor	Claims Admitted (Rs.)	Resolution amount Rs. (Upfront)	Equity allotment	Total Settlement Amount Rs.
CRIP Cost	8,00,000	8,00,000	Nil	8,00,000
Claims of Employees	Nil	Nil	Nil	Nil
Un-Secured Financial Creditor	1,61,12,243	1,61,12,243	Nil	1,61,12,243
Un-Secured Financial Creditor-Related Parties	7,02,36,702	Nil	Nil	Nil
Operational Creditors (Government dues)**	Nil	Nil	Nil	Nil
Operational Creditors & Regulatory Dues	3,79,12,507	27,57,737	Nil	27,57,737
<b>Total Liabilities</b>	<b>12,57,96,452</b>	<b>1,96,69,980</b>	Nil	<b>1,96,69,980</b>

(F) **TERM AND IMPLEMENTATION OF THE PLAN**

The estimated timelines for the implementation of the Plan are as follows:

S No	Event	Estimated Timeline
1	Approval of NCLT for the Plan	On the NCLT Approval Date
2	Appointment of Monitoring Agent	Within 2 days from the NCLT Approval Date
3	Extinguishment of promoter shareholding, and reduction of public shareholders	Announcement of Record date within 10 days from the NCLT approval date to determine the shareholder's names
4	Infusion of funds in the Company	Within 30 days from the NCLT Approval date
5	Equity allotment to Resolution Applicants, Strategic investor	After the infusion of funds by the Resolution Applicants and strategic investors

(G) **Management of the Corporate Debtor**

The Monitoring Agency comprising of Resolution Professional, Financial Creditor, and Resolution Applicant will be constituted post approval of the Resolution Plan and

the Monitoring Agency shall carry on its duty under the Applicable Laws. The day to day operations and the management of the Company shall be carried out by the Monitoring Agent, as appointed. The Resolution Plan provides for vesting the powers of the Board to the Monitoring Agent as envisaged under the Companies Act, 2013.

(H) Compliance of mandatory contents of Resolution Plan under the Code and CIRP Regulations:-

The Applicant has conducted a thorough compliance check of the Resolution Plan in terms of the Code as well as Regulations 38 & 39 of the Insolvency and Bankruptcy Board of India (Corporate Insolvency Resolution Process) Regulations, 2016 (herein after referred to as Regulation) and has submitted his Form-H under Regulation 39 (4). It is submitted that Resolution Applicant has filed an Affidavit declaring that they are eligible to submit the plan under Section 29A of the Code and that the contents of the said affidavit are in order. The fair value and Liquidation value as submitted in Form-H is Rs. 52,303/-and Rs. 52,303/-respectively.

11. It is humbly submitted that the Resolution Applicant has submitted Rs.20,00,000/- (Rupees Twenty Lakhs only) towards 10% of Performance Guarantee in terms of RFRP.

12. In the above backdrop we heard Shri M. Madhusudhana Reddy, Ld. Resolution Professional. He submits that the Resolution Plan meets the requirement of Section 30 (2) of the Code, as under:-

(a) The Insolvency Resolution Plan considers Insolvency Resolution Process Costs which have been estimated at Rs. 8.00 Lakhs which includes the payment to Resolution Professional

and all amount of expenses incurred by RP, to the extent duly ratified or approved by the Committee of Creditors (CoC) and shall be paid in priority to all other debts by Resolution Applicant (s). The source for the amount can be identified as a commitment by the resolution applicant(s) for Rs. 8.00 Lakhs. Any higher amount over and above this (as approved by CoC) shall be borne and paid by Resolution Applicant(s) on a priority basis.

- (b) The amount payable to the operational creditors including Regulatory dues (other than Workmen, Employees, and other than Government Dues) is Rs.3,79,12,507/- (Rupees Three Crores Seventy Nine Lakhs Twelve Thousand and Five Hundred Seven only). In view of business exigencies, the operational creditors (other than Workmen, Employees, and Government Dues) dues and BSE dues (being Regulatory dues) are proposed to be settled at Rs.5,07,737 (Rupees Five Lakh Seven thousand and seven hundred thirty seven only) proportionately against their claim of Rs.3,05,15,089/- which will be paid upfront within 30 days of the approval of the resolution plan by the NCLT as full and final settlement. In view of the NCLAT ruling that Listing dues such as SEBI, Stock Exchange claims comes under the ambit of 'regulatory dues' hence, the Resolution Applicant earmarked separately Rs.22,50,000/- (Rupees Twenty Two Lakhs Fifty Thousand only) under this plan, towards the BSE Dues being regulatory dues as against their outstanding dues of Rs. 73,97,418/-.
- Further with regard to the government (Income Tax) dues,**

the Resolution Professional has not admitted the tax demand of Rs.1,69,34,910/- raised by the Income Tax Department, due to the non-submission of their claims before the due date. Since RP has not admitted those dues till the time of filing of this Resolution Plan, the Resolution Applicants have not taken into account and not considered these dues as liabilities of the Company. In case any litigation arises in the future with regard to the pending tax dues, the Resolution Applicant proposes to pay, an amount of Rs. 2,81,778/- towards the tax demand raised u/s 149(1) of the Act, proportionately on par with the operational creditors, out of the contingency fund created by the Resolution Applicants.

- (c) There are no dissenting financial creditors as such the plan does not provide for payment to the dissenting Financial Creditors.
13. The Resolution Plan is in compliance of Regulation 38 of the Regulations in the following manner:
- (a) The Plan provides for payment of claim amount restricted only to the extent specified in the resolution plan to the operational creditor on priority
- (b) Declaration by the Resolution Applicant that the Resolution Plan has considered the interest of all the stakeholders of the Corporate Debtor, keeping in view the objectives of the Code (Regulation 38 (1A)). The Applicants propose to bring additionally an amount of Rs.3,30,020/- over and above what they committed for settling the interests of all the stakeholders (including financial and operational creditors of the Corporate Debtor) under Regulation 38(1A) of the CIRP Regulations. This money shall be utilised to meet the

additional CIRP cost if any arises and to cover any unforeseen contingencies.

14. With regard to restructuring of the Corporate Debtor pursuant to the approval of the resolution plan by the Adjudicating Authority, the Ld. Counsel for the Resolution Professional relied on the following cases where the resolution plan proposed for the Scheme of Amalgamation:-

- (i) **Monnet Ispat and Energy Limited ("MIEL") proposed merger of special purpose vehicle (formed by resolution applicant(s)) with MIEL pursuant for implementation of the resolution plan.**
- (ii) **Swadisht Oils Private Limited, the resolution plan (approved by the AA) proposed a scheme of amalgamation of the corporate debtor with the resolution applicant.**
- (iii) **Further, the resolution plan approved by the AA for Murli Industries Limited ("MIL") contemplated revival of only one undertaking of MIL as a going concern while proposing sale of the remaining two undertakings.**
- (iv) Approval of the Resolution Plan by this Bench in the matter of **Mr. Pudhota Mahendra Kumar Choudhary Vs. M/s. Sankhya Infotech Limited in IA. No.91 of 2021 in CP (IB) No.235/7/HDB/2020.** The resolution plan contained in the matter proposals **to reduction of existing share capital, allotment of shares to applicants and allotment of shares by way of swap to the shareholders of transferor company by merger /amalgamation through the Resolution Plan.**

15. It is to be noted here that the resolution plan proposing restructuring of a corporate debtor requires approval of the committee of creditors ("CoC") and the AA. Further, in terms of explanation to **Section 30(2) of the Code**, if any approval of shareholders is required under the Companies Act or any other law for the time being in force for the implementation of actions under the resolution plan, *such approval shall be deemed to have been given and it shall not be a contravention of the Companies Act or law*. In view of the deemed consent of shareholders and the resolution plan being binding upon the creditors, where the resolution plan contemplates restructuring of the corporate debtor by way of merger, amalgamation or demerger, the corporate debtor should not be required to comply with the merger framework.
16. In this connection, the **Hon'ble Supreme Court, in, Innovative Industries Ltd. Vs ICICI Bank & Anr**, wherein the Hon'ble Supreme Court has held that *"it is settled law that a consolidating and amending Act like the present Central enactment forms a code complete in itself and is exhaustive of the matters dealt with therein"*. This principle could also be relied upon to support the view that there should not be any requirement to follow the merger framework for implementation of the restructuring proposal which has been approved by the NCLT as a part of the resolution plan. Hence, the Adjudicating Authority is of the opinion that there is no bar for the Resolution Applicant to propose the change in object of the Corporate Debtor through restructuring in order to run the business as a going concern and compliance with the process set out

under the provisions of **Section 230-232 of the Companies Act, 2013 ("Companies Act")**.

17. It is clarified that the approval under the NCLT Order shall constitute adequate approval (under Section 230 to 232 and other relevant provisions of the Companies Act, 2013) for the merger of the Transferor Company and the Transferee Company, as of Implementation Date, in accordance with all provisions of Applicable Law. This Scheme will result in the consolidation of the business of each of the Transferor Company M/s ACS Technologies Limited (“ACS”) and Transferee Company (Corporate Debtor/ LN Industries India Ltd) as existing as on the Appointed Date.
18. **In K. Sashidhar v. Indian Overseas Bank & Others (in Civil Appeal No. 10673/2018) the Hon’ble Apex Court held that, “if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per Section 30 (6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority. On receipt of such proposal, the Adjudicating Authority (NCLT) is required to satisfy itself that the resolution plan as approved by CoC meets the requirements specified in Section 30(2). No more and no less”.**
19. The Hon’ble Supreme Court has further held at para 35 of the above judgement that *the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan “as approved” by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on*

*which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements.*

20. The Hon'ble Supreme Court in ***Committee of Creditors of Essar Steel India Limited Vs. Satish Kumar Gupta & Ors***, held that “*the limited judicial review available to AA has to be within the four corners of section 30(2) of the Code. Such review can in no circumstance trespass upon a business decision of the majority of the CoC. As such the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved*”.

21. The Hon'ble Supreme Court of India, in the recent ruling in re ***Vallal RCK vs M/s Siva Industries and Holdings Limited & Ors***, has held as under:-

*21. This Court has consistently held that the commercial wisdom of the CoC has been given paramount status without any judicial intervention for ensuring completion of the stated processes within the timelines prescribed by the IBC. It has been held that there is an intrinsic assumption, that financial creditors are fully informed about the viability of the corporate debtor and feasibility of the proposed resolution plan. They act on the basis of thorough examination of the proposed resolution plan and assessment made by their team of experts. A reference in this respect could be made to the judgments of this Court in the cases of ***K. Sashidhar v. Indian Overseas Bank and Others, Committee of Creditors of Essar Steel India Limited through Authorised Signatory v. Satish Kumar Gupta and Others, Maharashtra Seamless Limited v. Padmanabhan Venkatesh and Others, Kalpraj Dharamshi and Another v. Kotak Investment Advisors Limited and Another, and Jaypee Kensington Boulevard Apartments Welfare Association and Others v. NBCC (India) Limited and Others.****

27. *This Court has, time and again, emphasized the need for minimal judicial interference by the NCLAT and NCLT in the framework of IBC. We may refer to the recent observation of this Court made in the case of **Arun Kumar Jagatramka v. Jindal Steel and Power Limited and Another**:*

*“95. ....However, we do take this opportunity to offer a note of caution for NCLT and NCLAT, functioning as the adjudicatory authority and appellate authority under the IBC respectively, from judicially interfering in the framework envisaged under the IBC. As we have noted earlier in the judgment, the IBC was introduced in order to overhaul the insolvency and bankruptcy regime in India. As such, it is a carefully considered and well thought out piece of legislation which sought to shed away the practices of the past. The legislature has also been working hard to ensure that the efficacy of this legislation remains robust by constantly amending it based on its experience. Consequently, the need for judicial intervention or innovation from NCLT and NCLAT should be kept at its bare minimum and should not disturb the foundational principles of the IBC.....”*

22. Therefore, the resolution plan, when tested on the touch stone of the aforesaid facts and the rulings, we are of the view that the instant resolution plan satisfies the requirements of Section 30 (2) of the Code and Regulations 37, 38, 38 (1A) and 39 (4) of the Regulations. We also found that the Resolution Applicant is eligible to submit the Resolution Plan under Section 29A of the Code.
23. We therefore, hereby **approve** the Resolution Plan submitted by, along with annexure, schedules forming part of the Resolution Applicant annexed to the Application and order as under:
- (i) The Resolution Plan along with annexures and schedules forming part of the plan shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government,

any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.

- (ii) All crystallized liabilities and unclaimed liabilities of the Corporate Debtor as on the date of this order shall stand extinguished on the approval of this Resolution Plan.
- (iii) The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/ liabilities of the Corporate Debtor and shall be dealt with by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned as held by Hon'ble Supreme Court in the matter of *Ghanashyam Mishra And Sons Private Limited Versus Edelweiss Asset Reconstruction Company Limited* in CIVIL APPEAL NO.8129 OF 2019 dated 13.04.2021.
- (iv) It is hereby ordered that the Performance Bank Guarantee furnished by the Resolution Applicant shall remain as performance Bank Guarantee till the amount proposed to be paid to the creditors under this plan is fully paid off and the plan is fully implemented.
- (v) The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC) Hyderabad for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

- (vi) Henceforth, no creditors of the erstwhile Corporate Debtor can claim anything other than the liabilities referred to supra.
- (vii) The moratorium under Section 14 of the Code shall cease to have effect from this date.
- (viii). The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this order for information.
- (ix). The Applicant shall forthwith send a copy of this order to the CoC and the Resolution Applicant.
- (x). The Registry is directed to furnish free copy to the parties as per Rule 50 of the NCLT Rules, 2016.
- (xi) The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data and also forward a copy to IBBI.
- (xii). Accordingly, IA 1563/2022 stands disposed of.

SD/-

(Charan Singh)  
MEMBER (TECHNICAL)

SD/-

(Dr. Venkata Ramakrishna Badrinath Nandula)  
MEMBER (JUDICIAL)

*Binnu*