



THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-II)
**(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)**

IA(IBC)(PLAN)/8(CH)2024
In
CP (IB) No. 155/Chd/Pb/2021
(Admitted)

Under Sections 30 (6) of the
Insolvency and Bankruptcy Code,
2016 read with Regulation 39 of
IBBI (CIRP) Regulations, 2016

IN THE MATTER OF:

Sheel Auto Industries Pvt. Ltd.

... Petitioner-Corporate Applicant

AND IN THE MATTER OF IA(IBC)(PLAN)/8(CH)2024

Mr. Akhil Ahuja

Resolution Professional

Registration No: IBBI/IPA-001/IP-P-02072/2020-2021/13213

Mavent Restructuring Services LLP B-29,

LGF, Lajpat Nagar III, New Delhi, South,

National Capital Territory of Delhi-110024

Email: caakhilahuja@gmail.com

...Applicant

VERSUS

Mr. Ramdhan Gupta

Successful Resolution Applicant

C-117, Pushpanjali Enclave,

Pitampura, New Delhi-110034

E-mail: rdgupta1954@gmail.com

...Successful Resolution Applicant/ Respondent

Order Delivered on: 06.05.2025

CORAM:

SH. HARNAM SINGH THAKUR, HON'BLE MEMBER (J)

SH. ASHISH VERMA, HON'BLE MEMBER (T)



PRESENT:

For the Applicant/RP: Mr. Raghav Kakkar, Advocate with
Mr. Akhil Ahuja, RP
For the SRA : Dr. Amit Gupta, Advocate

Per: Sh. Harnam Singh Thakur, Member (Judicial)
Sh. Sh. Ashish Verma, Member (Technical)

ORDER

The present application has been filed by **Mr. Akhil Ahuja**, Resolution Professional of **M/s Sheel Auto Industries Pvt. Ltd. (“Applicant/ RP”)** under Section 30(6) read with Regulation 39 of the IBBI (Insolvency Resolution Process of Corporate Persons) Regulations 2016, seeking approval of the Resolution plan submitted by **Mr. Ramdhan Gupta (“Successful Resolution Applicants” / “SRA”)**. The applicant has prayed for the following reliefs:

- a) *Allow the present application; and*
- b) *Approve and accept the resolution plan of Resolution Applicant Mr. Ramdhan Gupta, as approved by the Committee of Creditors by 98.75% as submitted in respect of the Corporate Debtor i.e. Sheel Auto Industries Private Limited;*
- c) *Declare that upon approval of the Resolution Plan by this Hon'ble Adjudicating Authority, the provisions of the Resolution Plan shall be binding on the Company, its creditors, guarantors, members, employees and other stakeholders in accordance with Section 31 of the Code, and shall be given effect to and implemented pursuant to the order of this Hon'ble Adjudicating Authority;*
- d) *Approve the appointment of the monitoring agency as stated in the Resolution Plan and approved by the Committee of Creditors;*
- e) *Approve and grant reliefs and directions sought under the Resolution Plan by the Resolution Applicant;*

f) pass such other or further order/order(s) as may be deemed fit and proper in the facts and circumstances of the instant case.



2. The facts of the present case are that the Application bearing No155/Chd/Pb/2021 under Section 10 of the Code was filed by the Corporate Debtor for initiating Corporate Insolvency Resolution Process ("CIRP"). The said Application was admitted by this Adjudicating Authority vide its order dated 25.08.2023, whereby, Mr. Deepankur Sharma, was appointed as Interim Resolution Professional (the "IRP"). The CoC in its 2nd meeting dated 10.10.2023, approved a Resolution for the replacement of Interim Resolution Professional and proposed the name of the Applicant/Mr. Akhil Ahuja to be the Resolution Professional ("RP") subject to the approval of this Tribunal. Thereafter, the Application bearing I.A. No. 2490 of 2023 was filed by the CoC for the appointment of the Applicant/Mr. Akhil Ahuja as Resolution Professional. The said Application was allowed by this Tribunal vide its order dated 26.10.2023 and the Applicant/Mr. Akhil Ahuja was appointed as the Resolution Professional.

3. The Erstwhile IRP in the 1st CoC meeting apprised the members that the public announcement had been made in two newspapers on August 27, 2023, inviting the submission of claims from Financial Creditors, Operational Creditor and other Creditors of the Corporate Debtors. A copy of the public announcement dated August 27, 2023, is annexed as Annexure A-3 to the application.

4. In terms of the aforesaid publication, one claim from a Financial Creditor and three claims from Operational Creditors were received by

September 07, 2023 i.e. the last date for submission of Claims.

- i. Claims received from Financial Creditors: Bank of India
- ii. Claims received from Operational Creditors: Dhamija Tools & die Works, NRG Enterprises and Ludhiana Wires.

5. In compliance with Section 21(1) of the Code, the IRP certified the constitution of Committee of Creditors ("CoC") on September 15, 2023 which consisted of following creditors: -

S No.	Name of the Creditor	Claim Submitted (Rs.)	Claim Admitted (Rs.)	Voting Share %
1.	Bank of India	7,93,65,353	7,93,65,353	100%
	Total	7,93,65,353	7,93,65,353	

6. However, the CoC was reconstituted based on the claims received from Creditors pursuant to Public Announcement dated 27.08.2023 made by erstwhile IRP in the Corporate Insolvency Resolution Process (CIRP) of Sheel Auto Industries Private Limited. Pursuant to that, a claim has been received from RBL Bank amounting Rs. 9,74,606.86/-. Accordingly, with the provisions of section 25 (2) (e) of the Code along with regulation 13 (a) (d) of the CIRP regulation, the RP had reconstituted CoC for the M/s Sheel Auto Industries Private Limited on 13.11.2023. The reconstituted CoC and voting share of each member is indicated below:



Sr No.	Name of Creditor	Type of Creditor	Type of Form	Amount Claimed (INR)	Amount Admitted	Voting Share
1.	Bank Of India	Financial Creditor	Form C	7,93,65,353	7,93,65,353	98.79%
2.	RBL	Financial Creditor	Form C	9,74,606	9,74,606	1.21%
	Total			8,03,39,959	8,03,39,959	

7. Thereafter, the Applicant called the Third CoC Meeting on 09.11.2023, in order to decide and approve the issuance of invitation for Expression of Interest (the "EOI") for identifying Prospective Resolution Applicants along with eligibility criteria. During the course of the said meeting, the CoC approved the eligibility criteria for prospective resolution applicant and Form G inviting participants for expressing their interest in submitting Resolution Plans was issued on 11.11.2023. A copy of Form G is annexed as **Annexure A-5** with the application.

8. The applicant submits that, as per the provisions of Regulation 36A (10) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Applicant issued a provisional list of Prospective Resolution Applicants dated 10.12.2023 with all the CoC Members. Subsequently on December 19, 2023, the Applicant issued the final list of eligible Prospective Resolution Applicants with all the CoC Members and has issued Request For Resolution Plan (the "RFRP") with all the Prospective Resolution Applicants. The Final List of Prospective Resolution Applicants is stated as hereunder:



Sr. No.	Name of Prospective Resolution Applicant
1.	Mr. Sandeep Gupta
2.	M/s Spss Infrastructure Pvt. Ltd
3.	M/s Sunrise Industries
4.	Mr. Ramdhan Gupta
5.	Mr. Anuj Goyal

9. It is further submitted by the Applicant that it had floated Request for Resolution Plan ("RFRP") on 19.12.2023. A copy of the RFRP is annexed as **Annexure A-6** to the application. The last date of closure of the Corporate Insolvency Resolution Process was February 20, 2024. The Applicant filed an application bearing I.A. 596 of 2024 under Section 12(2) of the Code seeking extension of CIRP for 90 days. The said application was considered and allowed by this Adjudicating Authority vide Order dated 15.04.2024, whereby, the CIRP period was extended till 21.05.2024. A copy of the Order dated 15.04.2024 is annexed as **Annexure A-7** to the application.

10. The last date for submission of the Resolution Plan as per Form G was 30.01.2024. The Applicant informed the members in the 5th CoC meeting held on 03.02.2024 that Four (4) Resolution Plans had been received within the said timeline i.e. on or before January 30, 2024 from the following Resolution Applicants:

- 1) M/s SPSS Infrastructure Pvt. Ltd
- 2) M/s Sunrise Industries
- 3) Mr. Anuj Goyal

4) Mr. Ramdhan Gupta



11. The four plans received on or before January 30, 2024 has been desealed/opened in the 5th CoC meeting and the Applicant apprised the CoC members that all the applicants were required to deposit Interest free Refundable Deposit of Rs. 15 Lakhs and in compliance of that requirement , all the above-mentioned prospective resolution applicant except M/s SPSS Infrastructure Pvt. Ltd has made such deposit. The said EMD was a pre-requisite condition for submission of the Resolution Plan. It was informed by the representatives of M/s SPSS Infrastructure Pvt. Ltd that they have no more interest in moving forward with their Resolution Plan and hence, they have not submitted the EMD. Accordingly, following Resolution Plans were considered by the CoC:

- 1) M/s Sunrise Industries
- 2) Mr. Anuj Goyal
- 3) Mr. Ramdhan Gupta

12. The Applicant convened the 6th CoC meeting on 02.02.2024 wherein the Applicant invited, one-by-one, all the three Prospective Resolution Applicants who have submitted the resolution plan along with the Interest Free Refundable Deposit and allotted specific time to each prospective Resolution Applicant to present their respective plan before the members of the CoC and thereafter, discussed/negotiated the same with the members of the CoC.

13. That, during discussion process with the prospective resolution applicant in the 6th CoC meeting, it was discussed to run the swiss



challenge mechanism among the three resolution applicant for maximization of the value of the Corporate Debtor and such challenge mechanism and few other changes requires addendum in the Request for Resolution Plan (RFRP). Accordingly, a revised RFRP was prepared and approved by the CoC. In the Seventh CoC meeting held on March 12, 2024, Applicant/Resolution Professional apprised the members that the amended RFRP had been circulated to the Prospective Resolution Applicants vide its email dated February 17, 2024 incorporating the changes whose names appeared in the Final list of Prospective Applicants.

14. The Applicant in compliance with Regulation 36B(5) read with 36B(3) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 provided a fresh period of 30 days to all the Prospective Resolution Applicants to submit their resolution plan. Therefore, the last date of submission of the Resolution Plan was March 18, 2024.

15. The Applicant in the 8th CoC meeting held on March 21, 2024 apprised the CoC that the three prospective resolution applicants who had previously submitted their resolution plan have submitted their revised resolution plan which are placed with the CoC along with the summary of revised Resolution Plans for the consideration of the members. Also, the Applicant had sent a copy of all the three Resolution Plans along with its summary to the members of the CoC vide its email dated March 19, 2024. A copy of the summary of the all the three Resolution Plans sent by the Applicant to the CoC is annexed as **Annexure A-8** to the application.

16. It is further stated by the Applicant that, in the 8th CoC meeting,



the members resolved to approve the challenge mechanism process along with the detailed Note on Challenge Process and pursuant to the same, the inter-se bidding took place between all the Resolution Applicants through swiss challenge process mechanism on April 4, 2024. The bidding starting point was Rs. 2,48,00,000/- (Rupees Two Crores Forty Eight Lakhs). Mr. Ramdhan Gupta started the bidding at Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakhs) and the last amount offered by Mr. Ramdhan Gupta was Rs. Rs. 2,93,00,000/- (Rupees Two Crores Ninety Three Lakhs). No other resolution applicant offered an amount more than the amount offered by Mr. Ramdhan Gupta and thus, he was declared as H-1 Bidder. A copy of the Highest bid Report along with the bids received in the process are annexed as **Annexure A-9** to the application.

17. Pursuant to the Swiss Challenge Process Mechanism, all the three resolution applicants were requested to submit by 05.04.2024 their revised resolution plans along with the revised financial proposal. Out of the three prospective resolution applicants, only the highest bidder Mr. Ramdhan Gupta has submitted the revised resolution plan on 05.04.2024.

18. Accordingly, the plan of Mr. Ramdhan Gupta was put for voting on 10.04.2024 in the 10th CoC meeting. The CoC members took time for internal approval regarding the approval of the resolution plan and other agenda that has been put for voting in the 10th CoC meeting. The timeline for voting was initially decided to be 19.04.2024 and further extended considering the criticality of the agenda and time required by the CoC members for internal deliberations and approval. The voting has been concluded on 10.05.2024 wherein the Resolution Plan has been approved



by 98.75% voting share which also constitutes the 100% share of secured sole financial creditor. A copy of the Voting Sheet for approval of Resolution Plan is annexed as **Annexure A-11** to the application and is reproduced herein below:

BALLOT PAPER FOR VOTING FOR THE TENTH MEETING OF THE COMMITTEE OF CREDITORS IN THE MATTER OF SHEEL AUTO INDUSTRIES PRIVATE LIMITED

DATE OF MEETING: - 10.04.2024

Resolution Number: CoC-10-R1

TO CONSIDER AND APPROVE THE RESOLUTION PLAN SUBMITTED BY MR. RAMDHAN GUPTA IN ACCORDANCE WITH THE PROVISION OF INSOLVENCY AND BANKRUPTCY CODE, 2016, AND REGULATIONS MADE THEREUNDER AND TO VOTE THEREON.

Resolution:

"RESOLVED THAT pursuant to section 30 sub-section (4) and sub-section (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 and other applicable provisions of Insolvency and Bankruptcy Code, 2016, and regulations made thereunder, the Resolution Plan submitted by **Mr. Ramdhan Gupta** and as circulated to the members (Post challenge mechanism process), be and is hereby approved for Insolvency Resolution of M/s. Sheel Auto Industries Private Limited.

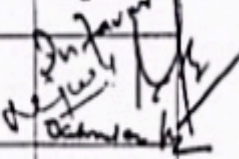
RESOLVED FURTHER THAT the Resolution Professional shall submit the Resolution Plan approved by the Committee of Creditors with the Adjudicating Authority subject to receipt of Performance Bank Guarantee or Earnest Money Deposit of 25% of the total resolution plan amount, within seven (07) days of issuance of the date of approval of the Successful Plan by the COC.

True Copy

RESOLVED FURTHER THAT the feasibility and viability of the resolution plan submitted by Mr. Ramdhan Gupta is being considered by the members of the CoC and the Resolution Plan submitted by Mr. Ramdhan Gupta and as circulated to the members (Post challenge mechanism process), be and is hereby approved for Insolvency Resolution of M/s. Sheel Auto Industries Private Limited after analysing the feasibility and viability of the plan.

RESOLVED FURTHER THAT the Committee hereby authorize Mr. Akhil Ahuja, Resolution Professional to seek legal assistance from external legal counsel / consultant to file an application before Hon'ble NCLT in order to give effect to this resolution. The cost incidental to same shall be treated as Insolvency Resolution Process Cost of M/s. Sheel Auto Industries Private Limited."

In terms of provisions of the Insolvency and Bankruptcy Code, 2016 the above resolution is required to be passed by a vote of not less than 66% of voting share.

S.No.	Name of Members	Voting in Favor	Voting in Against	Abstained from Voting	Signature
1.	Bank of India	✓	-	-	
2.	RBI. Bank Limited				
	Total				

The signed ballot paper shall be received through email by Friday i.e. 10.05.2024, 07:00 PM.

True Copy
K
incate

19. Thereafter, LOI was issued by the Applicant / Resolution Professional to Mr. Ramdhan Gupta dated 13.05.2024. The LOI was issued in accordance with the terms of the RFRP. In accordance with the



Clauses of the RFRP, the Successful Resolution Applicant (the "SRA") needed to submit the Performance Bank Guarantee or Interest Free Deposit equivalent of 25% as a Performance Guarantee to the tune of Rs. 73,25, 000/- (Rupees Seventy-Three Lakhs Twenty-Five Thousands Only) in the bank account of the Corporate Debtor i.e. Sheel Auto Industries Private Limited within 4 days of receiving the LOI I.e. till 17.05.2024. A copy of the LOI dated 13.05.2024 has been annexed as **Annexure A-14** to the application.

20. The Successful Resolution Applicant has already deposited the interest free refundable deposit of INR 25,00,000 along with the EOI and Resolution plan and as stipulated in RFRP such amount is being considered in compliance of the said condition and Successful Resolution Applicant has deposited the remaining amount of Rs. 48,25,000/- (Rupees Forty-Eight Lakhs Twenty-Five Thousands Only) on May 16, 2024 with the Bank account of the Corporate Debtor and complied with the condition for deposits of 25% of the resolution plan amount as Performance Guarantee. A copy of the Bank Account statement of the Corporate Debtor is annexed as **Annexure A-15** to the application.

21. The Resolution Applicant had submitted an undertaking stating that the Resolution Applicant is eligible under Section 29A of the code. The Applicant/Resolution Professional has annexed the undertaking under Section 29A of the I&B code, along with the application as **Annexure A-12.**



22. As regards to the compliances, the Applicant has submitted, as part of the Form 'H' which is filed as **Annexure A-13** along with the Application, and the same is as following:

9. The compliance of the Resolution Plan is as under:			
Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(b)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	8	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	5.2	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	5.2	Yes
Section 30(2)	Whether the Resolution Plan-		Yes
	(a) provides for the payment of insolvency resolution process costs?	6.1	
	(b) provides for the payment to the operational creditors and provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	3.3 & 6.1	
	(c) provides for the management of the affairs of the corporate debtor?	10	
	(d) provides for the implementation and supervision of the resolution plan?	10.5 & 10.6	
	(e) Does not contravene any of the provisions of the law for the time being in force?	22	
	(f) Conforms to such other requirements as may be specified by the Board.	21	
Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC? (b) has been approved by the CoC with 66% voting share?	21(b)	Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	21(c)	Yes
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	6.3.1(c)	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	20(a)	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code.	20(b)	NA



	(ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?		
Regulation 38(2)	(a) Whether the Resolution Plan provides: (b) (a) the term of the plan and its implementation schedule? (c) (b) for the management and control of the business of the corporate debtor during its term? (d) (c) adequate means for supervising its implementation? (e)	11 10 10.5 & 10.6	Yes
38(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default? (b) it is feasible and viable? (c) it has provisions for its effective implementation? (d) it has provisions for approvals required and the timeline for the same? (e) the resolution applicant has the capability to implement the resolution plan?	21(a) 21(b) 21(c) 21(d) 21(e)	Yes
39(2)	(f) Whether the RP has filed applications in respect of transactions observed, found or determined by him?	22.9	Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	22.7	The RFRP provides a deposit or Performance Bank guarantee of 25% of resolution plan amount and such amount has been deposited by the Resolution Applicant.

23. The details of the distribution of Resolution Plan amount amongst the creditors/stakeholders, as submitted in Form 'H', is reproduced below:



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	N/A	N/A	N/A	N/A
		(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	7,93,65,353	7,93,65,353	2,69,25,692	33%
		Total[(a) + (b)]	7,93,65,353	7,93,65,353	2,69,25,692	
2	Unsecured	(a) Creditors not having	N/A	N/A	N/A	N/A

	Financial Creditors	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 did not vote	9,74,606	9,74,606	9,700	0.99%
		(ii) who voted in favour of the resolution plan				
		Total[(a) + (b)]	9,74,606	9,74,606	9,700	



3	Operational Creditors	(a) Related Party of Corporate Debtor	N/A	N/A	N/A	N/A
		(b) Other than (a) above:				
		(i) Government	1,80,092	1,80,092	1,80,092	100%
		(ii) Operational Creditors other than Workmen, Employees and Government Dues	16,20,616	16,20,616	16,200	0.99%
		Total[(a) + (b)]	18,00,708	18,00,708	1,96,292	
4	Other debts and dues		N/A	N/A	N/A	N/A
Grand Total			8,21,40,667	8,21,40,667	2,71,31,684	

24. As per the Form 'H' placed by the Applicant on record, the Fair Value of the Corporate Debtor is Rs. 4,17,91,867.25 and the Liquidation Value (LV) of the Corporate Debtor is Rs. 2,93,27,039.25. Whereas, the total amount provided under the Resolution Plan is Rs. 2,71,31,684 which is 64.92% of FMV and 92.51% of Liquidation Value.

25. As regards the term of Plan and implementation schedule, it has been proposed by the SRA that the term of the Resolution Plan shall commence on the "effective date" and would last till the 30th day or till the last payment to be made as per the resolution plan whichever is earlier as per the following schedule (internal page 25-26 of the Resolution Plan and page 44-45 of the application) which has been reproduced below. CIRP cost according to the resolution plan is to be paid on actual basis.



11. TERM OF THE PLAN AND IMPLEMENTATION SCHEDULE

1. 11.1 Term of the Resolution Plan

(a) The term of this Resolution Plan shall commence on the Effective Date and would last till 30th day or till the last payment to be made as per the resolution plan whichever is earlier. Detailed schedule is available above.

(b) Notwithstanding anything stated herein, the term of the Resolution Plan shall automatically be deemed as completed once all payments due under this Resolution Plan are paid to the creditors identified above, in the manner stipulated herein. None of the terms of this Resolution Plan shall apply to any fresh financings and / or investments made into the Company post the Effective Date, on terms independent of the facilities covered under this Resolution Plan.

2. 11.2 Implementation Schedule

The Resolution applicant has defined the timelines for the payments to be made to the different creditors in the following ways:

CLAIM OF DIFFERENT CREDITORS AND OFFER GIVEN BY RESOLUTION APPLICANT				
S.N O	NATURE OF CREDITOR	AMOUNT OF CLAIM ADMITTED (Rs.)	A M O U N T PROVIDED FOR T H E RESOLUTION PLAN (Rs.)	SCHEDULE OF PAYMENT
1	PAYMENT TO CIRP C O S T (Estimated but payable on actual basis and approved by COC)	21,68,316	21,68,316/-	WITHIN 30 DAYS FROM NCLT ORDER




2	Payment to operation Creditors - statutory dues	1,80,092	1,80,092/-	WITHIN 30 DAYS FROM NCLT ORDER
2	Payment to operation Creditors including employees / workmen dues	16,20,616	16,200/-	WITHIN 30 DAYS FROM NCLT ORDER
3	Payment to Financial Creditors (Un-Secured)	9,74,606	9,700/-	WITHIN 30 DAYS FROM NCLT ORDER
4	Payment to Financial Creditors (Secured)	7,93,65,353	2,69,25,692/-	WITHIN 30 DAYS FROM NCLT ORDER
	Total		2,93,00,000/-	

26. Regarding supervision and monitoring over implementation of the Resolution Plan, it has been proposed to constitute a two-member Monitoring Committee consisting of the RP and one representative of SRA. The relevant details given in the Resolution Plan (internal page 24-25 of the Resolution Plan and page 43-44 of the application) are reproduced hereinafter:

1. 10.6 Supervision of the Resolution Plan


- (a) With effect from the Effective Date, a Monitoring Committee shall be constituted with Resolution Professional (or any other independent Insolvency Professional).
- (b) Monitoring Committee shall consist of Resolution Professional and one representative of resolution applicant.
- (c) The term of the Monitoring Committee shall commence on the Effective date on its Constitution of this resolution plan.
- (d) Resolution Applicant undertakes to bear the remuneration of monitoring committee and the same may be decided by committee of creditors / monitoring committee.
- (e) The Monitoring Committee shall supervise the implementation of the resolution plan as per the clauses mentioned herein and provide necessary directions to the Reconstituted Board of the Directors as required.

- 
- (f) On successful implementation of the resolution plan, the Monitoring Committee shall issue a certificate of Discharge to the Resolution Applicant and the Company with respect to discharge of the duties of the resolution applicant for the implementation of the Resolution Plan. In case entire payment proposed in Resolution Plan is made before expiry of 90 days in that situation monitoring committee shall be dissolved automatically.
- (g) Thereafter, the Monitoring Committee shall stand dissolved with immediate effect.

27. On perusal of the Resolution Plan, it is seen that the SRA has sought certain reliefs and concessions, as listed under Paragraph 16 on page 27 of the Resolution Plan and page 46 of the application. The said reliefs and concessions, enlisted in the resolution plan are reproduced below:

“16. RELIEFS AND CONCESSIONS

16.1. The Resolution Applicant requested for the reliefs and concessions in order for the Plan to be successful and upon Effective Date, each of these shall be deemed to be a part of the Hon'ble NCLT order approving the Plan. The Resolution Applicant will acquire control over the Company pursuant to the order of the NCLT and not pursuant to the usual acquisition process which would ordinarily include a detailed due diligence and representation, warranties and indemnities in relation to the affairs of the Company from its Existing Promoters. The Resolution Applicant may take some time to discover all the non-compliances that may exist in relation to the Company on the date of acquisition of control by the Resolution Applicant over



the Company. As such the Resolution Applicant may take some time to identify such non-compliances and to address them. In light of this, the Resolution Applicant prays to the Hon'ble NCLT to grant it immunity from any actions and penalties (of any nature) under any laws for any non-compliance of laws in relation to the Company or by the Company, which was existing as on the date of acquisition of control by the Resolution Applicant over the Company and which continues for a period of up to 12 (Twelve) months after the acquisition of control by the Resolution Applicant over the Company. The Resolution Applicant undertakes to cause the Company to expeditiously identify such non-compliances, evaluate the steps required to address such non-compliances and take steps to remedy such non-compliances to the extent practically possible.

16.2. The Resolution Applicant undertakes and confirms that, on and from the approval of this Resolution Plan by the COC, and subject only to (i) obtaining required approvals from the Hon'ble NCLT or any other Authority (if required) in accordance with Applicable Law, and (ii) applicable directions of the Hon'ble NCLAT and/or Hon'ble High Court and/or Hon'ble Supreme Court, if any, all obligations and commitments, financial or otherwise, undertaken by it under this Resolution Plan towards the Approving Financial Creditors, and any other stakeholders, shall be binding on it, and shall subsist and be in full force and effect irrespective of whether any reliefs, waivers or concessions



sought by the Resolution Applicant are granted by the NCLT, the Hon'ble NCLAT, the Hon'ble Supreme Court, or any other judicial, quasi-judicial, regulatory or administrative entity, department or authority.”

28. The details of Section 66 or avoidance application filed/pending are as follows:

15. Provide details of section 66 or avoidance application filed / pending.				
Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
1	Preferential transactions under section 43	N/A	N/A	N/A
2	Undervalued transactions under section 45	N/A	N/A	N/A
3	Extortionate credit transactions under section 50	N/A	N/A	N/A
4	Fraudulent transactions under section 66	28/03/2024	Pending before NCLT Chandigarh Bench and NDOH- 09/07/2024	Pending

29. The details of balance-sheet from financial year 2022-2023 and 2023-2024 along with the audit reports has been filed in pursuance of the order dated 24.10.2024 vide diary No. 01742/7 dated 27.11.2024. The submissions of the claim by the ESIC has been filed vide diary No.01742/12 dated 17.12.2024.

30. The affidavit to place on record the payment of ESIC as per order dated 03.12.2024 has been filed vide diary No.01742/13 dated 01.01.2025



and the affidavit to place on record the financial proposal of the successful Resolution Applicant regarding the claim of GST, has been filed vide diary No.01742/14 dated 05.02.2025.

31. After going through the Application, Additional Affidavits and all other documents placed by the Applicant/RP on record and hearing the Ld. Counsel appearing on behalf of the applicant, we observe that the CoC of the Corporate Debtor has duly considered and approved the Resolution Plan submitted by the Successful Resolution Applicant which was put for voting on April 10, 2024 in the 10th CoC meeting and concluded on May 10, 2024 by a voting share of 98.75%.

32. The role of the Adjudicating Authority has been examined by the Hon'ble Supreme Court in a catena of judgements. The relevant extracts of the decision of the Hon'ble Supreme Court in Civil Appeal No. 10673 of 2018 in the matter of **K. Sashidhar Vs. Indian Overseas Bank & Ors.** is reproduced below:

“35. 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 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. 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.”

“38. 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 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.”

33. In view of the decision of Hon’ble Supreme Court (Supra), it is a well-settled principle of law that the Adjudicating Authority is not required to interfere with the decision taken by the CoC in its commercial wisdom, save and except the circumstances referred to in Section 31(2) of the IBC, 2016.

34. In view of the discussions and the law thus settled, the instant



Resolution Plan meets the requirements of Sections 30 and 31 of the Code and 37, 38 and 39 of the CIRP Regulations, 2016. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. **We, therefore, allow the present Application and approve the COC approved Resolution Plan placed before us by the Applicant/RP with the following directions:**

- i. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government and 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. The approval of the Resolution Plan shall not be construed as a waiver of any statutory obligations or liabilities of the Corporate Debtor and shall be dealt with by the appropriate Authorities in accordance with the law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of the Supreme Court in **Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited**, the relevant paras of which are extracted herein below:

“95. (i) That once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and



will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors, and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;

(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.”

- iii. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the jurisdictional Registrar of Companies (RoC), for information and record. The Resolution Applicant, for the 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.



- iv. The moratorium under Section 14 of the Code shall cease to have effect from this date.
- v. The Monitoring Committee shall be constituted as proposed in the plan consisting of erstwhile RP and one representative of SRA and shall supervise the implementation of the Resolution Plan and file the status of its implementation before this Authority from time to time, preferably every quarter.
- vi. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with a copy of this Order for information.
- vii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

35. The reliefs, concessions and waivers sought by the Successful Resolution Applicant will be dealt with strictly as per law. It is further directed that the Resolution Applicant, on taking control of the corporate debtor, shall ensure compliance under all applicable laws for the time being in force. As far as the question of granting time to comply with the statutory obligations or seeking sanctions from government authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under Section 31(4) of the Code.

36. The Resolution Professional shall stand discharged from his duties with effect from the date of this order. However, he shall perform his duties under monitoring committee constituted in this order in terms of the Resolution Plan as approved by this Adjudicating Authority.



37. The Resolution Professional is further directed to hand over all records and properties to the Resolution Applicant and shall finalize the further line of action required for starting the operation. The Resolution Applicant shall have access to all the records and premises of the corporate debtor through the Resolution Professional to finalize the further line of action required for starting the operation.

38. The Resolution Applicant shall pursue the avoidance transaction application and out of recoveries made from these avoidance applications, the expenses incurred by Resolution Applicant in pursuing the avoidance applications shall be first deducted and surplus if any remaining shall be distributed to the creditors as per Section 53.

39. In case of non-compliance with this order or withdrawal of the Resolution Plan, the performance security amount already paid by the Resolution Applicant shall be liable to be forfeited, in addition to such further action as may be permitted under the law.

40. Liberty is hereby granted for moving any application if required in connection with the implementation of this Resolution Plan.

41. The Resolution Professional shall forward all records relating to the conduct of the CIRP and the resolution plan to the Insolvency and Bankruptcy Board of India to be recorded on its database.

42. Additionally, the Registry shall send a copy of this order to the concerned Registrar of Companies.

43. The Resolution Plan is approved with the above-mentioned observations and thus, the application bearing **IA(IBC)(PLAN)/8(CH)2024** in the main Company Petition, i.e., **CP(IB) No.155/Chd/Pb/2021** stands



allowed and ***is disposed of*** accordingly.

44. A certified copy of this order may be issued, if applied for, upon compliance with all the requisite formalities.

Sd/-

(Ashish Verma)

Member (Technical)

Sd/-

(Harnam Singh Thakur)

Member (Judicial)

May 06, 2025

Vishesh