



**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU**

[Through Physical hearing/VC Mode (Hybrid)]

**ITEM No.07
I.A. (PLAN) 13/2024 IN
C.P (IB) No.05/BB/2022**

IN THE MATTER OF:

A N SrinivasaRajeUrs Sole proprietor of
M/s Sri krishna Enterprises ... Petitioner
Vs
Shreyas Papers Pvt Ltd ... Respondent

Order under Section 9 of the I & B Code, 2016

Order delivered on: 18.07.2025

CORAM:

**SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)**

**SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)**

PRESENT:

For the RP : Shri Abhijit Atur

ORDER

I.A. (PLAN) 13/2024

1. Heard the Ld. Counsel for RP.
2. I.A (Plan) No.13 of 2024 is approved by separate order.
3. File be sent to records.

-Sd-

**RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

-Sd-

**SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**

Gy



IN THE NATIONAL COMPANY LAW TRIBUNAL

BENGALURU BENCH

*(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)*

I.A. (PLAN) NO. 13/2024

IN

C.P. (IB) NO. 5/BB/2022

*(filed under Section 30(6) of the Insolvency & Bankruptcy Code, 2016 read with
Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons)
Regulations, 2016)*

IN THE MATTER OF I.A NO. 13/2024:

**MR. A.N. SRINIVASA RAJE URS
SOLE PROPRIETOR OF
M/S. SRI KRISHNA ENTERPRISES**

.... Petitioner

VS.

**M/S. SHREYAS PAPERS PVT. LTD and
M/S. SHREENIDHI PAPERS PVT. LTD**

.... Respondent

IN THE MATTER OF:

**MR. A.N. SRINIVASA RAJE URS
SOLE PROPRIETOR OF
M/S. SRI KRISHNA ENTERPRISES**

.... Petitioner

VS.

**M/S. SHREYAS PAPERS PVT. LTD and
M/S. SHREENIDHI PAPERS PVT. LTD**

.... Respondent

AND IN THE MATTER OF:

MR. SYAM PRABHAD
Resolution Professional,
M/s. Shreyas Papers Private Limited and
M/s. Shreenidhi Papers Private Limited
Having his address at
No. 414, 9th Main Rpad, 1st Block,
HRBR Layout, Kalyan Nagar,
Bangalore – 560 043

.... Applicant

Order delivered on: 18.07.2025



- Coram:**
1. Hon'ble Shri Sunil Kumar Aggarwal, Member (Judicial)
 2. Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

Parties/Counsels Present:

For the Resolution Professional: Shri Abhijit Atur

ORDER

1. This Application is filed by Mr. Syam Prabhad (hereinafter referred to as '*Applicant/Resolution Professional*') under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 and Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 seeking approval of the Resolution Plan dated 19.09.2024 submitted by Mr. Umarparook Allasa Bagawan (hereinafter referred to as '*Successful Resolution Applicant/SRA*'), approved by the CoC in its 10th meeting, held on 05.10.2024, with 100% voting share.

2. ABOUT THE CORPORATE DEBTORS

M/s. Shreyas Papers Private Limited and Shreenidhi Papers Private Limited, Corporate Debtors were admitted into CIRP vide order dated 31.10.2023 in CP (IB) No. 5/BB/2022 and vide order dated 09.06.2023 in CP (IB) No. 118/BB/2022, wherein Mr. Narayana Kamma and Mr. Girish Kambadaraya were appointed as the Interim Resolution Professionals respectively. The key dates and events during the Corporate Insolvency Resolution Process period are tabulated as hereunder:

S. No.	Date	Particulars
1.	09.06.2023	Shreenidhi Papers Private Limited admitted into CIRP and appointed IRP
2.	12.06.2023	Paper Publication for Public announcement in Form A
3.	31.10.2023	Shreyas Papers Private Limited admitted into CIRP and appointed IRP
4.	16.11.2023	Paper Publication for Public announcement in Form A
5.	16.04.2024	Hon'ble Tribunal allowed the consolidation of the CIRPs of both the Corporate Debtors
6.	30.04.2024	<i>1st CoC Meeting</i> – Approved appointment of Cas to conduct transactions audit of the books of accounts of CDs
7.	04.05.2024	Publication under Form-G
8.	07.08.2024	Fresh Publication under Form-G



9.	14.08.2024	Applicant received an Expression of Interest and a plan by Mr. Umarparook Allasa Bagawan
10.	23.08.2024	Due diligence report prepared by the Applicant
11.	25.09.2024	9 th CoC Meeting – CoC was of the opinion to increase the financial payout proposed in the Plan.
12.	05.10.2024	Resolution plan approved by the Coc in its 10 th meeting
13.	25.10.2024	Date of Filing of resolution plan with AA

3. **APPOINTMENT OF REGISTERED VALUERS:**

- i. Following Registered Valuers were appointed for Plant & Machinery on 03.01.2024:
 - Motappa Thimmarayaswamy
 - Sheshanarayana Gundurao
- ii. Following Registered Valuers were appointed for Land and Building on 03.01.2024:
 - S Lakshman
 - D V Murali Manohar
- iii. Following Registered Valuers were appointed for Securities and Financial assets on 03.01.2024:
 - Koteswara Rao Gutta
 - Sneha Sravanthi

The Fair Value and Liquidation value of Shreyas Papers Private Limited is as follows:-

S. No.	Type of Asset	Valuer's Name	Fair Value	Liquidation Value
1.	Plant & Machinery	Motappa Thimmarayaswamy	3,31,00,000	2,69,00,000
		Sheshanarayana Gundurao	3,38,19,694	3,01,03,786
2.	Land and Building	S Lakshmanan	2,97,00,000	2,08,00,000
		D V Murali Manohar	2,12,10,350	1,69,68,280
3.	Securities and Financial Assets	Koteswara Rao Gutta	7,21,12,000	1,91,77,000
		Sneha Sravanthi	7,15,33,000	1,82,17,000
Total Fair & Liquidation Values			26,14,75,044	13,21,66,066

The Fair Value and Liquidation value of Shreenidhi Papers Private Limited is as follows:-

S. No.	Type of Asset	Valuer's Name	Fair Value	Liquidation Value
1.	Plant & Machinery	Motappa Thimmarayaswamy	3,80,00,000	2,69,00,000
		Sheshanarayana Gundurao	3,45,99,174	3,06,60,210



2.	Land and Building	S Lakshmanan	-	12,00,000
		D V Murali Manohar	-	14,38,474
3.	Securities and Financial Assets	Koteswara Rao Gutta	3,50,89,000	1,72,08,000
		Sneha Sravanthi	3,32,01,000	1,51,67,000
	Total Fair & Liquidation Values		26,14,75,044	13,21,66,066

4. DETAILS OF THE SUCCESSFUL RESOLUTION APPLICANT

The Successful Resolution Applicant, Mr. Umarparook Allasa Bagawan gained sufficient on-field experience and insights into the workings and management of paper industry. The SRA has also held several managerial positions in Mumbai and has overseen the production processes and team management activities. Since the SRA was involved in the industry of paper manufacturing, the SRA's expertise is tailor-made to the requirements of the two Corporate Debtors, which too were involved in the manufacturing of paper and allied products.

The Resolution Applicant meets the criteria provided by the CoC and is also eligible under Section 29A of the Code, affidavit regarding the same is filed as **Annexure A** in the Memo filed by applicant in compliance with the order dated 04.02.2025 vide Diary No. 1389. Further, the due diligence report under Regulation 36A (8) has been submitted by the RP, annexed as **Annexure N**, confirming the eligibility of the SRA.

5. SALIENT FEATURES OF THE RESOLUTION PLAN

a. Pay-out to Stakeholders as proposed in the Plan:

Sl. No.	Category of Creditor	Amount Claimed	Amount Admitted	Amount Proposed
1.	CIRP Costs		-	30,00,000
2.	Financial Creditors	9,94,39,930	9,94,39,930	8,00,00,000
3.				
	a. Workmen & Employee	3,99,51,034	3,99,51,034	86,00,000
	b. Government	3,97,56,007		
	c. Others	16,28,20,598	3,97,56,007	8,00,000
			12,83,24,832	26,00,000
4.	Other Debts & Dues	-	-	
	TOTAL	34,19,67,569	12,83,24,832	9,50,00,000/-

b. Payment Schedule: Upon approval of the Plan, 10 % of amount payable to stakeholders; Within 30 days or upon handing over of the factory, 40% of amount payable to stakeholders; Within 90 Days, 50% of amount payable to stakeholders.



c. Implementation, Supervision & Management of the Corporate Debtor:

A Monitoring Committee shall consist of the erstwhile RP, one representative of the CoC, and one representative appointed by the Financial Creditors in the COC will be constituted without any further action required from the Corporate Debtor or the Resolution Applicant, to monitor and supervise the implementation of the Plan. The committee shall be functional from the Approval date till the date on which entire plan is implemented or 24 months whichever is earlier. Monitoring Committee shall be in place till the entire charge is paid and satisfied.

d. Source of Fund and Feasibility of the Plan:

The RA proposes to raise funds by way of Equity/Deposits/Unsecured loan from within the group and the relatives/friends/family members/associates of the directors and promoters of the group companies and also from the fresh bank borrowing.

The summary of means of finance for resolution plan is as under:

S.No.	Means of Finance	Amount (Rs.)
1.	Promoters contribution as equity and loan	5,00,00,000
2.	Promoters Contribution by way of Unsecured Loan from friends, relatives, associates	3,00,00,000
3.	Bank Borrowing	8,00,00,000
TOTAL		16,00,00,000

OPERATIVE PART

6. Heard learned counsel for the Resolution Professional and carefully perused the pleadings on record.
7. On 04.02.2025, the Adjudicating Authority the following order was given:
- “.....On perusal of the Resolution Plan, it is noticed that the following documents are not filed:*
- Affidavit regarding pending litigations, if any, against the Corporate Debtor;*
 - Affidavit regarding Regulation 31A of IBBI (CIRP) Regulations, 2016;*
 - An Affidavit placing the Sanction letter of loan from Bank on Record. It is noticed that at page no.549 of the Application it is mentioned that the Promoters contributions amounting to Rs.8,00,00,000/- as equity and loan as well as Bank Borrowing amounting to Rs.8,00,00,000/-, however, there is no Sanction-Letter of Loan from Bank attached with the Plan.*
 - The Applicant is directed to file a Performance Bank Guarantee as per Regulation 36B (4A) of IBBI (CIRP) Regulations, 2016, as the Banker's Certificate has been attached at page no.631 is expired on 24.12.2024.*



- e. Clarification with regard to payment to Operational Creditor as per Section 30(2) (b) of the IBC, 2016.
- f. Affidavit regarding whether Due Diligence Report of the Resolution Applicant submitted by RP complies with the requirement under Regulation 36A (8) of the IBBI (CIRP) Regulations, 2016.
- g. An Affidavit under Regulation 38 (3) (b) of IBBI (CIRP) Regulations, 2016 needs to be filed explaining how the Resolution Plan is feasible and viable with the help of Projected Financial Plan.
- h. An Affidavit under Regulation 38 (3) (e) needs to be filed to explaining whether the Resolution Applicant has the capability to implement the Resolution Plan as per Regulation 38 (3) (e) of the IBBI (CIRP) Regulations, 2016.
- i. The complete voting sheet of minutes of CoC meeting of the Corporate Debtor to be filed.
- j. Net worth Certificate of the SRA as on 31.03.2024 and 30.09.2024...”

8. In compliance to the order dated 04.02.2025 memo has been filed and affidavit in respect of the pending litigation was filed vide Diary No. 1389. The same is taken on record.

9. On 08.04.2025, the Adjudicating Authority had given the following order:
“...It is noticed that at Page 46 to 54 of the Memo, regarding assent and dissent to the matter, instead of tick mark, stamp has been put by the CoC Member. Therefore, the RP Counsel is directed to file an affidavit or file a fresh document along with tick mark of the CoC within one week....”

10. On 16.06.2025, the Adjudicating Authority had given the following order:

“...1. Under Regulation 38(3)(a) with respect to the cause of default, it is observed that no satisfactory explanation has been given as to how the Plan addresses the cause of default;

2. The Bankers certificate for source of funds amounting to Rs.8,00,00,000/- has expired on 01.06.2025. The applicant is directed to file the latest Bankers certificate.

3. As per Regulation 36B (4A) of CIRP Regulations, 2016 performance security should be provided within the time specified. However, there is no proof of performance security attached with the plan. The applicant is directed to file the performance security as mandated under Regulation 36B (4A) of CIRP Regulations, 2016...”

11. In compliance, the Applicant has filed affidavits dated 15.04.2025 and 25.06.2025.

12. The details of the creditors, the distribution of voting share among them and the position of voting for the Resolution Plan is as under:

Sl.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for/ Dissented/ Abstained)
1.	KDCC Bank	100%	Voted for
	Total	100.00%	

13. The details of stakeholders and the amounts provided for them under the Resolution Plan is given in Para 7 of Form H. However, it is to be noted that in compliance to the



order dt. 17.02.2025 of this Authority, the RP has filed a fresh Form H, of which Para 7 is produced below:

(Amount in Rs. Lakhs)

Sl. No.	Category of Stakeholder	Sub-Category of Stakeholder	Amount Claimed (In Rs.)	Amount Admitted (In Rs.)	Amount Provided under the Plan # (In Rs.)	Amount Provided to the Amount Claimed (%)
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.	994.39	994.39	800.00	80.45%
		Total	994.39	994.39	800.00	80.45%
2	Unsecured 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.				
		Total[(a) + (b)]	-	-	-	-
3	Operational Creditors	(a) Related Party of Corporate Debtor	-	-	-	-
		(b) Other than (a) above:				
		(i)Government	397.56	397.56	8.00	2.01%
		(ii)Workmen & Employees	399.51	399.51	86.00	21.53%
		(iii)Operational Creditors (not included in i & ii)	1628.21	1283.24	26.00	1.60%
		Total[(a) + (b)]	2425.28	2080.31	120.00	4.95
4	Other Debts and Dues	-	-	-	-	
GRAND TOTAL			3419.67	3074.70	920.00	26.90



14. The interest of existing shareholders has been altered by Resolution Plan as under, as per Para 8 of Form H:

Sl. No.	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
1	Equity M/s Shreenidhi Paper Private Limited M/s Shreyas Papers Private Limited	3,000 50,000	1,00,000	100%	Not Specified
Total		53,000	1,00,000	100%	

The compliance of the Resolution Plan as per Para 9 of Form H is hereunder:

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	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?	Pg 12 & 13	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?	Pg 40	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Appendix 4 Sec 29A Affidavit	Yes
Section 30(2)	(a) Provides for the payment of insolvency resolution process costs?	Page 14 (clause 5.1)	Yes
	(b) Provides for the payment of the operational creditors?	Page 17 (clause 5.3)	Yes
	Provides for the payment to the financial creditor who did not vote in favour of the Resolution Plan?	NA	NA
	(c) Provides for the management of the affairs of the Corporate Debtor?	Page 34 (clause 5.8)	Yes
	(d) Provides for the implementation and supervision of the Resolution Plan?	Page 35 (clause 5.10)	Yes
	(e) Contravenes any of the provisions of the law for the time being in force?	No	No
	(f) Confirms to such other requirements as may be specified by the Board	Clause 3.7 of Section A on Page no. 20 of Resolution Plan	Yes
Section 30(4)	(a) is feasible and viable, according to the CoC?	Considered in CoC meeting held on 05.10.2024	Yes
	(b) has been approved by the CoC with 66% voting share?	Yes, 100% voting share	Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Page 31 (clause 5.7.24 & 5.7.25)	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?	Page 17 (clause 5.3)	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Page 12	Yes
Regulation 38(2)	Whether the Resolution Plan provides:		
	(a) The term of the plan and its implementation schedule?	Page 31 (clause 5.7.24)	Yes
	(b) For the management and control of the business of the Corporate Debtor during its term?	Page 34 (clause 5.8)	Yes
	(c) Adequate means for supervising its implementation?	Page 35 (clause 5.10)	Yes
Regulation 38(3)	Whether the resolution plan demonstrates that-		
	(a) it addresses the cause of default?	Page 40 & 42	Yes
	(b) it is feasible and viable?	Page 40 & 42	Yes
	(c) it has provisions for its effective implementation?	Page 31 (clause 5.7.24 & 5.7.25)	Yes
	(d) it has provisions for approvals required and the timeline for the same?	Page 40	Yes
	(e) the resolution applicant has the capability to implement the resolution plan?	Page 12 & 40	Yes
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by her?	NA	NA
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Bank Guarantee attached	Yes

15. At this juncture it is necessary to refer to Section 30(2). The provisions of Section 30(2) of the I&B Code, 2016 are as follows:

“30. Submission of Resolution Plan:

.....

(2) The resolution professional shall examine each Resolution Plan received by him to confirm that each Resolution Plan-

(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the 3[payment] of other debts of the corporate debtor;

(b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than the:

i. amount to be paid to such creditors in the event of liquidation of the corporate debtor under section 53; or

ii. the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with the order of priority in sub-section (1) of Section 53, whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the Resolution Plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the Corporate Debtor.

Explanation 1. – For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.

Explanation 2. – For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code



(Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-

(i) where a Resolution Plan has not been approved or rejected by the Adjudicating Authority;

(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or

(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a Resolution Plan;

(c) provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan;

(d) The implementation and supervision of the Resolution Plan;

(e) does not contravene any of the provisions of the law for the time being in force

(f) conforms to such other requirements as may be specified by the Board.”

16. REGULATORY COMPLIANCES:

The compliance of Section 30(2) of the Code is being further examined as under:

- a) **Section 30(2)(a):** The Resolution Plan provides for estimated CIRP costs of INR 30,00,000, including all approved expenses of the IRP/RP, payable by the Resolution Applicant in priority to other debts upon approval by the Adjudicating Authority. Payments, including IBBI fees, shall be made within 30 days of the approval or effective date. If actual costs exceed the estimate, the Resolution Applicant shall fund the shortfall; any surplus will remain with the Corporate Debtor for business use. The Resolution Applicant assumes no additional liabilities from the CIRP period beyond these costs.
- b) **Section 30(2)(b):** The total outstanding amount due to Operational Creditors, as per the Information Memorandum, is Rs.12,83,24,832 across 25 creditors. The Resolution Applicant proposes to pay Rs.26,00,000 (2% of the claims) in aggregate, distributed as specified. Should any additional claims be admitted, the Resolution Professional/CoC may redistribute the allocated amount. Upon assignment, no further dues shall remain payable to Operational Creditors, who shall have no recourse against the Corporate Debtor or Resolution Applicant for any balance.

Further, the Liability of the Corporate Debtor is limited to claims admitted by the Resolution Professional and included in the Information Memorandum; all other claims shall be extinguished per the Extinguishment of Claim clause of the Resolution Plan, with no liability on the Corporate Debtor or its past management. The Resolution Applicant's liability is confined solely to the approved distribution amount. Upon effectiveness of the Resolution Plan, all



outstanding operational claims shall be deemed waived, with no future claims permitted. The payment of Rs.26,00,000 will be made within 30 days of NCLT approval and shall have priority over financial creditors.

- c) **Section 30(2)(c):** Not applicable.
- d) **Section 30(2)(d):** To ensure professionalism, independence, transparency, and sound corporate governance, the proposed Board of Directors for the Corporate Debtor shall comprise Mr. Umarparook Allasa Bagawan and Ms. Farhana Jahagirdar. The Resolution Applicant will also engage additional professionals as required. Management and control of the Corporate Debtor will be transferred to the RA's Board of Directors upon approval by the Committee of Creditors and the Adjudicating Authority. The existing Board shall cease to hold office from the date of NCLT's approval of the Resolution Plan. The Resolution Applicant shall ensure compliance with all applicable laws, including those mandated by the Ministry of Corporate Affairs and other relevant authorities.
- e) **Section 30(2)(e):** Upon approval of the Resolution Plan by the Adjudicating Authority, implementation will commence and continue until closure. A Monitoring Committee comprising the Resolution Professional, a representative of the Resolution Applicant, and a Financial Creditor will be formed to oversee the process. This committee will monitor creditor payments, ensure closure of charges, open and operate an escrow account, and supervise execution without interfering in day-to-day operations. It will remain functional until the plan is fully implemented or for a maximum of 24 months.

Further, the Resolution Applicant will settle creditor dues, take over the management and assets of the Corporate Debtor, infuse capital, obtain required approvals, and file necessary forms. A new board comprising industry experts and professionals will replace the existing board, with full control and documentation handed over by the Resolution Professional. The Monitoring Committee will facilitate this handover, including all relevant records and information. The new management will establish governance structures, processes, and compliance mechanisms to ensure transparency, efficiency, and adherence to legal and regulatory standards. The company will continue



operating as a going concern, with management of its affairs transitioning to the Resolution Applicant from the date of plan approval.

f) **Section 30(2)(f):** The Resolution Applicant confirms that the Plan does not contravene with any of the provisions of the law for the time being in force.

g) It is submitted that the Resolution Plan complied with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency process for Corporate Persons) Regulations, 2016 which are as follows:

1) **Regulation 38(1):** As per Regulation 38(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 the amount due to the operational creditors under the Resolution Plan has been given priority in payment over financial creditors. It is stated that the Resolution Applicant undertakes to pay Rs.26,00,000/- to the claims of the CD within 30 days of NCLT's approval.

2) **Regulation 38(1A):** It is submitted that the Resolution Applicant has considered the interest of all the stakeholders and accordingly has proposed to make payment in the following manner to the stakeholders.

- **CIRP Costs:** It is submitted that the resolution plan allocates ₹30 lakhs for CIRP costs, to be paid within 30 days of approval. Any excess will be funded by the Resolution Applicant; any shortfall retained by the Corporate Debtor. The Applicant is liable only for CIRP costs.

- **Sole Secured Financial Creditor:** The Kanara District Central Co-operative Bank Ltd, being the sole Secured Financial Creditor was allotted with Rs. 8,00,00,000 as the proposed payment where the claims admitted was Rs. 9,94,39,930.

- **Operational Creditors (Govt Dues & Others):** The Plan proposes to pay 26,00,000 lakhs to the operational creditors and this amount shall be paid within 30 days from NCLT's approval.

3) **Regulation 38(3)(a):** The Resolution Applicant sense that there was a slowdown in the paper industry which affected the Corporate Debtors



and Higher production costs due to higher interest payments led to defaults due to which the Corporate Debtor was unable to fulfil the obligations towards the banks, and all the other creditors on a timely basis. However, the Resolution Applicant is confident enough that such stress can be averted under its control and management.

- 4) **Regulation 38(3)(b):** The resolution plan confirms that the plan is feasible and viable and funds will be managed by the Resolution applicant for the future business of the Corporate Debtors.
 - 5) **Regulation 38(3)(c):** Clause 5.7.24 and 5.7.25 of the Resolution Plan highlights the Implementation Actions.
 - 6) **Regulation 38(3)(d):** Subject to the satisfaction of the other provisions of the Resolution Plan, the Resolution applicant ensures to take care of all necessary approval required for implementation of Binding Resolution Plan, within the time period as specified by the law.
 - 7) **Regulation 38(3)(e):** The Confirmation and Declaration Clause of the Plan emphasis the capability of the SRA to implement the Resolution Plan.
- h) It is observed in Para 12 of Form H, the Resolution Professional has certifies that the Resolution Plan is not subject to any contingency. Further, in Part 4 of Form H, the Resolution Professional has certified that the said Resolution Plan complies with all the provisions of Insolvency and Bankruptcy Code, 2016 and the Regulations thereunder and does not contravene any of the provisions of the law for the time being in force. Further, the resolution applicant has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under Section 29A of the Code to submit Resolution Plan. It is further certified that the Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100% of voting share after considering its feasibility and viability and other requirements specified by the CIRP Regulations.
- i) **Reliefs and Concessions:** the Resolution Applicant prays for exemption of compliance under the Statutory Laws from this Adjudicating Authority in relation to Companies Act, 2013, Taxes (Direct & Indirect) & Stamp



Duty as well as Specific Laws and other Government Approvals as applicable to the Corporate Debtor. The Adjudicating Authority has examined the prayer of the Resolution Applicant. Prayer for such reliefs and exemptions if any have to be made to the respective statutory authority and to be decided as per the provisions of existing laws and landmark judgements.

17. **DECISION OF THE ADJUDICATING AUTHORITY:**

In the circumstances and for the aforesaid reasons, the incumbent application bearing **I.A. No. 13 of 2024 in CP (IB) 5/2022** is allowed and accordingly:

- i. **The Resolution Plan dated 19.09.2024, marked as Annexure O, submitted by Mr. Umarparook Allasa Bagawan, is hereby approved.**
- ii. The representation of the Committee of Creditors in the Monitoring Committee, constituted for overseeing the implementation of the approved Resolution Plan, shall be undertaken by a Secured Financial Creditor.
- iii. The Resolution Plan so approved shall be binding on the Corporate Debtor and 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 such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.
- iv. Under the provisions of section 31(3) of the Code, we also direct as under:
 - a. The moratorium imposed in the main CP shall cease to have effect from the date of this order.
 - b. The resolution professional shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the Board to be recorded/uploaded on its database.
- v. Further, the Resolution Professional is directed to handover the management, control and all the assets, documents/records in physical and/or digital form to the Successful Resolution Applicant immediately and the resolution professional will stand discharged.
- vi. Moreover, it is clarified that this order should not be construed as an order granting exemption from payment of stamp duty, taxes or any charges, if any, payment is due or required in accordance with law or in respect to any



permission/compliance with any other requirement which may be specifically required under any law for the time being in force.

- vii. 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.
- viii. The approved Resolution Plan shall be effective forthwith and the Monitoring Committee shall submit a report of implementation of Resolution Plan within 15 days after the plan payment period.

-Sd-

-Sd-

**RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

**SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**