



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH (COURT-II)**  
**I.A.-5974/2023**  
**IN**  
**C.P.(IB) – 2581(ND)/2019**

**IN THE MATTER OF:**

**Jakson Engineers Limited.**

**...Operational Creditor**

**Versus**

**UM Green Lighting Private Limited**

**... Corporate Debtor**

**AND IN THE MATTER OF IA. NO. 5974/2023:**

**Rajiv Bhatnagar**

Resolution Professional

UM Green Lighting Private Limited

Rajiv Bhatnagar & Co. Chartered Accountants,

C-51, 1st Floor, Corporation Bank Building,

Avas Vikas, Nainital Road, Rudrapur,

Udham Singh Nagar, Uttarakhand, 263153

**... Applicant/RP**

**Versus**

**1. Canara Bank**

Sole Member of Committee of Creditors

UM Green Lighting Private Limited

MCB , Gurgaon Branch, Gurgaon

**2. Embrace Gas Pipelines Private Limited**

Joint Successful Resolution Applicant

UM Green Lighting Private Limited

D-175, Okhla Industrial Area, Phase I

New Delhi – 110020

**3. M/s. Printtech**

Joint Successful Resolution Applicant

UM Green Lighting Private Limited

D-175, Okhla Industrial Area, Phase I

New Delhi – 110020

**4. INCOME TAX DEPARTMENT**

Through the Principal Commissioner

Office of Pr. Commissioner of Income Tax

New Delhi – 1 C.R. Building,

I.P. Estate, New Delhi – 110002

**...Respondents**



**Order delivered on: 30.05.2024**

**UNDER SECTION: 30(6) of IBC, 2016**

**CORAM:**

**SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)**

**SH. SUBRATA KUMAR DASH HON'BLE MEMBER (T)**

**PRESENT:**

**For the RP** : Mr. Akshay Goel, Adv. Harsh Jadon



## **ORDER**

The present IA No. 5974 of 2023 has been preferred by Mr. Rajiv Bhatnagar, Resolution Professional qua M/s UM Green Lighting Pvt. Ltd. (hereinafter referred to as, the '**Applicant/RP**') under Section 30(6) of IBC, 2016, seeking the following reliefs:

- "a) Allow the present Application;*
- b) Approve the Resolution Plan submitted jointly by Embrace Gas Pipelines Private Limited and M/s. Printtech in the CIRP of the Corporate Debtor, in terms of Section 31 of the IBC.*
- c) Pass such other or further and other relief(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case"*

2. To put the facts concisely, the underlying main petition C.P.(IB)-2581/(PB)/2020 was filed by Jakson Engineers Limited against the Corporate Debtor, namely, UM Green Lighting Private Limited under Section 9 of the IBC, 2016, which was admitted vide Order dated 13.12.2021 of this Adjudicating Authority and the Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor was initiated. The Corporate Debtor is currently represented through its RP, Mr. Rajiv Bhatnagar.

3. This Tribunal initially appointed Mr.Amar Gopal Gambhir as the IRP of the Corporate Debtor who was replaced by Mr.Rajiv Bhatnagar, RP in the Second Meeting of CoC dated 11.02.2022.

4. It is stated by the Applicant that in terms of Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Applicant made a Public Announcement in Form-A on 17.12.2021 to invite claims, a copy of which was also uploaded on the website of IA. No. 5974/2023 in (IB)-2581/(ND)/2019 Jakson Engineers Limited. Vs UM Green Lighting Private Limited.



Insolvency and Bankruptcy Board of India (IBBI). It is further stated by the Applicant that it had constituted CoC with sole Financial Creditor i.e., Canara Bank.

5. The RP has got the assets of the Corporate Debtor valued under the relevant rules and the Fair Value and Liquidation Value are as below:

S. No.	Name of Valuer	Class of Asset/s	Fair value (INR)	Liquidation Value (INR)
1.	Crest Valuations	Plant & Machinery	64,65,435/-	49,03,224/-
		Securities and Financial Assets	23,63,20,544/-	17,91,96,066/-
2.	Gtech Valuers Pvt. Ltd.	Plant & Machinery	59,89,356/-	47,91,485/-
3.	Gtech Valuers Pvt. Ltd.	Securities and Financial Assets	23,69,53,000/-	17,64,16,000/-

6. The only Financial Creditor in the CoC is Canara Bank, which got 100% voting share and the entire credit of the bank amounting to Rs. 26,22,01,249/- has been admitted.

7. The details of the meetings of CoC as stated in the Application reads thus:

CoC Meeting	Date of Meeting	Summary of Meeting
1 <sup>st</sup> Meeting	12.01.2022	The IRP convened the first meeting of the CoC on 12.01.2022 where the CoC rejected the



		resolution for appointment of the IRP as the Resolution Professional for the Corporate Debtor and expressed its intention to appoint a different resolution professional. However, no resolution for such fresh appointment was passed in the said meeting.
2 <sup>nd</sup> Meeting	11.02.2022	On 11.02.2022, the second meeting of the CoC was convened, wherein the CoC resolved to appoint the Applicant as the Resolution Professional for the Corporate Debtor.
3 <sup>rd</sup> Meeting	06.06.2022	In the 3 <sup>rd</sup> CoC meeting held on 06.06.2022, the IRP proposed a resolution for the extension of the CIRP Period as the initial period of 180 days was set to expire on 11.06.2022, which was duly approved by the CoC by 100% voting share.



4 <sup>th</sup> Meeting	01.12.2022	Despite the continuing non-cooperation by the suspended management, in an effort to meet his duties under the Code and the rules and regulations framed thereunder, the IRP, in the 4th CoC meeting, held on 01.12.2022, raised inter alia the issues of draft expression of interest, Form G, Request for Resolution Plan, Evaluation Matrix and appointment of registered valuers. However, on the request of the CoC, the same were deferred.
5 <sup>th</sup> Meeting	30.12.2022	In their fifth meeting held on 30.12.2022, the CoC approved the draft of Form G, Request For Resolution Plan, Evaluation Matrix, albeit incomplete in view of the continuing non-cooperation by the suspended management of the Corporate Debtor.



6 <sup>th</sup> Meeting	08.02.2023	The Applicant convened the 6th meeting of CoC on 08.02.2023, wherein the issues with respect to the appointment of valuers, Information Memorandum, Form G and appointment of forensic/ transaction auditors was against discussed. However, since the relevant records were yet to be obtained from the suspended management, all such issues were again deferred.
7 <sup>th</sup> Meeting	17.03.2023	In the 7th CoC meeting held on 17.03.2022, the CoC took inter alia the following decisions for the CIRP of the Corporate Debtor:  a. Appointment of 2 Registered Valuers for the Corporate Debtor;  b. Seeking exclusion of period from 13.12.2021 to 10.01.2023 and further extension of 180 days from 10.04.2023 from this Hon'ble Tribunal in the CIRP period of the Corporate Debtor;



		c. Publication of Form G to invite expression of interest from prospective resolution applicants; d. Approval of the proposed evaluation matrix; and e. Approval of the proposed RFRP.
8 <sup>th</sup> Meeting	15.05.2023	Progress of CIRP was updated to CoC.
9 <sup>th</sup> Meeting	24.05.2023-25.05.2023	Terms of Performance Bank Guarantee were decided by CoC.
10 <sup>th</sup> Meeting	29.05.2023	No resolution was passed.
11 <sup>th</sup> Meeting	21.06.2023	CoC approved the resolution for publication of Form-G and rejected the Liquidation.
12 <sup>th</sup> Meeting	28.08.2023	Resolution Plans were discussed.
13 <sup>th</sup> Meeting	25.09.2023	Resolution plans received by the CoC were put on voting by the Applicant in the 13 <sup>th</sup> CoC meeting held on 25.09.2023. In the said meeting, the CoC approved the resolution plan





		submitted by Respondents 2 and 3 and rejected the resolution plan submitted by Mr. Gaurav Mamik by a voting share of 100%.
--	--	--

8. The 'Form-G' was published on 21.03.2023, and again on 24.06.2023 to invite Expressions of Interest (EOI) from the potential Resolution Applicants. As per the latest Form-G dated 24.06.2023, the last date of submission of EOI was 19.07.2023. The Applicant submits that it had received EOIs from 02 interested parties viz. one being Mr. Gaurav Mamik (suspended director of the Corporate Debtor) and another being jointly from Embrace Gas Pipelines Private Limited and M/s. Printtech.

9. In the 12th meeting held on 28.08.2023, the respective resolution plans received from both the resolution applicants were opened and discussed by the CoC.

10. In furtherance, both the resolution plans received by the CoC were put on voting by the Applicant in the 13th CoC meeting held on 25.09.2023. In the said meeting, the CoC approved the resolution plan submitted by Respondents 2 and 3 and rejected the resolution plan submitted by Mr. Gaurav Mamik by a voting share of 100%.

11. The "Summary of the Resolution Plan" submitted by the Applicant reads thus:



**“SUMMARY OF RESOLUTION PLAN**

39. That the approved Resolution Plan provides for the following payments to the creditors of the Corporate Debtor:

S. No	Particulars	Number of Creditors under the Category	Claim Admitted	Amount Provided under the Plan	Amount Provided to the Amount Claimed (%)
6.	CIRP Cost	-	As actual	The CIRP Cost, as approved by the CoC, shall be payable as actual	100
7.	Secured Financial Creditor	1	26,22,01,249	12,12,12,121.23	46.23
8.	Unsecured Financial Creditors	NIL	-	-	-
9.	Operational	Government –	3,32,68,330	1,11,111.11	0.33
	Creditors	Tax Dues (2)			
		Workmen/Employees (1)	15,28,489	15,28,489	100
		Other Operational Creditors (11)	18,94,70,671.25	10,00,000	0.53
10.	Other debts and dues		–	–	–
	Grand Total		48,64,68,739.25	12,38,51,721.34	25.45%

40. That in addition to the aforesaid, the Resolution Applicant has also proposed to infuse an amount of INR 24,61,410.03 in the form of Working Capital, as and when the need arises. Furthermore, the Regulatory Fee under Regulation 31A of the CIRP Regulations has also been proposed to be borne by the Resolution Applicant over and above the amounts proposed under the Resolution Plan.



41. *That the respective payments proposed to the Operational Creditors by the Resolution Applicant are proposed to be completed within 60 days from the approval of the Resolution Plan by this Hon'ble Tribunal, and the payment proposed to the Secured Financial Creditor is proposed to be completed within 90 days from such date.*

42. *That the Resolution Applicant has further proposed that the Secured Financial Creditor shall pursue the applications for Avoidance Transactions currently pending before this Hon'ble Tribunal and any amount received therefrom shall pass to such Secured Financial Creditor, over and above the amounts proposed under the Resolution Plan. Pertinently, as on the date of filing of the present application, an application under Section 43 for avoidance of preferential transactions is sub-judice before this Hon'ble Tribunal, wherein an aggregate amount of INR 2,95,49,266- is claimed to be liable for reversal to the Corporate Debtor.*

12. The details of compliances made relevant sections of IBC, 2016 and IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 as stated in the Form-H which reads thus:



(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 (SFC)	(a) Creditors not having a right to vote under sub-section (2) of section 21	NA	NA	NA	NA
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	NIL	NIL	NIL	NIL



		(ii) who voted in favour of the resolution plan	2622.01	2622.01	1212.12	46.23
		Total[(a) + (b)]	2622.01	2622.01	1212.12	46.23
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	NIL	NIL	NIL	NIL
		(b) Other than (a) above:	NIL	NIL	NIL	NIL
		(i) who did not vote in favour of the resolution Plan				
		(ii) who voted in favour of the resolution plan				
		Total[(a) + (b)]	NIL	NIL	NIL	NIL
3	Operational Creditors	(a) Related Party of Corporate Debtor	NIL	NIL	NIL	NIL
		(b) Other than (a) above:				
		(i)Government	332.68	332.68	11.11	0.33
		(ii)Workmen	NIL	NIL	NIL	NIL
		(iii)Employees	15.28	15.28	15.28	100



		(iv) Other Operational Creditors	2237.70	1894.70	10	0.53
		Total[(a) + (b)]	2585.66	2242.67	26.39	1.17
4	Other debts and dues		NIL	NIL	NIL	NIL
<b>Grand Total</b>			5207.68	4864.68	1238.51	25.45

12.1 The other compliances under the relevant Sections of the Code and the Regulations made thereunder are as below:

I.

Provisions under Section 30(1) and (2) of the Code	Compliance under Resolution Plan
<b>Section 30(1)</b> <i>A resolution applicant may submit a resolution plan along with an affidavit stating that he is eligible under section 29A to the resolution professional prepared on the basis of the information memorandum.</i>	YES
<b>Section 30(2)</b> <i>(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the Corporate Debtor;</i>	<b>YES</b> (Clause 7a at Page 374 of IA 5974/2023 & page 60 of the Resolution Application)



<p>(b) provides for the payment of the debts of operational creditors in such manner as may be specified by the Board which shall not be less than:</p> <p>(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or</p> <p>(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been 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 the debts of financial creditors, who do not vote in favor of the resolution plan, in such a 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 the sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.</p>	<p>YES</p> <p>(Clause 7a at Page 375 of IA 5974/2023 &amp; page 61 of the Resolution Application)</p>
<p>(c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;</p>	<p>YES</p> <p>(Clause 8 at Page 408 – 415 of IA 5974/2023 &amp; page 94 – 101 of the Resolution Application)</p>
<p>(d) the implementation and supervision of the resolution plan;</p>	<p>YES</p> <p>(Clause 7aj at Page 394 of IA 5974/2023 &amp; page 80 of the Resolution Application; and Clause 8 at Page 408 – 415 of IA 5974/2023 &amp; page 94 – 101 of the Resolution Application)</p>
<p>(e) does not contravene any of the provisions of the law for the time being in force;</p>	<p>YES</p> <p>(Declaration at Page 416 of IA 5974/2023 &amp; page 102 of the Resolution Application)</p>
<p>(f) Conforms to such other requirements as may be specified by the Board.</p>	<p>YES</p>

**II. Requirements of Regulation 37(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 is as under:**

<p><b>Regulation 37(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</b></p>	<p><b>Compliance under Resolution Plan</b></p>
--	--



<i>(a) transfer of all or part of the assets of the corporate debt to one or more persons;</i>	<b>Not Applicable</b>
<i>(b) sale of all or part of the assets whether subject to any security interest or not;</i>	<b>Not Applicable</b>
<i>(ba) Restructuring of the Corporate Debtor, by the way of merger, amalgamation and demerger.</i>	<b>Not Applicable</b>
<i>(c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;</i>	<b>YES</b> Clause 7k & 7l, Page 384-386 of IA 5974/2023 & page 70-72 of the Resolution Plan
<i>(ca) cancellation or delisting of any shares of the corporate debtor, if Applicable</i>	<b>YES</b> Clause 7k & 7l, Page 384-386 of IA 5974/2023 & page 70-72 of the Resolution Plan
<i>(d) satisfaction or modification of any security interest;</i>	<b>YES</b> Clause 7d (c)(vi) at page 378 of the IA 5974/2023 & page 64 of the Resolution Plan
<i>(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;</i>	<b>YES</b> Clause 7ak (15) at page 399 of the IA 5974/2023 & page 85 of the Resolution Plan
<i>(f) reduction in the amount payable to the creditors;</i>	<b>YES</b> Clause 7a at page 374 – 376 of the IA 5974/2023 & page 60 – 62 of the Resolution Plan
<i>(g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;</i>	<b>Not Applicable</b>
<i>(h) amendment of the constitutional documents of the corporate debtor</i>	<b>YES</b> Clause 8(k)(vi), Page 413 of IA 5974/2023 & page 99 of the Resolution Plan
<i>(i) issuance of securities of the corporate debtor, for cash, property, securities, or exchange for claims or interests or other appropriate purpose</i>	<b>Not Applicable</b>
<i>(j) change in portfolio of goods or services produced or rendered by the corporate debtor</i>	<b>Not Applicable</b>





<i>(k) change in technology used by the corporate debtor and</i>	<b>Not Applicable</b>
<i>(l) obtaining necessary approvals from the Central and State Governments and other authorities;</i>	<b>YES</b> Clause 9.20, Page 424 of IA 5974/2023 & page 110 of the Resolution Plan

**III. Requirements of Regulations 38 (1), (2) (3) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 is as under:-**

<b>Regulation 38(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</b> <b>Regulation 38(1)(a)-</b>  <i>The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors</i>	<b>YES</b>  Clause 7d(c)(iv), Page 378 of IA 5974/2023 & page 64 of the Resolution Plan
<b>Regulation 38(1)(b)-</b>  <i>The amount payable under a resolution plan to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan.</i>	<b>YES</b>  Clause 7d(c)(v), Page 378 of IA 5974/2023 & page 64 of the Resolution Plan
<b>Regulation 38(1A)-</b> <i>A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors of the corporate debtor.</i>	<b>YES</b>  Clause 4(1), Page 329 of IA 5974/2023 & page 13 of the Resolution Plan
<b>Regulation 38(1B)-</b> <i>A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.</i>	<b>YES</b>  Clause 9.17, Page 423 of IA 5974/2023 & page 109 of the Resolution Plan



<b>Regulation 38(2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Compliance under Resolution Plan</b>	
a) <i>The term of the plan and its implementation schedule;</i>	<b>YES</b>  Clause 7ai – 7aj, Page 393 – 395 of IA 5974/2023 & page 79 - 81 of the Resolution Plan
(b) <i>The management and control of the business of the corporate debtor during its term;</i>	<b>YES</b>  Chapter 8, Page 408 – 415 of IA 5974/2023 & page 94 – 101 of the Resolution Plan
(c) <i>Adequate means for supervising its implementation;</i>	<b>YES</b>  Chapter 8, Page 408 – 415 of IA 5974/2023 & page 94 – 101 of the Resolution Plan
d) <i>Provides for the manner in which proceedings in respect of avoidance litigation transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, shall will be pursued after the approval of Final resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed: Provided that this clause shall not apply to any resolution plan that has been submitted to the Adjudicating Authority under sub-section (6) of section 30 on or before the date of taken commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022</i>	<b>YES</b>  Clause 7ag, Page 389 – 390 of IA 5974/2023 & page 75 - 76 of the Resolution Plan
<b>Regulation 38(3) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2017 Compliance under Resolution Plan</b>	
(a) <i>It addresses the cause of default.</i>	<b>YES</b>  Clause 9.14, Page 422 - 423 of IA 5974/2023 & page 108 - 109 of the Resolution Plan



(b) <i>It is feasible and viable:</i>	<b>YES</b>  Clause 9.15, Page 423 of IA 5974/2023 & page 109 of the Resolution Plan
(c) <i>It has provisions for its effective implementation</i>	<b>YES</b>  Chapter 8, Page 408 – 415 of IA 5974/2023 & page 94 – 101 of the Resolution Plan
(d) <i>It has provisions for approvals required and the timeline for the same</i>	<b>YES</b>  Clause 9.20, Page 424 of IA 5974/2023 & page 110 of the Resolution Plan
(e) <i>The resolution applicant has the capability to implement the resolution plan.</i>	<b>YES</b>  Chapter 6, Page 352 – 373 of IA 5974/2023 & page 36 – 59 of the Resolution Plan
<b>Regulation 39 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person Regulations, 2016</b>	
<b>Regulation 39(1)-</b>  <i>A prospective resolution applicant in the final list may submit resolution plan or plans prepared in accordance with Code and these regulations to the resolution professional electronically within the time given in the request for resolution plans under regulation 36B along with:</i>  <i>a. an affidavit stating that it is eligible under section 29A to submit resolution plan;</i> <i>b. deleted by amendment</i> <i>c. an undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code.</i>	<b>YES</b>



<b>Regulation 39(1A)</b> <i>A resolution plan which does not comply with the provision of sub-regulation (1) shall be rejected.</i>	<b>The Resolution Plan is compliant.</b>
--	--

13.1 The Resolution Professional has stated that the Corporate Debtor is a MSME and has filed an affidavit stating that the Resolution Applicant is not disqualified under the provisions of Section 29A of the Code. In the course of the present proceedings, the matter was listed for being spoken to, seeking clarification pertaining to the compliance of Section 29A of the Code. The Resolution Professional has stated that the Affidavits from the two PRAs, who have subsequently been SRAs, were submitted at the time of submission of the Expression of Interest. The Resolution Professional in his Affidavit dated 10.05.2024 has enclosed the copies of the Section 29A Affidavits submitted by the two SRAs i.e. Embrace Gas Pipeline Private Limited and Printtech (a Partnership Firm).

13.2 As regards compliance with Section 30(2) of the Code, it is stated that the liquidation value payable to the Operational Creditors (other than workmen and employees) is NIL as the amount of the admitted claim of the Secured Creditors is more than the value of the Corporate Debtor and are paid in priority to Financial Creditors.

13.3 With respect to PF dues it has been categorically mentioned by the RP that he has not received any claim with respect to Provident Fund dues. On this issue, we are of the view that this does not absolve the Corporate Debtor from paying any liability towards PF & Gratuity, if the same arises



in the future. The SRA is, therefore, directed to pay the same if any, in compliance of the order of the Hon'ble NCLAT in the Case of M/s Jet Airways India Ltd. upheld by the Hon'ble Supreme Court in Civil Appeal No -107 of 2023 with Civil Appeal Nos 465 - 469 of 2023.

13.4 As per clause 7.ag of the Resolution Plan the Avoidance Application shall be pursued by the Secured Financial Creditors and the proceeds of the same shall be distributed as per Section 53 of IBC, 2016.

13.5 The list of Government dues and amount of claim admitted as mentioned in the Application reads thus:

**List of Operational Creditors (Government Dues)**

	Name of the Creditor	Amount of Claim Submitted (Rs.)	Amount Admitted (Rs.)
1.	Department of Trade & Taxes, Ward-106, State Govt of NCT of Delhi, New Delhi-110002	29,70,724.00	29,70,724.00
2.	Service Tax Department	3,02,97,606.00	3,02,97,606.00
	<b>Total</b>	<b>3,32,68,330.00</b>	<b>3,32,68,330.00</b>

As per Form-H, the SRA has proposed to pay Rs. 11.11 lakhs against the claim of Rs. 3,32,68,330.00 of Government dues.

14. The summary of Contribution of Funds by Resolution Applicant as mentioned in para 7af of the Plan is extracted below:



**7af. SUMMARY OF CONTRIBUTION OF FUNDS BY RESOLUTION APPLICANT  
& SOURCES OF FUNDS FOR THE RESOLUTION PLAN**

a) The summary of total contribution of the Resolution Applicant under the Resolution Plan is as below.

The total amount of INR 12,88,51,721.34 (including the balance amount already infused as security deposits and accrued interest thereon on amount kept in fixed deposits of Rs. 6.25 crores) is to be infused as per below table 90 days from the date of receipt of certified true copy of order for approval of Resolution Plan by the Hon'ble Adjudicating Authority / NCLT in the form of equity shares capital of Rs. 1,00,00,000/- & balance of Rs. 11,88,51,721.34 shall be in the form of Loan from New Management / New Directors / New Promoters / Resolution Applicants:

S No.	Particulars	Amount (Rs.)
1.	On or before 90 days from the date of issue of certified copy of order for approval of Resolution Plan	INR 12,88,51,721.34 (including the balance amount already infused as security deposits plus interest accrued thereon)
Total		INR 12,88,51,721.34
		(including the balance amount already infused as security deposits plus interest accrued thereon)

b) The aforesaid amount is to be utilized for the purpose of payment of payment to the various stakeholders as per the terms of resolution plan.

c) The Resolution Applicant will arrange the Funds from its internal accruals and its own resources/ reserves and their relatives.

d) The Resolution Plan needs to be approved in its entirety and if any of the Resolution Plan cannot be enforced for any reason, the Resolution Applicant shall proceed to enforce the Resolution Plan to the extent possible. The Resolution Applicant shall not be liable for any damage/ loss on account of such impossibility to perform.

e) The Resolution Applicant is open to modify the structuring of the consideration under this Resolution Plan to meet banking and other regulatory requirements.

It is stated that the entire amount of Rs. 12,88,51,721.34/- including the balance amount already infused as security deposits, plus interest accrued





thereon would be paid on or before 90 days from the date of issue of certified copy of order for approval of Resolution Plan.

15. The details of the implementation schedule of the plan is mentioned in clause 7aj of the plan which reads thus:

**7aj. INDICATIVE TIMELINE OR IMPLEMENTATION/ IMPLEMENTATION SCHEDULE**

The Resolution Plan shall be implemented in the following manner, as per the timelines stated below or as per applicable laws:

S.No.	Activity	Estimated Time Line (In days)
1.	Submission of proposed Resolution Plan by the Resolution Applicant	19/05/2023
2.	Date of receipt of certified copy of resolution plan approval order of Adjudicating Authority	T (effective date)
3.	Formation of monitoring committee	T+10 days
4.	Compliance with norms relating to appointment of required KMP / Directors	Within T+60 Days
5.	Fund infusion	Within T+ 90 days
6.	Payment of CIRP Costs	Within T+ 30 days
7.	Payment of certain upfront amounts to various stakeholders as contemplated under the resolution plan	Within T+ 90 days
8.	Restructuring of share capital as proposed under the Resolution Plan	Within T+ 90 Days
9.	Change in Management of the Corporate Debtor, by appointment of Directors nominated by RA on the Board of the Corporate Debtor	Within T+ 7 Days
10.	Issue of Equity shares to the Resolution Applicant/ New Promoters / New Management	Within T+ 90 days
11.	Compliance with Minimum Shareholding Norms	As per laws applicable at relevant time.

16. The details of Management and Control of the business of Corporate Debtor during the term of Resolution Plan is stated under Clause 4 of the Resolution Plan contents of which reads thus:

*“The Plan provides for appointing new Directors on the Board of Corporate Debtor with required competency and experience and also to appoint Independent Non-Executive Directors and Executive Directors within 03 months of the effective dates. It also provides for management*



*and control of Corporate Debtor under the leadership of the lead member of Resolution Applicant (RA). It also proposes to restructure the equity of the Corporate Debtor by substantial acquisition of shareholding by the RA and to continue to remain listed on Bombay Stock Exchange. Provisions for appointment of Statutory, Internal and Cost Auditors have also been made. It also provides for continued Corporate existence, whereby the operation change in the normal course of business of the Corporate Debtor shall continue under the supervision of the Resolution Applicant. It provides for Indemnification of the Corporate Debtor and member of the new promoter group.”*

17. As can be seen from the Clause-7 of the certificate given by the RP on prescribed form viz. Form-H, the SRA has proposed to pay much less than the amount admitted by the RP and the Liquidation value, to the different stakeholders.

18. But as per the law laid down by the Hon’ble Supreme Court in **Ebix Singapore Private Limited Vs Committee of Creditors of Educomp Solutions Limited & Anr.**, (Civil Appeal No. 3224 of 2020) that while considering an application for approval of plan, this Adjudicating Authority need only to see as to whether there is compliance of the provisions of Section 30(2) of IBC, 2016. it is not for this Tribunal to interfere with the same and it is for the Committee of Creditors to take a call in this regard. In this context it would not be out of place to refer to the Judgement of Hon’ble Supreme Court passed in **Vallal RCK vs. M/s Siva Industries and Holdings Limited and Others**, (Civil Appeal Nos. 1811-1812 of 2022),





where a reference is made to catena judgements of the Hon'ble Apex Court, and it is held that:

*“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.*

xxxxx

*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.....”*



19. Hence, we do not deem it proper to comment on the amount offered to be paid by SRA to various stakeholders.

20. The Applicant/RP has also filed on record, the proof of the Performance Guarantee worth Rs.5 Crore deposited by the SRA vide RTGS Mode. The Bank Statements in respect of the same have been placed on record.

21. The Applicant has sought various reliefs and concessions stipulated under Clause 7ak of the Resolution Plan, which reads thus:-

Sr. No.	Relief and/or Concessions and Approvals Sought	Competent Authority/ Courts/ Government/Semi-Government Authority for relief sought
1.	All or any non-compliances on account of filings to be done with ROC/MCA shall be deemed to be complied with on the date of approval of this Resolution Plan and the Resolution Applicant shall not be liable for making good such non compliances or pay off any related penalties / Fines / Interest.	The Authorities/ Courts/ Government/ Semi-Government authority include but are not limited to Hon'ble NCLT, Delhi
2.	That there will be complete protection for the new management/ promoters from any/ all prosecution, attachment and/or seizure against the corporate debtor under any law for the time being in force pursuant to <u>Section 32A Read with Section 238 of IB Code, 2016.</u>	
3.	Immediately from the Effective Date the existing directors of the Corporate Debtor shall cease to be the Directors of the Corporate Debtor.	
4.	Resolution Change of Authorised Signatory-Approval of the Resolution Plan by HON'BLE NCLT will be treated as Specific Order by HON'BLE NCLT to all Banks where the Bank Accounts of the Corporate Debtor is maintained & to all other authorities and other organizations to immediately effect the change in Authorised Signatory on request by the new Promoter of the Corporate Debtor on production of Copy of the Approved Resolution Plan by Hon'ble NCLT.	
5.	The Approval of Resolution plan by Hon'ble Adjudicating Authority / NCLT shall be deemed as directions to the concerned government authority to waive the stamp duty, registration charges and	



	other moneys payable to the Government, if any, applicable to the transactions for implementation of the Resolution Plan.	
6.	Corporate Debtor and the Resolution Applicant shall be entitled to modify the any existing contracts which:- <ul style="list-style-type: none"><li>• are entered into with parties which prior to the insolvency commencement date were related parties of CD; and</li><li>• Impose onerous conditions hindering the resolution process for CD.</li></ul>	
7.	For Extinguishing of existing Onerous contracts by Corporate Debtor – Any onerous contract made by the Corporate Debtor; subsisting before the approval of Resolution Plan shall be duly extinguished and be ineffective.	
8.	For Extinguishment/ Revocation of Workmen Contract – Approval of the Resolution Plan will be treated as Specific Order and Approval by NCLT that any contract subsisting with respect to any Workmen/contractual labor / employee before the approval of Resolution Plan shall be duly extinguished and be ineffective.	
9.	The Approval of Resolution plan by Hon'ble Adjudicating Authority / NCLT shall be deemed as directions to Debtors/Group companies of existing promoters to pay sum dues to the Corporate Debtor within 30 days from the effective date, If any.	
10.	For Bank guarantees, if any - No obligation shall be on CD upon payment as per the proposed resolution plan.	
11.	For Liability to earlier promoters / recourse against the Personal or Corporate Guarantees/Right of Subrogation – <ul style="list-style-type: none"><li>a. It is to be noted that Post approval of the Resolution Plan by Hon'ble AA / NCLT, the RAs/New Management by virtue of the Approved Resolution Plan will have no obligation or any liability towards the earlier promoters under any circumstances whatsoever.</li></ul>	



	<p>b. It is to be noted that the recourse against the Personal or Corporate Guarantees shall be free from any subrogation rights of these Guarantors. This arrangement in relation to the Personal or Corporate Guarantees relies that it shall in no way or manner permit the Guarantors to claim any right of subrogation, indemnity, security, recompense or any Claim of whatsoever nature (whether under contract, equity or Applicable Law) against the Corporate Debtor or the RA, and all such rights and obligations stand irrevocably and unconditionally extinguished in Prosperity.</p> <p>c. In case at any stage, the extinguishment or cancellation, as per this Plan, of the right of subrogation available to any person other than the Corporate Debtor which has guaranteed/ secured the existing debts availed by the Corporate Debtor, is held to be invalid or not sustainable in law by a court or tribunal of competent jurisdiction, and such persons take any action to enforce their right of subrogation against the Corporate Debtor and the Corporate Debtor makes such payment (on account of binding legal obligation as decided by a court of competent jurisdiction), the Resolution Applicant and the Corporate Debtor shall be entitled to claim such amount as paid by the Corporate Debtor to such persons, from the respective Financial Creditors / other creditors who have received the corresponding amounts as invoked under the Guarantees/ Securities. Each such Financial Creditor shall immediately and in any event within 15 (fifteen) days of demand, without protest or demur, pay such amounts to the Corporate Debtor. Notwithstanding the above, the Resolution Applicant/ Corporate Debtor shall however, not make any payments to any person other than the Corporate Debtor which has guaranteed / secured the existing debts availed by the Corporate Debtor, unless it is legally</p>	
--	---	--



	compelled to do so.	
12.	<p>The Interim Resolution Professional had issued a public announcement in accordance with the IBC inviting all the Creditors of the Corporate Debtor to submit their proof of claims to the Interim Resolution Professional under the CIRP Regulations, all creditors are required to submit a proof of claim prior to the approval of the Resolution Plan by the Committee of Creditors. We understand that any and all the Creditors of the Corporate Debtor that have any claims against the Corporate Debtor have filed their claims and all verifiable claims have been admitted by the Resolution Professional and are disclosed in the information Memorandum. In the event any Creditor of the Corporate Debtor, including any related parties, associates or affiliates of the Corporate Debtor, has not submitted its claim(s) (whether or not it was aware of such claim at such time), or it the claim(s) filed by any claimant has been rejected by the Resolution Professional or is under verification, then:</p> <ul style="list-style-type: none"><li>i) All such obligations, claims and liabilities of the Corporate Debtor (whether final or contingent, whether disputed or undisputed, and whether or not notified to or claimed against the Corporate Debtor);</li><li>ii) All outstanding disputes or legal proceedings (including but not limited to legal proceedings as mentioned in respect of such claims; and</li><li>iii) All rights or claims of such claimants against the Corporate debtor.</li></ul> <p>then in each of the above case, relating to the period prior to the Completion date, regardless of being a "claim" and / or "debt", the full amount of such debt rights/claims shall stand extinguished and annulled. It is hereby clarified that any admission made by the Resolution Applicant under this Clause shall at all times be without prejudice to any rights of the Resolution Applicant and, or, the Corporate Debtor under the Applicable Laws.</p>	



13.	All the Legal cases submitted by RP during CIRP Period on behalf of Corporate Debtor will be followed up by the RA.	
14.	On account of any form or security provided by any person for and on behalf of, and /or in order to secure any obligations of the Corporate Debtor (whether by way of hypothecation, pledge, mortgage, guarantee or otherwise) be transferred to Corporate debtor.	
15.	All claims that may be made or arising against the Corporate Debtor for any breach contravention or non-compliance of any Applicable Law (including but not limited to Employees Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, Employees State Insurance Act, 1948, the Payment of Gratuity Act, 1972, environmental laws, Taxation Laws (Direct and Indirect) statutory liabilities, any violation of the applicable building bye laws, standards etc.), whether or not such claim was notified to or claimed against the Corporate Debtor on or before the Completion date and whether or not such Governmental Authority was aware of such claim at such time, including, without limitation, in respect of the Applicable Laws, matters and proceedings, shall stand extinguished and annulled.	
16.	All claims that may be made or arising against the Corporate Debtor In relation to any payments required to be made by the Corporate Debtor as Taxes pertaining to the period prior to the Completion date (Whether or not such claim was notified to or claimed against the Corporate Debtor at such time), including, without limitation, in respect of matter and proceedings, and are "Claim " and "Debt" (as defined under the IBC) and would consequently qualify as "operation debt" ( as defined under the IBC) and accordingly, the full amount of such claims/amounts are hereby fully and finally settles and discharged against payment or NIL consideration. Any and all financial liabilities/ claims (as defined under the IBC) with respect to such claims shall stand extinguished and	



	annulled.	
17.	Liability which may accrue to Provisions of MAT and Other Sections of Income Tax Act – Approval of the Resolution Plan will be treated as Waiver by NCLT for any liability (includes Tax, MAT, interest, fine, penalty etc) on Corporate Debtor, RAs on account of various actions proposed in the Approved Resolution Plan including but not limited to liabilities, if any, under Sec 56, Sec 43, Sec 28, Sec 115JB and Section 79 of the Income Tax Act, 1961.	
18.	That the Income Tax Department has or has not submitted their claim before the RP. In case the Resolution Plan will approved, the Resolution Applicant will not be held liable for any liability pending for the previous period.	
19.	The Central Board of Direct Taxes shall consider the Corporate Debtor as a widely held Corporate Debtor for the purposes of Section 79 read with Section 2(18) of the Income Tax Act, 1961("IT Act") and that the change in shareholding of the Company pursuant to the Resolution Plan shall not lead to lapse of brought forward losses of the Company.	
20.	All MAT credit of the Company will continue with the Company (on a going concern basis) and will be available for the benefit of the Resolution Applicants.	
21.	The Central Board of Direct Taxes shall exempt income/ gain/ profits, if any, arising as a result of giving effect to the Resolution Plan from being subjected to tax under the provisions of the Income Tax Act, 1961.	
22.	The Central Board of Direct Taxes shall exempt income/ gain/ profits, if any, arising as a result of giving effect to the Resolution Plan from being subjected to tax under the provisions of the Income Tax Act, 1961.	
23.	Any approvals that may be required from Governmental Authorities (including tax authorities) in connection with the	





	implementation of the Resolution Plan including on account of change In ownership/ control of CD shall be deemed to have been granted on the Effective Date.	
24.	For Claims by Government Authorities – Approval of the Resolution Plan will be treated as Approval by AA/NCLT that claims of government authorities including DGFT, in relation of all taxes etc. for period pertaining prior to the insolvency commencement date and till the date of AA/NCLT order shall stand extinguished and ineffective, except to the extent provided for under the Resolution Plan.	
25.	Upon approval of the Resolution Plan by Hon'ble AA / NCLT, all non-compliances, breaches and defaults of CD for the period prior to the Effective Date (Including but not limited to those relating to tax), shall be deemed to be waived by the concerned Governmental Authorities. Immunity shall be deemed to have been granted to CD from all proceedings and penalties under all Applicable Laws for any non- compliance for the period prior to the Effective Date and no interest/penal implications shall arise due to such non-compliance /default /breach prior to the Effective Date. This includes, without limitation, waiver/extinguishment of any penalties/ interests on account of staggered payment of statutory liabilities of the workmen/ employees of CD in accordance with the terms of this Resolution Plan.	
26.	All creditors of the Corporate Debtor shall have to withdraw all legal proceedings commenced against the Corporate Debtor in relation to Claims, including all criminal proceedings, proceedings under Section 138 of the Negotiable Instruments Act, 1881 and proceedings under SARFAESI and RDOBF, within 30 (thirty) days of the Effective Date for revival of the corporate debtor and for economic stability of the business of the Corporate Debtor. Further that in cases where the Corporate Debtor has been impleaded along with other Respondents, only the CD shall stand discharged and the creditors will have the right to continue such proceedings against other such Respondents in accordance with law.	





27.	<p>From the Effective Date, all Inquiries, investigations and proceedings, whether civil or criminal, suits, claims, disputes, proceedings in connection with CD or affairs of CD (including those initiated by Governmental Authorities such as the SEBI an RBI), pending or threatened, present or future in relation to any period prior to the Effective Date, or arising on account of Implementation of this Resolution Plan shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out In the balance sheets of CD or the profit and loss account statements of CD will be deemed to have been written off fully, and permanently extinguished and no adverse orders passed in the said matters should apply to CD or the Resolution Applicant. Upon approval of this Resolution Plan, all new inquiries, investigations, notices, suits, claims, disputes, litigations, arbitrations or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against CD and/ or its new management in relation to any period prior to the Effective Date.</p>	
28.	<p>Except to the extent of payments to be made to the Financial Creditor and Operational and Other creditors under Chapter 7 and This Chapter above, the Resolution Applicant and CD shall have no liability towards any Operational Creditors and other creditors with respect to any claims (as defined under the Code) relating in any manner to the period prior to the Effective Date. Any such liability shall be deemed to be owed and due as of the Insolvency Commencement Date, the liquidation value of which is NIL and therefore no amount is payable in relation thereto. All such liabilities shall immediately, irrevocably and unconditionally stand fully and finally discharged and settled with there being no further claims whatsoever, and all forms of security created or suffered to exist, or rights to create such a security, to secure any obligations towards Operational Creditors and other creditors shall immediately, irrevocably and unconditionally stand released and discharged, and the Operational Creditors and other creditors shall waive all rights to invoke or enforce the same.</p>	



29.	Resolution Applicant shall not be impacted and will be kept indemnified financially or otherwise against any of the negative impact/observation/ findings of Forensic Audit. Further, neither the Corporate Debtor nor any member of the new promoter group i.e resolution applicant shall be made party to any of the legal cases arising out of such forensic audit.	
30.	No action will be taken against the any dues non-compliance penalty, interest related to the period before the effective date, by any authority under SEBI Act, SCRA Act, Companies Act, Bombay Stock Exchange rules, regulations, bye laws, PF Act, ESI Factory Act, electricity department, Fire department, Pollution Department, Labour Law or any other department not mentioned here.	
31.	<p>Liabilities that may accrue under Various Corporate Laws and Acts, Rules and Regulations – Approval of the Resolution Plan will be treated as Waiver Approval by NCLT for any past liabilities, penalties and any form of payment by way of Late Fees, Damages etc. which occurred or become due because. Of any non-compliances related to the below stated Acts from Commencement of Insolvency Process till 6 months from the Date of Hon'ble AA / NCLT Approval of Proposed Resolution Plan as it will provide Resolution Applicant, the time period to review the current compliance status of the Corporate Debtor under these Acts, Rules and regulations in terms of Compliances and action to be taken in this regard. The stated list is inclusive but not exhaustive of -</p> <ul style="list-style-type: none"><li>a. The Companies Act, 1956 (the Act) and the Rules made there under;</li><li>b. The Companies Act, 2013 (the Act) and the Rules made there under;</li><li>c. Foreign Exchange Management Act, 1999 and</li><li>d. the Rules and Regulations made there under to the extent of Overseas Direct Investment</li></ul>	



32.	For VAT/Income Tax/Customs Duty/ Waiver – Upon payment to statutory authorities as proposed under the resolution plan, no further amounts will become due and payable by the CD after the plan is approved by NCLT. These Authorities will be required to drop all proceedings against the company upon approval of the plan by NCLT.	
33.	For Brands / Copyright / Intellectual Property rights- In order to efficiently revive the operations post implementation of Resolution Plan, the Brands / Copyright / Intellectual Property rights of CD shall continued to be used by corporate debtor and RA shall not have any restraint in using these Brands / Copyright / Intellectual Property rights. No act of suspended board shall lead to siphoning off of such Brands / Copyright / Intellectual Property rights to other entity.	
34.	In the event any material fact, which was available with the RP/COC during the process but was not provided to the Resolution Applicant, comes to the knowledge of the Resolution Applicant subsequently and because of such material non-disclosure the RA suffers a financial loss, the RP/ CoC shall be liable for such financial loss.	
35.	<p>The Company shall take appropriate corporate actions necessary for implementation of the all the provisions of the Resolution Plan, which includes:</p> <ul style="list-style-type: none"><li>a) filing of appropriate documents or forms with among others, the Registrar of Companies and Ministry of Corporate Affairs without affixing Digital signatures;</li><li>b) issuance of shares and instruments as provided in the Resolution Plan; and</li><li>c) other compliance as per the governing law.</li></ul>	
36.	Upon Completion date, the Corporate Debtor shall be recognized as a new entity for the purposed of availing various benefits/incentives	



	granted by the Central/State government from time to time including but not limited to registration under the Micro, Small and Medium Enterprises Development Act, 2006	
37.	Neither the Resolution Applicant, nor any of its Affiliates or connected persons, will be disqualified from or considered ineligible under the Code for proposing and /or implementing a plan in relation to the insolvency resolution of any person (other than the Corporate Debtor), merely on account of the implementation of this Plan by the Resolution Applicant;	
38.	The jurisdictional Registrar of Companies to take on record and implement the Plan, upon approval of the Plan by Adjudicating Authority without any further compliances and re-instate all the approvals and waive all the financial or other penalties/ Interest/ prosecution of all type and nature.	
39.	<p>Any other financial liabilities/ claims (as defined under the IBC):</p> <ul style="list-style-type: none"><li>i) Arising out of the legal proceedings initiated before any forum including Debt Recovery Tribunal, by or on behalf of the Creditors, to enforce any rights or claims against the Corporate Debtor or enforce or invoke any security interest over the assets of the Corporate Debtor or any guarantees/ undertaking / surety by the Corporate Debtor;</li><li>ii) On account of any violation or breach of any agreement of the Corporate Debtor, prior to the Completion date.</li><li>iii) On account of all the outstanding negotiable instruments Issued by the Corporate Debtor (Including demand promissory notes, post-dated cheques and letter of credit, etc.).</li><li>iv) On account of any corporate guarantees (whether contingent or crystallized), indemnities and all other forms of credit support provided by the Corporate Debtor prior to the Completion date.</li><li>v) On account of any form or security</li></ul>	



	<p>provided by any person for and on behalf of, and /or In order to secure any obligations of the Corporate Debtor (whether by way of hypothecation, pledge, mortgage, guarantee or otherwise); and</p> <p>vi) Arising out of termination of all agreement executed with any and all persons associated with the Existing Promoter Group in any manner whatsoever or relatives of the existing Promoter Group who are employees of the Corporate Debtor or holds any managerial /supervisory/any other position in the Corporate Debtor by the Monitoring Agency</p> <p>shall stand extinguished and annulled.</p>	
40.	Revocation of Power of Attorneys – All the power of attorneys provided to any person by the corporate Debtor stands revoked with effect from the date of NCLT approval.	
41.	<p>For Grace period to comply with various future statutory /regulatory requirements:</p> <p>a. Grant of 6 (Six) months grace period (from the date of NCLT / AA approval) to be provided to the Corporate Debtor to comply with the provisions of the various Acts / Regulations, to enable Corporate Debtor to ascertain the status of various compliances and take necessary steps to regularize the same</p> <p>b. During grace period, no additional charges/ fees etc. to be charged including on account of Interest Penal Interest, Penalty, Interest on Penalty, any kind of Late Fee or Damages.</p>	
42.	For Issuance/Renewal of all kinds of licenses/permissions / approvals - Central / State Government Departments / Local Bodies to Renew / Issue Fresh licenses/permissions / approvals on application of the same within 30 days of the Application.	



43.	For Pollution Control Consent - To issue Consent to Operate by the respective pollution authorities to sustain the operations of the CD within 15 days of receipt of application from the Corporate Debtor.	
44.	For Water supply requirement – To be provided by the respective water authorities to sustain the operations of the CD.	
45.	For Electricity dues waiver - Outstanding dues, if any, with any of the DISTCOMS of the Corporate debtor to be waived.	
46.	For Power Connection by respective DISCOMS where the plants and offices of the CD are located - The Approval of the Resolution Plan by NCLT shall be treated as an order to provide the requisite electrical power connection by the respective DISTCOMS to the CD to restart the operations (in case the power connections have been disconnected)	
47.	For Permission to Modify/ construct furnish/ /expand/ extend the construction in the properties under the Corporate Debtor whether in merged form or demerged form - To be permitted, subject to compliance of applicable guidelines.	

22. As can be seen from the above, the Resolution Applicant has sought certain relief and concessions which fall in the jurisdiction of different Government Authorities, and/or are subjected to the provisions of different laws for the time being in force. In this connection, it is made clear that the amount payable by the SRA in terms of the plan to different creditors, stakeholders, and to keep the Corporate Debtor as a going concern is not a subject matter of any condition, assumptions, relief/concessions and/or qualification. It also needs to be underlined that the provisions of Section 31(4) of IBC, 2016 mandates the Resolution Applicant to obtain the



necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under Section 31 of the IBC, 2016 in terms of the provisions of Section 14 of the Code even during the period of CIRP, no default in payment of current dues is a precondition for continuation of the License, Permit, Registration and similar rights. Thus, even during the moratorium period, the facilities mentioned above are made available to the CD only when there is no default in payment of the current dues, on approval of the resolution plan, the SRA/CD cannot be put on a better footing by exempting it from paying its legitimate dues under the law. For the sake of convenience, the explanation below Section 14 of the code is extracted below:

***“14. Moratorium. –***

*(1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely: -*

*(a) .....*

*(b) .....*

*(c) .....*

*(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

*Explanation.- For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license,*



*permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;”*

*(Emphasis Supplied)*

23. Furthermore, the Code provides for consideration of the claims, by the IRP/RP in terms of the provisions of Section 18(b) and Section 25(b) read with the relevant regulations.

24. The Code, further, provides for preparation of an Information Memorandum in terms of the provisions of Regulation 36(2) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which contains, inter alia, a list of creditors along with the amounts claimed by them. Regulation 36(1) of the regulations (ibid), provides for submission of the said Information Memorandum to each member of the COC. Regulation 36A provides for invitation for expression of interest and Regulation 36B provides for a request for a Resolution Plan. It is with reference to the Information Memorandum and Evaluation Matrix that the RP issues a Request for Resolution Plan. The Request for Resolution Plan details each step in the process and the manner and purposes of interaction between the Resolution Professional and the Prospective Resolution Applicant. The Resolution Plan submitted after consideration of the IM, EM and the RFRP is then examined by the Committee of Creditors. Even then, it needs to satisfy the requirements of Regulations 37 and 38 of the extant regulations and only then it can be approved by the COC in terms of the provisions of Regulation 39 of the aforementioned regulations. After such approval, the Plan effectively becomes a contract entered into between CD represented through RP, SRA, the creditors of the CD, and other





stakeholders and is binding on all of them. Section 31(1) of IBC, 2016, thus, takes care of most of the reliefs/concessions/waivers which are required by the Resolution Applicant. Furthermore, Section 32A of the Code provides for cessation of the liability for offences committed by the CD prior to initiation of the CIRP subject to the conditions laid down in the said section.

25. In this context a reference is made to the decision of Hon'ble NCLAT in Worldfa Exports Pvt. Ltd Vs. Vivek Raheja and Anr. [Company Appeal (AT) (Insolvency) No. 827 of 2024 & I.A. No. 2994 of 2024] dated 30.04.2024 wherein a challenge was laid against the following observation of the NCLT:

*“16. However, the resolution plan shall not be construed as waiver to any statutory obligations/liabilities arising out of the approved resolution plan and the same shall be dealt in accordance with the appropriate authorities concerned as per relevant laws. We are of the considered view that if any waiver is sought in the resolution plan, the same shall be subject to approval by the concerned authorities. The same view has been held by the Hon'ble Supreme Court in Ghanshyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited and Embassy Property Development case (supra).”*

The Hon'ble NCLAT, however, dismissed the Appeal with the following observation:

*“Adjudicating Authority has already referred to the Judgment of the Hon'ble Supreme Court in the matter of 'Ghanshyam Mishra & Sons Private Limited' Vs. 'Edelweiss Asset Reconstruction Company Limited', in Civil Appeal No. 8129 of 2019, which clearly laid down that all claims which have not been dealt in the Resolution Plan does not survive after the approval of Resolution Plan.*

*6. Insofar as statutory waivers and concessions, Adjudicating Authority has rightly observed that SRA to file appropriate necessary application before the necessary Forum/ Authority in order to avail the relief and the concession.*

*7. The Resolution Plan having been approved it is always open for the Applicant to make an appropriate application before the Statutory Authority for grant of such relief as permissible after approval of the Resolution Plan.*

*8. It goes without saying that all past liabilities which are not dealt with in the Resolution Plan stand extinguished by view of the*



*Judgment of the Hon'ble Supreme Court in 'Ghanshyam Mishra & Sons Private Limited' (Supra) which is a well settled law."*

In sum and substance, the SRA/CD would be entitled to no other relief/concession/waiver from this Adjudicating Authority except those available to it, as per the provisions of Section 31(1) and 32A of IBC, 2016. The SRA is, however, at liberty to approach the relevant authorities, who would consider these claims as per the provisions of the relevant law, in an expeditious manner.

26. In the sequel to the above, we are inclined to approve the Resolution Plan as approved/recommended by the CoC as placed by the Applicant before this Adjudicating Authority. We, therefore, allow the present Application and approve the COC-approved Resolution Plan as placed before us by the Applicant/RP with the following directions: -

- (i) The approved Resolution Plan shall become effective from the date of passing of this Order and shall be implemented strictly as per the term of the plan and implementation schedule given in the Plan;
- (ii) All claims which have not been dealt with in the Resolution Plan do not survive after the approval of the Resolution Plan.
- (iii) The SRA/CD would be entitled to no other reliefs/concessions/waivers except those are available/permmissible to it as per the provisions of Section 31(1) and 32A of IBC, 2016. The SRA is at liberty to approach the relevant authorities who would consider these claims as per the provisions of the relevant law in an expeditious manner.
- (iv) The Monitoring Committee as provided in the Resolution Plan shall be set up by the Applicant/RP within 07 days of passing of this Order, which in turn, shall take all necessary steps for time bound implementation of the Resolution Plan as per approval.
- (v) The order of the moratorium in respect to the corporate debtor passed by this Adjudicating Authority under Section 14 of the IBC, 2016 shall cease to have effect from the date of passing of this Order; and



(vi) The Resolution Professional shall forward all the records relating to the conduct of the CIRP and the Resolution Plan to the IBBI for its record and database.

27. The Court Officer and Resolution Professional (RP) shall forthwith make available/send a copy of this Order to the CoC and the Successful Resolution Applicant (SRA) for immediate necessary compliance.

28. A copy of this order shall also be sent by the Court Officer and Applicant to the IBBI for their record.

Sd/-  
**(SUBRATA KUMAR DASH)**  
**MEMBER (T)**

Sd/-  
**(ASHOK KUMAR BHARDWAJ)**  
**MEMBER (J)**