



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI, BENCH-V**

**I.A. No. 902 of 2023**

**IN**

**C.P. No. 233 of 2021**

In the matter of an Application under  
Section 30(6) and Section 31 of the  
Insolvency and Bankruptcy Code, 2016.

**Mr. Ritesh R. Mahajan**

**(Resolution professional M/s Cane  
Agro Energy (India) Limited)**

...Applicant/Resolution Professional

In the matter of

**ASREC (India) Limited**

... Financial Creditor

V/s.

**M/s Cane Agro Energy (India) Limited**

... Corporate Debtor

**Order Dated :24.03.2025**

**Coram:**

Hon'ble Ms. Reeta Kohli Member (Judicial)

Hon'ble Ms. Madhu Sinha Member (Technical)

***Appearance:***

***For the Applicant/RP:*** Adv. Rohit Gupta (PH)

***For the RA:-*** Baraka Legal (PH)



**ORDER**

***Per: Madhu Sinha Member(Technical)***

1. The above captioned Application was filed under Section 30(6) and Section 31, of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**Code**”) by the Resolution Professional (hereinafter referred as the “**Applicant**”), seeking approval of the Resolution Plan, submitted by the Resolution Applicant – **M/s Raigaon Sugar & Power Ltd. JV**, which was approved by **71.81%** voting shares of the members of the Committee of Creditors (hereinafter referred to as ‘**COC**’).
2. The facts leading to the Application are as under:
  - a. A Financial Creditor (i.e. **ASREC (India) Limited**), filed a Company Petition (IB) No. 233 of 2021 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code"). The Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated by an order dated 30.04.2021, and the Applicant was appointed as the Interim Resolution Professional and later confirmed as Resolution Professional by the COC in its 1<sup>st</sup> meeting held on 29.05.2021.
  - b. The Applicant published a Public Announcement in Form A in accordance with Section 15 of the Code read with Regulation 6 of the CIRP Regulations, on 07.05.2021, inviting submission of proof of claims from the creditors of the Corporate Debtor on or before 19.05.2021.

- c. The claims received and accepted by the Interim Resolution Professional in its 1<sup>st</sup> CoC meeting are as under:

Secured Financial Creditors	Claims Received	Claims Admitted
Sangli District Central Co-Op Bank Ltd.	2,02,83,30,757	2,02,83,30,757
Sangli Urban Co-Operative Bank	8,83,82,247	8,81,67,502
ASREC India Limited	40,15,29,915	40,15,29,915

*\* The said list of creditors was updated from time to time by the Resolution Professional.*

3. The Resolution Professional appointed Six registered valuers for conducting valuation across different asset classes, namely Land & Building Plant & Machinery and Securities and Financial Assets to determine its fair value and Liquidation value, as required under the Regulation 27 of the IBBI (IRP for Corporate Person) Regulations, 2016 on 16.06.2021.
4. These Registered Valuers submitted their reports. **The Liquidation and fair value** are stated as under:

Particulars of Assets	Valuation 1		Valuation 2		Average Valuation	
	Fair Value	Liquidation Value	Fair Value	Liquidation Value	Fair Value	Liquidation Value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land and buildings	48,80,28,000	34,16,19,000	48,18,56,000	33,72,99,200	48,49,42,000	33,94,59,100
Financial assets	47,49,35,335	10,70,43,334	48,82,11,572	11,10,33,716	48,15,73,454	10,90,38,525
Plant and machinery	47,41,00,000	33,18,70,000	42,99,30,567	31,06,30,737	45,20,15,284	32,12,50,369
<b>TOTAL</b>	<b>1,43,70,63,335</b>	<b>78,05,32,334</b>	<b>1,39,99,98,139</b>	<b>75,89,63,653</b>	<b>1,41,85,30,737</b>	<b>76,97,47,994</b>

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<b>AVERAGE FAIR AND LIQUIDATION VALUE</b>				<b>1,41,85,30,737</b>	<b>76,97,47,994</b>
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5. The Invitation for Expression of Interest (EOI) in Form G was approved by the CoC in its second meeting on 21.06.2021, along with the Eligibility Criteria under Section 25(2)(h) of IBC, 2016. The EOI was published on 25.06.2021 in *Indian Express* (English) and *Pudhari* (Marathi), with a submission deadline of 10.07.2021. The Resolution Professional received five responses, after which the Eligibility Criteria and detailed EOI were shared with the Prospective Resolution Applicants. Three applicants failed to submit the required undertaking and documents as per Regulation 36A. The other two applicants submitted all the necessary documents and information.
6. After the 2<sup>nd</sup> CoC meeting the RP received various claims from Financial Creditors and Operational Creditor. The amount of claims received from the Financial creditors was admitted after verification. The composition of CoC after the 2<sup>nd</sup> CoC meeting is as under:

<b>Secured Financial Creditors</b>	<b>Claims Received</b>	<b>Claims Admitted</b>
Sangli District Central Co-Op Bank Ltd.	2,02,83,30,757	2,02,83,30,757
Sangli Urban Co- Operative Bank	8,83,82,247	8,81,67,502
ASREC India Limited	40,15,29,915	40,15,29,915
Bank of India Limited	2,70,24,31,555	86,88,30,092.84

7. In the 4<sup>th</sup> CoC meeting the final list of CoC member with voting percentage was presented .

The constitution of COC is as under:

<b>Secured Financial Creditors</b>	<b>Claims Received</b>	<b>Claims Admitted</b>	<b>Voting Share (%)</b>
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Sangli District Central Co-Op Bank Ltd.	2,02,83,30,757	2,02,83,30,757	57.84
Bank of India Limited	2,70,24,31,555	86,88,30,092.84	24.78
Sangli Urban Co-Operative Bank	8,83,82,247	8,81,67,502	11.45
ASREC India Limited	40,15,29,915	40,15,29,915	3.05
The Karad Janta Sahakari Bank Limited	64,65,72,000	10,71,22,158	2.51
Tata Motor Finance Limited	1,25,46,713	1,25,46,713	0.36
<b>Total</b>	<b>5,87,97,93,187</b>	<b>3,50,65,27,138</b>	<b>100.00</b>

8. The Applicant received a Resolution Plan from Raigaon Sugar & Power Ltd. JV ("Resolution Applicant") on 13.08.2021, along with a Bid Bond Amount of ₹25,00,000/-. The plan was examined as per Section 30(2) of IBC, 2016, and circulated to CoC members. Discussions took place in the 4th CoC meeting on 31.08.2021, where the Resolution Applicant addressed queries and agreed to submit a revised plan.
9. The revised plan submission was extended at the Resolution Applicant's request. Meanwhile, SDCC, a major CoC member, cited internal elections and inability to review the plan. The CIRP period ended on 27.10.2021, leading to an extension application, which was granted until 26.01.2022. However, SDCC, citing management changes, remained unable to participate, causing a deadlock. Another extension was sought and allowed until 26.03.2022.
10. The Revised Resolution Plan was submitted on 11.03.2022 and placed before CoC in the 8th meeting on 16.03.2022. Following discussions, e-voting was scheduled but later canceled due to requests for additional time. A further extension was sought before the NCLT.
11. On 03.05.2022, the Resolution Applicant submitted a Second Revised Resolution Plan, discussed in the 9th CoC meeting on 06.05.2022. Queries regarding funding, interest rates, and feasibility were

addressed. E-voting was conducted from 07.05.2022 to 21.05.2022. The plan was approved by 71.81% of CoC members. **Thereafter, the Applicant has issued compliance certificate in Form “H”.**

**12. The Salient Features of the Resolution Plan as per Form H are as under:**

**A. Brief Background of the Corporate debtor**

Name of the corporate debtor	Cane Agro Energy (India) Ltd
CIN	U01115PN2007PLC130211 DT. 25.05.2007.
MSME Registration No.	UDYAM-MH-29-0005631
Registered address of the Company	At Raigaon, Post. Hingangaon (Bk) Tal. Kadegaon, Dist. Sangli Pin Code – 415305.
Telephone Number	(02347) 245148, 245149
Fax Number	(02347) 245166
Email	<a href="mailto:caneagro1@gmail.com">caneagro1@gmail.com</a> , <a href="mailto:caneagro2@gmail.com">caneagro2@gmail.com</a>
Factory Location	Factory is located at State Highway No. 76, Malharpeth – Pandharpur 18 Km Towards East from NH 4 from Umbraj and Karad City
Capacity TCD	3500 TCD , Govt. Of India has granted IEM of 9000 TCD Sugar Plant with 36 MW Co-generation Plant proposed

*\* Cane Agro Energy (India) Ltd; (“The Corporate Debtor”) is a public limited company incorporated under the provisions of Companies Act, 1956 registered with Registrar of Companies, Pune.*

- i. The Corporate Insolvency Resolution Process (“**CIRP**”) of Cane Agro Energy (India) Ltd has been initiated as per the provisions of the Insolvency and Bankruptcy Code (“**IBC**”) under Section 7. The application was moved before the Hon’ble National Company Law Tribunal, Mumbai Bench (“**NCLT**”) and was admitted vide its order dated 30.04.2021 (“**CIRP Order**”).

Pursuant to such order, Mr. Ritesh R. Mahajan was appointed as Interim Resolution Professional.

**B. Background of the Resolution Applicant**

Name of the Resolution Applicant:	<b>Raigaon Sugar and Power Ltd; JV</b>
Registered Address	<b>Eternity Square, 4<sup>th</sup> Floor</b> , CS No. 2150 A/1-A, E Ward, Tarabai Park, Near RTO Office, KOLHAPUR – 416 003
Office Address	Same as Above
Date of Incorporation	Proposed Joint Venture
Line of Activity	M/s. Raigaon Sugar and Power Ltd; Company is engaged in the business of sugar trading and Export-import of all agri commodities since last 7 Years.  Shri. Dhananjay C. Deshmukh, Suspended Director of Cane Agro Energy (India) Ltd;  Miss. Seema U. Mandake- Suspended Director of Cane Agro Energy (India) Ltd;
PAN	M/s. Raigaon Sugar and Power Ltd; - AAEECC8784C  Mr. Dhananjay C. Deshmukh – AJNPD1635Q  Miss. Seema U. Mandake- QUSPM7897G

***“M/s Raigaon Sugar and Power Ltd; JV is a Proposed Joint Venture firm having its registered office Eternity Square, 4<sup>th</sup> Floor, CS No. 2150 A/1-A, E Ward, Tarabai Park, Near RTO Office, KOLHAPUR – 416 003 (hereinafter referred to as Resolution Applicant).***

***Raigaon Sugar and Power Ltd.*** Is a Public Limited firm established in 2012. The main motive behind the birth of RSPL to start a Sugar Factory in Karad area and accordingly RSPL has got the necessary permissions too. While getting the IEM (Industrial Entrepreneur Memorandum) from Central Government’s Directorate of Sugars, it had been denied on the grounds of Aerial Distance between two sugar factories

Since the Corporate Debtor (CD) is classified as a Micro, Small, and Medium Enterprise (MSME), the applicability of Section 29A of the Insolvency and Bankruptcy Code (IBC), 2016, is subject to the exemption provided under

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Section 240A of the IBC. In the present case, the Resolution Applicant (RA) is a proposed joint venture between Raigaon Sugar and Power Ltd. and the directors of Cane Agro Energy (India) Ltd. The Resolution Plan has been submitted with the involvement of the suspended directors of the Corporate Debt.

The Resolution Applicant is eligible to submit a Resolution Plan for the Corporate Debtor and is not disqualified under Section 29A of the Insolvency and Bankruptcy Code, 2016. Additionally, the Resolution Applicant meets the eligibility criteria specified under Section 25(2)(h) of the Code.

The Resolution Applicant has submitted an affidavit dated 05.08.2021, certifying compliance with Section 29A and affirming that they are not disqualified under any of its provisions.

### 13. Summary of Payments under the Resolution Plan

The amounts provided for the stakeholders under the Resolution Plan **(as per Form H)** is as under:

**(Amount in Rs. Lakh)**

Sl. No.	CATEGORY OF STAKEHOLDER*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan	Amount Provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1s	Secured Financial Creditors	(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	Rs.1,25,46,713/-	Rs.1,25,46,713/-	Rs.70,19,459/-	55.95%



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		Plan				
		(ii) who voted in favour of the resolution plan	Rs.251,82,42,919/-	Rs.251,80,28,174/-	Rs.267,98,49,110/-	106.42%
		<b>Total[(a) + (b)]</b>	<b>Rs.253,07,89,632/-</b>	<b>Rs.253,05,74,887/-</b>	<b>Rs.268,68,68,570/-</b>	
2	Unsecured Financial Creditors	(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	Rs.334,90,06,555/-	Rs.97,59,52,251/-	Rs.3,41,61,053/-	1.02%
		(ii) who voted in favour of the resolution plan				
		Total[(a)+(b)+(c)]	<b>Rs. 334,90,06,555/-</b>	<b>Rs.97,59,52,251/-</b>	<b>Rs. 3,41,61,053/-</b>	
3+	Operational Creditors	(a) Related Party of Corporate Debtor	NA	NA	NA	NA
		(b) Other than (a) above:				
		i. Other Operational Creditors including Government dues	Rs.288,62,18,509/-	Rs.288,62,18,509/-	Rs.28,86,219/-	0.10%

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		ii. Workmen and Employees	Rs. 17,53,08,394/-	Rs. 17,53,08,394/-	Rs. 17,53,08,394/-	100%
		iii. Statutory Dues (ESIC)	Rs. 5,91,10,606/-	Rs. 5,91,10,606/-	Rs. 5,91,10,606/-	100%
		iv. Sugarcane arrears (Farmers Dues)	Rs. 2,99,00,000/-	Rs. 2,99,00,000/-	Rs. 2,99,00,000/-	100%
		v. Contingent Liability (Not Claimed)	NA	NA	NA	NA
		<b>Total[(a) + (b)]</b>	<b>Rs. 315,05,37,509/-</b>	<b>Rs. 315,05,37,509/-</b>	<b>Rs. 26,72,05,219</b>	
4	Other debts and dues	<b>Creditors whose claim is rejected by the Resolution Professional</b>	Rs. 175,45,62,291/-	Rs. 175,45,62,291/-	Rs. 24,05,32,778/-	13.71%
<b>Grand Total</b>			<b>Rs. 1078,489,5,987/-</b>	<b>Rs. 841,16,26,938/-</b>	<b>Rs. 322,87,67,620/-</b>	

**14. Distribution of the Total Contribution Amount:**

**a. Treatment towards insolvency resolution process cost:**

**Clause C-2** -The Information Memorandum provided by the Resolution Professional does not mention about the Insolvency Resolution Process Costs. The Resolution Applicant has enhanced its offer to that extent in the offer made to Financial Creditor. Any additional amount which will be indicated, as incurred after the date of submission of Resolution Plan, shall be reimbursed by the Resolution Applicant. Therefore, the resolution applicant will provide for the complete Insolvency Resolution Process Costs, if any, in priority to the payment of other debts of the corporate debtor.

***In view of the CIRP cost is paid in full and in priority***

**b. Treatment towards secured financial creditors:**

**Clause C-3-** As per the information provided by the Resolution Professional and the information available with two partners of the JV i.e. Mr. Dhananjay C Deshmukh and Mrs. Seema U Mandake, who are also the suspended directors of the CD, the total amount of outstanding due to Secured Financial Creditors of Cane Agro Energy (India) Ltd; is Rs. 253,07,89,632/- (Rupees Two hundred Fifty-Three Crore, Seven lakh Eighty-Nine Thousand Six hundred and Thirty Two Only) claim received and admitted

An aggregate amount of Rs. 268,68,68,570/- (Rupees Two Hundred Sixty Eight Crore Sixty Eight Lakh Sixty Eight Thousand Five Hundred and Seventy Only) (Herein after to be referred as "Resolution Amount") is proposed to be paid to the Secured Financial Creditor ("SFC"). However, the said amount is paid over the tenure of Seven (7) years, the aforesaid Resolution Amount includes the interest for the deferred payments.

**Sharing of above-mentioned resolution amount/assignment consideration by the secured creditor in following manner.**

Sr. No.	Particulars	Category - I Secured by Immovable Property	Category - II Secured by movable Property	Amount (Principal + Interest) (Rs)
1	Sangli District Central Co-Op Bank Ltd	1,906,569,094	350,317,103	2,256,886,196
2	Sangli Urban Co-op Bank	119,884,000	-	119,884,000
3	ASREC India Limited	133,271,732	169,807,182	303,078,914
4	Tata Motors Finance Limited	-	7,019,459	7,019,459
<b>Total</b>		<b>2,159,724,825</b>	<b>527,143,744</b>	<b>2,686,868,570</b>

**The Resolution Applicant, will pay the aforementioned Resolution Amount /Assignment consideration in the following manner:**

Period of Payment	Percentage of the Resolution amount as attributable to Secured Creditors	Amount (Rs)		
	% of Total Principal	Principal	Simple Interest(6%)	Total
		A	B	C=A+B

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Within <b>15 days</b> from the date of approval of the NCLT order approving the Resolution Plan	10.00%	224,279,513		224,279,513
At the end of 1 <sup>st</sup> Year (12 months ) from the date of approval of the NCLT order approving the Resolution Plan	21.43%	480,598,957	121,110,937	601,709,894
At the end of 2 <sup>nd</sup> Year (24 months ) from the date of approval of the NCLT order approving the Resolution Plan	11.43%	256,319,444	92,275,000	348,594,444
At the end of 3 <sup>rd</sup> Year (36 months ) from the date of approval of the NCLT order approving the Resolution Plan	11.43%	256,319,444	76895833.14	333,215,277
At the end of 4 <sup>th</sup> Year (48 months) from the date of approval of the NCLT order approving the Resolution Plan	11.43%	256,319,444	61516666.51	317,836,110
At the end of 5 <sup>th</sup> Year (60 months) from the date of approval of the NCLT order approving the Resolution Plan	11.43%	256,319,444	46137499.88	302,456,944
At the end of 6 <sup>th</sup> year (72 months) from the date of approval of the NCLT order approving the Resolution Plan	11.43%	256,319,444	30758333.26	287,077,777

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At the end of 7th Year (84 months) from the date of approval of the NCLT order approving the Resolution Plan	11.43%	256,319,444	15,379,167	271,698,610
<b>Total</b>	<b>100%</b>	<b>2,242,795,133</b>	<b>444,073,436</b>	<b>2,686,868,570</b>

**c. Treatment towards unsecured financial creditors:**

**Clause C-4** As per the information provided by the Resolution Professional and the information available with two partners of the JV i.e. Mr. Dhananjay C Deshmukh and Ms. Seema U Mandake, who are also the suspended directors of the CD, the outstanding dues of Unsecured Financial Creditors of Cane Agro Energy India Ltd is Rs. 97,59,52,251/- (Rupees Ninety Seven Crore Fifty Nine Lakh Fifty Two Thousand Two Hundred and Fifty One Only), claim received and admitted

An aggregate amount of Rs. 3,41,61,053/- (Rupees Three Crore Forty One Lakhs Sixty One Thousand and Fifty Three Only) (Herein after to be referred as "Resolution Amount") is proposed to be paid to the Unsecured Financial Creditors ("UFC"). The payment to unsecured financial creditors shall be within 90 days from the date of approval of the NCLT order approving the Resolution Plan.

**d. Treatment towards dissenting financial creditors(secured \* unsecured):**

**Clause C-3(5) & Clause C-4(4)** - The upfront payment will be made 10 day before the payment to the assenting creditor. At the same time payment of instalment will be made 1 month before the due date of instalment to the assenting financial creditor. In view thereof payment will be made as per 30(2), 53(1) and in priority to the assenting financial creditor.

In the event, Resolution Applicant choose to make entire payment upfront, then in that event payment will be made as purchase consideration for assignment of debt and debt of dissenting financial creditor will also be assigned.

**e. Treatment towards operational creditors:**



**Clause C- 5-** The amount due to the Operational Creditors of Corporate Debtor as per information Memorandum and information available with two partners of the JV i.e. Mr. Dhananjay C Deshmukh and Ms. Seema U Mandake, who are also the suspended directors of the CD, the outstanding dues of Operational Creditors of Cane Agro Energy India Ltd is Rs. 288,62,18,505/- (Rupees Two Hundred and eighty Eight Crore Sixty Two Lakh Eighteen Thousand Five Hundred and Five Only), claim received and admitted

The Operational Creditors will assign the entire receivable from the Corporate Debtor to the Resolution Applicant for a consideration of Rs. 28,86,219/- ( Rupees Twenty Eight Lakh Eighty Six Thousand Two Hundred Nineteen only). ). The amount shall be paid within 90 days from the date of approval of the NCLT order approving the Resolution Plan.

**f. Treatment towards employees and workmen \_ :**

**Clause C-6-** Total amount of outstanding due to Employees and Workmen of corporate Debtor as per the information available in Information Memorandum provided by the RP and further information derived from books of accounts of the CD by two partners of the JV i.e. Mr. Dhananjay C Deshmukh and Ms. Seema U Mandake who are also the suspended directors of the CD, being Rs. 17,53,08,394/- (Rupees Seventeen Crore Fifty-Three Lakhs Eight Thousand Three Hundred Ninety-Four Only). The said sum shall be paid within 12 Months from the date of approval of the Resolution Plan by the Hon'ble NCLT.

**g. Treatment towards other creditors:**

**Clause C-7-** As per the information provided by the RP there are no creditors in the category of Other Creditor of the CD. However, based on the information provided by two partners of the JV i.e. Mr. Dhananjay C Deshmukh and Ms. Seema U Mandake, who are also the suspended directors of the CD that certain creditors of the CD have submitted their claims in the category of financial creditors and the said claims of the creditors were rejected by the RP. However, these creditors are having guarantees and mortgages on the property of Principal Borrower (e.g. Farmers), other than CD. Considering that the principal borrowers are crucial to the run the business and operations of the CD smoothly in future, therefore the Resolution Applicant is proposing to make payment against the dues of principal borrowers of creditors. An aggregate amount of Rs. 24,05,32,778 /- (Rupees Twenty Four Crore



Five Lakh Thirty-Two Thousand Seven Hundred and Seventy-Eight only) (Herein after to be referred as “Resolution Amount”) is proposed to be paid to the Other Creditors (“OC”). This payment will be made towards assignment of debt. The first portion amounting to Rs.4,05,32,778/- (Rupees Four Crore Five Lakh Thirty-Two Thousand Seven Hundred and Seventy-Eight Only) will be adjusted towards the debt and thereafter the balance debt will be assigned by the other creditors for an aggregate consideration of Rs. 20,00,00,000 (Rupees Twenty Crore Only) to the entity identified and nominated by the Resolution Applicant. for the tenure of 36 months. The aforesaid amount proposed to be paid to these creditors is against their complete claim amount, irrespective of their nature of claim.

In Case if there is change in circumstances wherein Resolution Professional accepts these claims under any other category (e.g., Un-Secured Financial Creditor) either by himself or on the order and direction of Hon’ble NCLT/NCLAT or any other authority/ Judicial Authority, Resolution Applicants liability towards these creditors will be restricted to the amount of Rs 24,05,32,778/- (Rupees Twenty Four Crore Five Lakh Thirty-Two Thousand Seven Hundred and Seventy-Eight only) for the tenure of 36 month. In no circumstances, change in the nature of claim will change the amount to be paid to these creditors

**h. Treatment towards sugarcane grower/creditor (farmers dues):**

**Clause C- 8** - Total amount of outstanding sugarcane purchase arrears of Corporate Debtor as per Information Memorandum being Rs. 2,99,00,000/- (Rupees Two Crore and Ninety-Nine Lakhs Only). The Resolution Applicant shall pay only 2,99,00,000/- i.e. 100% amount of the total claims admitted for Sugarcane arrears. Amount of Rs. 2,99,00,000/- as envisaged above shall be paid within 90 days from the date of approval of the NCLT order approving the Resolution Plan.

**i. Treatment towards statutory dues:**

**Clause C-9** - The approved statutory dues of Employees Provident Fund Organisation (EPFO) of Rs. 5,91,10,606/- (Rupees Five Crore Ninety One Lakh Ten Thousand Six Hundred and Six only) will be paid within 180 days of approval of the resolution plan by NCLT.

**j. Treatment towards working capital and capital expenditure:**

**Clause C-10** - The fresh fund of Rs. 58,00,00,000/- (Rupees Fifty-Eight Crores only) will be introduced as and when required, as equity/quasi

equity or by way of ICD in the Company for running the business of the CD for the purpose of capital expenditure and working capital requirement as per the business needs at the discretion of the RA. These funds would be required for maintenance and overhauling of the plant and machinery of the CD to make them operational, replacement of missing parts of the plant and machinery of the CD. Also, the funds would be required for pre-operational activities like signing contracts with H & T Contractors, labors and operational expenses for first crushing season of the CD post approval of the Resolution Plan.

**k. Treatment towards contingent liabilities:**

**Clause C-11** - All the contingent liabilities which may or may not have been confirmed in past, during or before the CIRP or even may be confirmed in the time to come are proposed to be waived off fully. Even any other known or unknown liabilities (whether recorded or not recorded in books) are proposed to be waived off fully. No further claim/liabilities (whether contingent or otherwise) shall be allowed and/or paid, including but not limited to.

- 1) Machinery Suppliers Dues,
- 2) Service Dues,
- 3) Licenses Renewals,
- 4) Electricity Dues,
- 5) Water Dues,
- 6) Compensation to any Employees,
- 7) Store Supplies,
- 8) Sundry Dues,
- 9) Any Penalty/ies under any Power Purchase Agreement (Subsisting or otherwise)
- 10) Any other loans (Secured or Unsecured) taken by the Corporate Debtor, shares subscribed, advances and/or guarantees given by the Corporate Debtor as a packaged scheme of incentives

Losses of Corporate Debtor to be allowed and to be carried forward.

**15. The interests of existing shareholders have been altered by the Resolution plan as under:**

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	18862005	0.00	100%	0.00%
2	Preference	10622800	0.00	0.00%	0.00%





## **16. Sources of Funds**

Sr. No.	Stages	Amount (Rs.)	Sources of Fund
1	Upfront Amount to be paid within 90 days from the date of approval of the resolution plan by Hon'ble NCLT	331,226,785	Out of the Free Reserves of the Resolution Applicant
2	within 180 days from the date of approval of the resolution plan by Hon'ble NCLT	289,110,606	Out of the Free Reserves of the Resolution Applicant
3	within 365 days from the date of approval of the resolution plan by Hon'ble NCLT	1,107,018,288	Out of Loans from Consortium Banks
4	Within 24 months from the date of approval of Resolution Plan by Hon'ble NCLT	498,594,444	Out of the Free Reserves of the Resolution Applicant
5	Within 36 months from the date of approval of Resolution Plan by Hon'ble NCLT	403,748,055	Out of the Free Reserves of the Resolution Applicant
6	Within 48 months from the date of approval of Resolution Plan by Hon'ble NCLT	317,836,110	Out of the Free Reserves of the Resolution Applicant
7	Within 60 months from the date of approval of Resolution Plan by Hon'ble NCLT	302,456,944	Out of the Free Reserves of the Resolution Applicant
8	Within 72 months from the date of approval of Resolution Plan by Hon'ble NCLT	287,077,777	Out of the Free Reserves of the Resolution Applicant
9	Within 84 months from the date of approval of Resolution Plan by Hon'ble NCLT	271,698,610	Out of the Free Reserves of the Resolution Applicant
	<b>Total</b>	<b>3,808,767,620</b>	

**NOTE:**

- The Resolution Applicant is a diversified business group with a deep experience in the business of contracting, construction and engineering.*
- The Resolution Applicant has sufficient Reserves and Surplus and Net worth balance as per its Audited Balance sheet. Resolution Applicant Confirms that it has sufficient funds availability at its disposal and/ or has ability to raise such amounts from other sources also.*
- The Resolution Applicant will make the payments to the financial creditors through Owned Funds by way of Equity Share Capital as well as through bank loans.*
- It is pertinent to mention that the Resolution Applicant is possessing sound goodwill and flawless credit history. The Resolution Applicant is*

*having sizable retained earnings and also generating sufficient internal accruals which shall be sufficient enough to meet out the payments envisaged in the resolution plan.*

5. *The Resolution Applicant is enjoyed long standing credit facilities from reputed Banks and it has available the credit lines which can also be utilized for meeting out the shortfall (if any.).*
6. *Payment Schedule for Class of Creditors and other dues are is explained hereinabove.*
7. *The Resolution Applicant will have to incur expenditure for Working Capital in addition to the Resolution Plan payments as mentioned herein.*
8. *The Resolution Plan has been designed with All Stakeholders Approach and takes care of all the concerned stake holders of the Corporate Debtor in an optimal manner.*

## **17. Business Plan:**

- I. In order to operate the Corporate Debtor as a going concern, The fresh fund of Rs. 58,00,00,000/- (Rupees Fifty-Eight Crores only) will be introduced as and when required, as equity/quasi equity or by way of ICD in the Company for running the business of the CD for the purpose of capital expenditure and working capital requirement as per the business needs at the discretion of the RA. the Resolution Applicant will implement the Resolution Plan in the following steps

-

## **II. First Step-**

- i. Raigaon Sugar and Power Ltd ("RSPL" or "Resolution Applicant") will Infuse Rs. 2,50,00,000/- (Rupees Two Crore and Fifty Lakh only) as Equity Share Capital in Cane Agro Energy (India) Ltd ("Corporate Debtor") and balance Rs. 30,62,26,785/- (Rupees Thirty Crore Sixty Two Lakh Twenty Six Thousand Seven Hundred Eighty Five Only) as Unsecured Loans in Corporate Debtor as an upfront payment within 90 days.
- ii. Payment of Rs. 22,42,79,513/- (Rupees Twenty Two Crore Forty Four Lakh Seventy Nine Thousand Five Hundred and



Thirteen Only) to Secured Creditors, Rs. 3,41,61,053/- (Rupees Three Crore Forty-One Lakh Sixty-One Lakh and Fifty-Three Only) to Unsecured Creditors, Rs 28,86,219 (Rupees Twenty Eight Lakh Eighty Six Thousand Two Hundred and Nineteen Only) to Operational Creditor, Rs. 2,00,00,000/- (Rupees Two Crore Only) to Workmen and Employees, Rs. 2,99,00,000/- (Rupees Two Crore and Nineteen Nine Lakh Only) to Sugarcane arrears (Farmer's dues) and Rs 2,00,00,000 (Rupees Two Crore Only) to Other Creditor, respectively towards upfront payment within 90 days to be allocated proportionately.

- iii. Assignment of ENTIRE debt of the Corporate Debtor to Resolution Applicant, by the secured financial creditors, unsecured, financial creditors, operational creditors and other creditors of Corporate Debtor as per Resolution plan i.e ENTIRE amount of Rs. 814,75,22,683/- (Rupees Eight Hundred Fourteen Crore Seventy Five Lakh Twenty Two Thousand Six Hundred and Eighty Three only) as disclosed in Information Memorandum, and information available with the Resolution Applicant, upon approval of the Resolution Plan by Hon'ble NCLT.

**III. Second Step:** Post infusion, the entire existing equity share capital and preference share capital of Cane Agro Energy (India) Ltd will be adjusted against the losses and the entire existing paid-up equity share capital and preference share capital of Cane Agro Energy (India) Ltd will be cancelled without following process of Section 66 of The Companies Act, 2013.

RSPL WILL BE 100% SHAREHOLDER OF CORPORATE DEBTOR.

**IV. Step Three** –Amalgamation of Cane Agro Energy (India) Ltd into Raigaon Sugar and Power Ltd under section 230 to 232 and other applicable provisions of The Companies Act, 2013 and under Section 5 (26) of the Insolvency and Bankruptcy Code, 2016, Regulation 37 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and related rules and regulations ("the Scheme"):

- a. As on the Appointed Date of Merger, there would not be any liability payable to any creditors – Financials Secured Creditors or Financial Unsecured creditors or Operational creditors of Corporate Debtor etc. The only liability in the books of Corporate Debtor would be payable to the Assignee of Debt by Creditors of Corporate Debtor, which is RSPL any or any other party as may be directed by the Resolution Applicant. By virtue of assignment RSPL will be the sole secured as well as unsecured creditor of Corporate Debtor.
- b. With effect from the Appointed Date<sup>1</sup> all assets and liabilities of Corporate Debtor (post Steps I & II above), will be transferred to Raigaon Sugar and Power Ltd pursuant to the amalgamation.
- c. Assets and Liabilities of Corporate Debtor to be recorded at book values and the difference after cancellation of investments, inter-company receivable / payable to be recorded as reserves.

In the merged Balance Sheet of Raigaon Sugar and Power Ltd, the liability payable to the creditors of Corporate Debtor – Financial Secured Creditors or Financial Unsecured creditors or Operational Creditors or Other Creditors etc would be as agreed by Resolution Applicant under the Resolution Plan.

**18. Implementation Schedule:**

Implementation of the Resolution Plan shall commence from the NCLT Approval Date. Subject to Clause C-16. The Resolution Plan is effective for a term of 7 years. The Resolution Applicant will undertake the following steps to implement the Resolution Plan in the indicative timeline provided below:

Sr. No.	Particulars of Claim	Type of Claim	Settlement Amount (INR)	Term of Payment
1	CIRP Cost	At Actual	At Actual	As per C-2
2	Secured Financial Creditors	Secured	2,686,868,570	As per C-3
3	Unsecured Financial Creditors	Unsecured	34,161,053	As per C-4

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4	Operational Creditors, including other Government Dues	Unsecured	2,886,219	As per C-5
5	Workmen and Employees	Secured	175,308,394	As per C-6
6	Other Creditors	Unsecured	240,532,778	As per C-7
7	Sugarcane arrears (Farmer's dues)	Secured	29,900,000	As per C-8
8	Statutory Dues	Secured	59,110,606	As per C-9
9	Working Capital and Capital Expenditure	-	580,000,000	As per C-10
<b>Total</b>			<b>3,808,767,620</b>	

The term of the plan and its implementation schedule for payment to the Financial Creditors, Operational Creditors, Workmen, and Statutory Dues/ Liabilities as envisaged in this Resolution Plan, shall commence from the date of approval of the Resolution Plan by the Hon'ble NCLT and shall be valid till the payments are made to all the creditors as provided in the Resolution Plan. If owing to any subsequent event, be it appeal or a review petition or any other event, as a result of which the Resolution Plan is no more in existence or fails, then all the payments made pursuant to the Resolution Plan should be returned within 30 days of such happening or order passed by the Competent Authority

**19. Earnest Money Deposit**

The Resolution Applicant has submitted Performance Bank Guarantee of INR Rs.5,00,00,000/-and Earnest Money Deposit of Rs. 25,00,000/-.

**20. Concession, relief and dispensation sought:**

The Resolution Applicant requires the reliefs and concessions set out in Clause- 12 (Reliefs and Concessions), grant of which is essential to the smooth implementation of the Resolution Plan and successful turnaround of the Corporate Debtor, and such reliefs and concessions shall be appropriately prayed for by the Resolution Professional before the NCLT under the Application under Section 30 on behalf of the Resolution Applicant and may be included in the NCLT Order approving the Resolution Plan.

We have perused the reliefs, waivers and concessions as sought for in the application. It is evident that some of the reliefs, waivers and concessions sought by the Resolution Applicant come within the ambit of the I&B Code and the Companies Act 2013, while many others fall under the power and jurisdiction of different government authorities/departments. This Adjudicating Authority has the power to grant reliefs, waivers and concessions only concerning the reliefs, waivers and concessions that are directly with the I&B Code and the Companies Act (within the powers of the NCLT). The reliefs, waivers and concessions that pertain to other governmental authorities/departments may be dealt with by the respective competent authorities/forums/offices, Government or Semi-Government of the State or Central Government concerning the respective reliefs, waivers and concession, whenever sought for. The competent authorities including the Appellate authorities may consider granting such reliefs, waivers and concessions keeping in view the spirit of the I&B Code, 2016 and the Companies Act, 2013.

**21. Monitoring Committee :**

The Monitoring Committee shall comprise of 5 (Five) members comprising of the following:

Sr. No.	Member	Designation	Remuneration	Tenure
1	Resolution Professional	Chairman	1,00,000/- PM	From the date of Approval of Resolution Plan by Hon'ble NCLT Till Successful Completion of Resolution Plan as certified by the Committee
2	Resolution Applicant	Member	-	
3	Resolution Applicant	Member	-	
4	Representative of the Bank (Financial Creditors)	Member	5,000/- PM	
5	Representative of the Bank (Financial Creditors)	Member	5,000/- PM	

**22. Avoidance Transactions**

*As per the Form-H there are no section 66 or avoidance application filed / pending.*

Save and except specifically dealt with under this Resolution Plan, no other payments or settlements (of any kind) shall be made to any other



Person in respect of claims filed under the CIRP (including, for the avoidance of doubt, any unverified portion of their claims) and all claims against the Corporate Debtor or Suspended Directors and Guarantors of Corporate Debtor along with any related legal proceedings, including criminal proceedings and other penal proceedings, shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity

The payment to Persons contemplated in this Resolution Plan shall be the Corporate Debtor's and Resolution Applicant's full and final performance and satisfaction of all its obligations to such Persons and all Claims (including, for the avoidance of doubt, any unverified portion of their Claims) of such Persons against the Corporate Debtor or Suspended Directors and Guarantors of Corporate Debtor and Affiliates shall stand irrevocably and unconditionally settled and extinguished in perpetuity.

**23. LIST OF APPROVALS/ RENEWAL/TRANSFER SOUGHT AND TIMELINES:**

Sr. No.	Name of the Law	Competent Authority	Purpose	Timeline
1.	Income Tax	Chief Commissioner /commissioner	NOC/Approval Carry forward of Losses	
2.	VAT, Maharashtra	Commissioner	NOC/ Approval/ Transfer	
3.	VAT, Central	Commissioner	NOC/ Approval/ Transfer	
4.	GST, Maharashtra	Commissioner	NOC/ Approval/ Transfer	
5.	Commissioner Provident Fund	Commissioner	NOC/ Approval/ Transfer	
6.	Excise	Commissioner	NOC/ Approval/ Transfer	
7.	Factories Act	Commissioner	NOC/ Approval/ Transfer	
8.	Factory License	The Director of Industrial and Safety Health	NOC/Approval/Transfer	

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9.	M1 License	The Director Collector, Sangli	NOC/Approval/Transfer	<b>Within 1 year from the order of Hon'ble NCLT approving the Resolution Plan or within such period as provided for in such law, whichever is later</b>
10.	FSSSAI	Food Safety Standards Authority of India	NOC/Approval/Transfer	
11.	Boiler License	The Director Steam and Boiler, Kolhapur	NOC/Approval/Transfer	
12.	IEC Code	Joint Director Central of Foreign Trade Delhi	NOC/Approval/Transfer	
13.	IEM Sugar IEM Acknowledgement No. 1768/SIA/IMO/2008	DIPP SIA	NOC/Approval/Transfer	
14.	IEM Distillery IEM Acknowledgement No. 1) 3492/SIA/IMO/2003 2) 3493/SIA/IMO/2003 3) 3494/SIA/IMO/2003	DIPP SIA	NOC/Approval/Transfer	
15.	IEM C0-Gen IEM Acknowledgement No. 1299/SIA/IMO/2004	DIPP SIA	NOC/Approval/Transfer	
16.	Revenue Department for 7/12 Extract	Collector	Remove any attachment	



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17.	Maharashtra Pollution Control Board (MPCB)	Member Secretary MPCB	NOC/ Approval and Consent to Operate.	
18.	Weights and Measures Act 1976	Legal Metrology Department	NOC/ Approval	
19.	Maharashtra Industrial Development Act, 1961	Maharashtra Industrial Development Corporation (MIDC)	NOC for Change in Ownership of company	
20.	Any other applicable laws	Any other Central Government, State Government, Local Authority, etc	NOC/ Approval	

**24. The compliance of the Resolution Plan is as under (As per Form - H):**

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?		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?	Affidavit by Resolution Applicant	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	<b>Annexure No. 5 (Page No. 148-152)</b>	Yes
Section 30(2)	(a) provides for the payment of insolvency resolution process costs?	<b>Part-C, C-2 (Page No. 23)</b>	Yes
	(b) provides for the payment to the operational creditors?	<b>Part-C, C-5 (Page No. 32-52)</b>	Yes
	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	<b>Part-C, C-3 Point No. 5 (Page No. 29-30)</b>  <b>And</b>	Yes

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		<b>Part-C, C-4 Point No. 4 (Page No. 32)</b>	
	(d) provides for the management of the affairs of the corporate debtor?	<b>Part-C, C-17 (Page No. 78-79)</b>	Yes
	(e) provides for the implementation and supervision of the resolution plan?	<b>Part-C, C-18 (Page No. 79-80)</b>	Yes
		<b>Part F</b>	Yes

**Observation and Findings:**

**25.** On perusal of the Resolution Plan, we find that the Resolution Plan provides for the following

- i.** As per IBC Code 30(2)(a) – A Resolution Plan 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.
- ii.** As per Section 30(2)(b), the Respondent has agreed to pay Operational Creditors an amount which shall not be less than liquidation value or the amount that would have been paid to such creditors if the amount to be distributed under the Resolution Plan is distributed in accordance with priority under Section 53(1), whichever is higher.
- iii.** The Resolution Applicant has also agreed that dissenting financial creditors shall be paid not less than the value they would have been paid in the event of liquidation of the Corporate Debtor.
- iv.** The plan provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan. Section 30(2)(d).
- v.** The Resolution Plan does not contravene any of the provisions of the law for the time being in force - Resolution Plan provides for the implementation and supervision of the resolution plan as per Section 30(2) (e)



- vi.** The Resolution Applicant has given a declaration that the Resolution Plan does not contravene any provisions of the law for the time being in force as per Section 30(2)(f).
- vii.** The resolution applicant or any of its related parties has not 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.
- viii.** The Resolution Plan is in compliance of the Regulation 38 of the Regulations in terms of Section 30(2)(f) as under:
  - a.** The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors. Regulation 38(1).
  - b.** The Resolution Plan has all the adequate means of supervising of the implementation of the Plan as required under Regulation 38(2) (c), of the IBBI, Insolvency resolution process for corporate persons, Regulation 2016.
  - c.** Provides for the payment of CIRP Costs in priority to the repayment of any other debts of the Company (Regulation 38(1)(a)).
  - d.** Provides for the manner of implementation and supervision of the Resolution Plan and adequate means for implementation and supervision of the Resolution Plan.
  - e.** The Resolution Applicant confirms that to the best of the knowledge of the Resolution Applicant, the Resolution Plan is not in contravention of the provisions of Applicable Law and is in compliance with the Code and the CIRP Regulations.
  - f.** The Resolution Applicant confirms that the Resolution Applicant and its connected persons are not disqualified from submitting a resolution plan under Section 29A of the Code and other provisions of the Code and any other Applicable Law.
  - g.** The plan provides for the management and control of the business of the Corporate Debtor during its term.
  - h.** All the above factors demonstrate that the plan address as the cause of default and the Resolution Applicant has the capacity to implement the Resolution Plan.
  - i.** That the Resolution Applicant or any of its related parties has never 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. This is in compliance of Regulation 38(1)(b) of the Regulations.

- j. The interests of all stakeholders (including Financial Creditors, Operational Creditors and other creditors, guarantors, members, employees and other stakeholders of the Company, keeping in view the objectives of the Code (Regulation 38(1A)).

**26.** The Resolution Plan has been approved in the 9<sup>th</sup> COC meeting held on 06.05.2022 with 71.81% voting in accordance with the provisions of the Code.

**27.** In **K. Sashidhar v. Indian Overseas Bank & Others: 2019 SCC Online SC 257 (2019) 12 SCC 150** the Hon'ble Apex Court held that

*“if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2). The Hon'ble Court observed that the role of the NCLT is 'no more and no less'. The Hon'ble Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan “as approved” by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) when the Resolution Plan does not conform to the stated requirements”.*

**28.** In **India Resurgence Arc Private Limited vs. Amit Metaliks Limited and Ors. (2021)** the Hon'ble Apex Court held that

*“the process of consideration and approval of resolution plan is essentially within the commercial*

wisdom of Committee of Creditors (CoC). The scope of judicial review remains limited under Section 30(2) of the Insolvency and Bankruptcy Code (IBC), 2016 by which the court would examine that the resolution plan does not contravene any statutory provisions and it conforms to such other requirements as may be specified by the Board. The court held that the process of judicial review cannot be stretched if all the above-mentioned requirements have been duly complied with and that dissenting financial creditor, expressing dissent over the value of security interest held by it, cannot seek to challenge an approved Resolution Plan. Lastly, it was held that Section 30 of the IBC, 2016 only amplified the considerations for the CoC while exercising its commercial wisdom so as to take an informed decision in regard to the viability and feasibility of resolution plan, with fairness of distribution amongst similarly situated creditors; and that the business decision taken in exercise of the commercial wisdom of CoC does not call for interference unless creditors belonging to a class being similarly situated are denied fair and equitable treatment.

29. The Hon'ble Apex Court at para 42 in **Committee of Creditors of Essar Steel India Limited Vs. Satish Kumar Gupta & Ors.: (2019) SCC Online**, has clearly laid down that the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved.

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



30. The Hon'ble Supreme Court in **Ghanashyam Mishra and Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.** has clearly established that the once a Resolution Plan is approved by the Adjudicating Authority (AA), the same, irrespective of whether or not they participated in the CIRP, binds all creditors and any claims not forming part of the approved Resolution Plan shall stand extinguished.

*"with respect to any statutory dues owed/claims raised in relation to the period prior to the 2019 Amendment, the resolution plan shall still be binding on the statutory creditors concerned, and the statutory dues owed to them, which were not included in the resolution plan, and such claims shall stand extinguished."*

31. Regarding to the Relief and Concessions the Resolution Applicant will approach all the consent Authorities for reliefs and concessions, if any hindrance faced by the Resolution Applicant from any Authority at latter stage, the Resolution Applicant may approach the Tribunal after the sanction of the Plan. The carry forward loses if any are permitted under Section 79 of the Income Tax Act 1961. The law has been well settled by the Hon'ble Supreme Court in the case of **Ghanashyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited and Ors.** in the following words:

- I. *"The legislative intent behind this is, to freeze all the claims so that the resolution applicant starts on a clean slate and is not flung with any surprise claims. If that is permitted, the very calculations on the basis of which the resolution applicant submits its plan would go haywire and the plan would be unworkable.*
- II. *87. We have no hesitation to that the word "other stakeholders" would squarely cover the Central Government any State Government or any local authorities. The legislature, noticing that on account of obvious omission certain tax authorities were not abiding by the mandate of I&B Code and continuing with the proceedings, has brought out the 2019 amendment so as to cure the said mischief...*



III. *In view of the above we hold that the Resolution Applicant cannot be saddled with any previous claim against the Corporate Debtor prior to initiation of its CIRP..."*

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

**32.** In view of the above cited case law, the legislature has given paramount importance to the commercial wisdom of committee of creditors (CoC) and the scope of judicial review by the Adjudicating Authority (AA) is limited to the extent of scrutiny provided under section 31 of Code and the direction of the Appellate Authority is limited to the extent provided under sub-section (3) of section 61 of the Code.

**33.** In view of the discussions, this Bench is of the considered view that the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A) and 39(4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The Resolution Plan is feasible and viable and has been duly approved by the CoC in their Commercial Wisdom and under the requisite proceedings of 'Code'. The Resolution Plan balances the interest of all the stakeholders and thus it deserves to be approved as follows:

**34.** The Interlocutory Application No. 902 of 2023 is **allowed**. The Resolution Plan submitted by **M/s Raigaon Sugar & Power Ltd. JV**, is hereby approved. **It shall become effective from this date and shall form part of this order.** It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of payment of dues arising under any law for the time being in force is due.

**a)** The Memorandum of Association (MoA) Articles of Association (AoA) shall accordingly be amended and filed with the Registrar



of Companies (ROC), concerned for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

- b) The moratorium under Section 14 of the Code shall cease to have effect from this date.
- c) The Monitoring Committee shall supervise the implementation of the Resolution Plan and shall file status of its implementation before this Authority from time to time, preferably every quarter.
- d) The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- e) The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for necessary compliance.
- f) The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- g) The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.
- h) The Registry is directed to send copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- i) The Interlocutory Application **No.902 of 2023** is accordingly **Allowed.**

Sd/-

**Madhu Sinha**  
**Member (Technical)**  
/priyanka/

Sd/-

**Reeta Kohli**  
**Member (Judicial)**