



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

IA No. 2960/2023

**In
CP (IB) No.406/Chd/Pb/2018
(Admitted)**

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

IN THE MATTER OF:

State Bank of India

..... Financial Creditor

Versus

M/s Nexgen Laminators Private Limited

..... Corporate Debtor

AND IN THE MATTER OF INTERLOCUTORY APPLICATION NO.2960/2023:

Mr. Jalesh Kumar Grover

Resolution Professional

For Nexgen Laminators Private Limited

Regn. No.IBBI/IPA-001/IP-P00200/2017-2018/10390

Correspondence

SCO-818, 2nd Floor, NAC Manimajra,

Chandigarh-160101

..... Applicant

Order delivered on : 07.05.2025

Coram: HON'BLE SHRI HARNAM SINGH THAKUR, MEMBER (JUDICIAL)

HON'BLE SHRI UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)

Present:

For the Resolution Professional : Mr. Aalok Jagga with Mr. APS Madaan, Ms. Vibhu Aggarwal, Mr. Narsingh Chauchan, Mr. Sahil Lohan,



Advocates, Mr. G.S. Sarin, PCS & Mr. Jalesh Kumar Grover, RP in person
For the Successful Resolution Applicant : Ms. Eshna Kumar, Ms. Jasleen Singh Sandha, Advocates

PER: HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)

ORDER

The present Interlocutory Application (hereinafter referred to as the “**IA**”) has been filed by Mr. Jalesh Kumar Grover, Resolution Professional of M/s Nexgen Laminators Private Limited (hereinafter referred to as the “**Applicant**” or “**RP**”) under section 30(6) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**IBC**” or “**Code**”) read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as the “**CIRP Regulations**”) for seeking approval of the Resolution Plan in the Corporate Insolvency Resolution Process (hereinafter referred to as the “**CIRP**”) of **M/s Nexgen Laminators Private Limited** (hereinafter referred to as the “**Corporate Debtor**”).

2. The Order initiating CIRP against the Corporate Debtor was passed by this Adjudicating Authority on 25.11.2019. Further, the registered office of the Corporate Debtor is situated at 658/1, Lahori Gate, Patiala, Punjab-147001, which is within the territorial jurisdiction of this Adjudicating Authority. Therefore, this Adjudicating Authority has jurisdiction over the present IA.

FACTS OF THE CASE


3. The facts, as mentioned in the IA, have been summarised below:



- (i) An Application bearing CP(IB)No.406/CHD/PB/2018 under Section 7 of the IBC for initiation of the CIRP of the Corporate Debtor was filed by the Financial Creditor, State Bank of India (hereinafter referred to as the “SBI”), which was allowed by the this Adjudicating Authority vide its order dated 25.11.2019 (copy annexed as Annexure A-1 of the IA) directing to commence CIRP against the Corporate Debtor by appointing Ms.Ritu Rastogi as the Interim Resolution Professional (hereinafter referred to as the “IRP”).
- (ii) Pursuant to the aforesaid order, the IRP made a public announcement dated 26.11.2019 in accordance with section 15 of the Code read with Regulation 6 of Chapter III of the CIRP Regulations in the newspapers viz. Financial Express in English language, Jansatta in Hindi language and Punjabi Jagran in Punjabi language. The copy of public announcement in Form A dated 26.11.2019 is annexed as Annexure A-2 of the IA.
- (iii) The IRP, till the last date for the submission of claims i.e. 09.12.2019, received claims from 3 Financial Creditors. Based on the collated claims, the IRP constituted the Committee of Creditors (hereinafter referred to as the “CoC”) on 18.12.2019 as per section 21(1) of the Code. The CoC of the Corporate Debtor comprises of the following Financial Creditors:

Sl. No.	Name of Creditor	Voting Share
A.	Small Industrial Development Bank of India	48.03%
B.	State Bank of India	29.03%
C.	Canara Bank	22.94%

- (iv) The IRP called and convened the 1st meeting of the CoC on 24.12.2019, wherein the agenda for confirmation of the IRP as the RP was discussed



and put for voting through e-mail, but was not approved by the members of the CoC.

- (v) The IRP called and convened the 2nd meeting of the **CoC** on 09.01.2020, wherein the CoC approved the agenda to appoint the Applicant, as the Resolution Professional (hereinafter referred to as the “**RP**”) in the matter of the Corporate Debtor. Subsequently, the CoC filed an application bearing **CA No. 61/2020** to confirm the appointment of the Applicant as the RP of the Corporate Debtor. The said Application was allowed by this Adjudicating Authority vide Order dated 22.01.2020 (copy annexed as Annexure A-3 of the IA).
- (vi) The Applicant, called and convened the 3rd meeting of the CoC on 06.02.2020 (copy of the minutes of the meeting annexed as Annexure A-4 of the IA), wherein the CoC, approved the resolution for publication of Form-G.
- (vii) Pursuant to the above approval, in terms of Section 25(2)(h) of the Code, the Applicant published 1st Form-G (copy annexed as Annexure A-5 of the IA) on 08.02.2020 in two newspapers, wherein last date of submission of Expression of Interest (hereinafter referred to as the “**EoI**”) was 23.02.2020.
- (viii) The Applicant called and convened the 4th meeting of the CoC on 20.02.2020, wherein the CoC was apprised that five Prospective Resolution Applicants (hereinafter referred to as the “**PRAs**”) have shown their interest and three PRAs have submitted EoI in the prescribed format.



- (ix) The Applicant called and convened 5th CoC meeting on 12.03.2020, wherein, the list of three PRAs as shown below, was shared with the CoC, in accordance to Regulation 36A(10) of the CIRP Regulations:

Sl. No.	PRAs
1.	Uma Polymers Limited
2.	Prabal Bansal
3.	Prudent ARC Limited

- (x) Although three EoIs were received from three PRAs, but no Resolution Plan was received, pursuant to publication of 1st Form-G dated 08.02.2020.
- (xi) During the 6th meeting of the CoC convened on 27.05.2020, the Applicant discussed that efforts are being made to attract more Resolution Applicants for the Corporate Debtor's revival, including the circulation of teasers and display Form G on the bank's website and thereby, the CoC resolved for re-publication of Form-G (copy of minutes of the meeting annexed as Annexure A-6 of the IA). Subsequently, the Applicant republished the Form-G on 30.06.2020 (copy annexed as Annexure A-7 of the IA).
- (xii) During the 8th meeting of the CoC held on 29.07.2020, the Applicant apprised the CoC that pursuant to the re-published (2nd) Form-G dated 30.06.2020, total ten EoIs were received before the last date of submission of EoI. The Applicant also apprised the CoC that the CIRP period was ending on 01.08.2020. In view thereof, the CoC resolved to file an application for an extension of 90 days beyond 180 days i.e. 01.08.2020 (after excluding lockdown period of 70 days), on account of the republication of (2nd) Form-G on 30.06.2020 and the fact that CIRP period

was ending on 01.08.2020 (copy of minutes of the CoC meeting annexed as Annexure A-8 of the IA).

- (xiii) The Applicant filed I.A. No.361 of 2020, before this Adjudicating Authority seeking an extension of 90 days beyond 180 days of CIRP period. This Adjudicating Authority, vide order dated 09.09.2020, extended the CIRP period of the Corporate Debtor by 90 days, beyond 180 days on account of the re-publication of (2nd) Form-G and also excluded the period from 25.03.2020 to 31.07.2020 (70 days) on account of Covid-19 and lockdown.(copy annexed as Annexure A-9 of the IA).
- (xiv) During the 9th meeting of the CoC held on 17.08.2020, the Applicant apprised the CoC that total five Resolution Plans were received, within time, pursuant to the re-published (2nd) Form-G dated 30.06.2020 from 5 PRAs as shown below:


Sl. No.	PRA
1.	Mr. Ramneek Goel
2.	Mr. Bharat Gupta
3.	M/s Shree Vinayak Agro
4.	Mr. Anil Jain
5.	M/s Lauls Limited

Further, the Applicant provided an overview of the procedure for finalizing the Resolution Plan and opened sealed plans received from eligible PRAs.

- (xv) During the 10th meeting of the CoC held on 28.08.2020, the CoC members invited PRAs to present the terms and conditions of their respective Resolution Plans, leading to negotiations with all eligible PRAs. Discussions also centered around the withdrawal of the Resolution Plan by one of the PRA, namely M/s Lauls Limited, and deliberations on the valuation of the Corporate Debtor's assets took place.



- (xvi) Thereafter, pursuant to negotiations with the PRAs in 11th & 12th CoC meetings held on 04.09.2020 and 14.09.2020 respectively, further negotiations were carried out specifically with the H1 bidder in the 13th to 15th CoC meeting.
- (xvii) During the 16th meeting of the CoC convened on 21.12.2020, the Applicant apprised the CoC that modified Resolution Plan was received on 19.12.2020 and is to be put-forth for voting. Further, the Applicant apprised that the CIRP period was going to be completed on 31.12.2020. Considering the time required for approval of the Resolution Plans, the CoC unanimously approved a resolution for the extension of the CIRP period beyond 270 days, citing delays in negotiation with PRAs due to COVID-19.
- (xviii) The Application for extension of 30 days under section 12(2) of the Code read with Regulation 40 and 40C of the CIRP Regulations was filed before this Adjudicating Authority on 28.12.2020, which was allowed vide Order dated 15.03.2021 (copy annexed as Annexure A-10 of the IA).
- (xix) During the 17th meeting of the CoC held on 30.12.2020, the CoC approved the resolution “to handover the operations of the factory to PRA (Mr. Ramneek Goel) on a monthly lease rent of Rs.4 lakh, until the Resolution Plan receives approval from the Adjudicating Authority”, in order to facilitate the temporary continuation of factory operations under Mr. Goel's management until the formal approval of the Resolution Plan, aimed at effectively managing the operations of the Corporate Debtor to prevent any losses leading to increased CIRP costs. Thereafter, Management and Operations Agreement dated 15.03.2021 was executed between the




Corporate Debtor and Mr. Ramneek Goel to run the operations of the Corporate Debtor to keep intact its current assets.

- (xx) During the 19th meeting of the CoC held on 12.04.2021 & 13.04.2021, the Applicant informed CoC members that PRA (Mr. Ramneek Goel) had amended the Resolution Plan based on observations from SIDBI. Additionally, it was apprised to the CoC that the Applicant received a Resolution Plan from another PRA namely Mr. Sunil Bajaj for an amount of Rs.27.06 crore. In order to consider newly received Resolution Plan and negotiate with PRAs, the CoC members resolved that the Applicant should file an application for a 90-day extension of the CIRP period since the 300-day limit was set to expire on 15.04.2021.
- (xxi) Pursuant to the above, the Applicant filed I.A. No. 326/21 on 23.04.2021, before this Adjudicating Authority seeking extension of 90 days beyond 300 days of CIRP period expired on 15.04.2021. This Adjudicating Authority, vide its Order dated 13.06.2023 (copy annexed as Annexure A-11 of the IA), allowed the said IA for extension of 90 days and also allowed the exclusion of time taken for adjudication of IA from 23.04.2021 (date of filing the application) till 13.06.2023 (date of order)..
- (xxii) During the pendency of above-mentioned extension application, the PRA, namely Mr. Ramneek Goel, filed two applications (IA No.328/2021 and IA No. 329/2021) before this Adjudicating Authority, requesting for the stay of the publication of Form-G and CIRP, which were dismissed vide this Adjudicating Authority Order dated 13.06.2023.



- (xxiii) Pursuant to the extension of 90 days, the Applicant convened the 20th meeting of the CoC on 15.06.2023 (copy of the minutes of the 20th meeting of the CoC annexed as Annexure A-12 of the IA), wherein the members of CoC unanimously approved the agenda for re-publication of invitation for EoI (Form G) in the newspaper and also finalized the eligibility criteria for PRAs.
- (xxiv) The Applicant called and convened the 21st meeting of CoC on 22.06.2023, wherein, in view of the republication of Form-G dated 16.06.2023, the CoC unanimously resolved to discontinue the Operation and Management Agreement entered with Mr. Ramneek Goel for running the operations of the factory of the Corporate Debtor.
- (xxv) The Applicant called and convened the 22nd meeting of the CoC, wherein, the Applicant informed the CoC members that following the re-publication of the invitation for EoI (3rd) Form G on 16.06.2023, several parties had expressed interest via email, although only one EoI had been formally received from SPSS Infrastructure Private Limited. The Applicant apprised that the EoI formats and required documents had already been shared with these parties.
- (xxvi) Further, the Applicant apprised the CoC members about the issuance of the Information Memorandum (hereinafter referred to as the “**IM**”), Evaluation Matrix, and Request for Resolution Plan (hereinafter referred to as the “**RFRP**”) as per the provisions of Regulations 36(B) of the CIRP Regulations. During the discussion, the representative of the SIDBI raised concerns about PRAs defaulting after making upfront payments and suggested including a clause in the Resolution Plan that prevents the



change of directorship and shareholding until the last instalment is paid to the creditors. The CoC engaged in a detailed discussion, considering various viewpoints and possible solutions. Ultimately, it was decided that the Applicant would seek opinion from the legal counsel regarding the proposed changes to the RFRP. Additionally, the CoC proposed modifications to the Evaluation Matrix, both in quantitative and qualitative parameters.

(xxvii) During the 23rd meeting of the CoC convened on 03.07.2023, the Applicant apprised the CoC members that they had received 14 EOI till the last date of receipt of EOI i.e., 01.07.2023. It was further informed that e-mail has been received from the Corporate Debtor's Promoter, Mr. Rajesh Singla, under the category of MSME, seeking exemption from clause (c) and (h) of section 29A of the Code, in accordance to section 240A of the Code. The CoC inquired about the specific relaxations sought by the promoter of Corporate Debtor and directed the Applicant to seek legal opinion upon the same.

(xxviii) During the 24th meeting of the CoC convened on 20.07.2023, the Applicant apprised the CoC members about the legal view taken by the RP with respect to the specific relaxations Mr. Rajesh Singla, the Promoter of the Corporate Debtor, was expecting for submitting a Resolution Plan.

(xxix) Further, the Applicant updated the CoC members on the appeal filed by Mr. Ramneek Goel against the Order dated 13.06.2023 of this Adjudicating Authority, in which the Hon'ble NCLAT vide order dated 08.08.2023 (copy annexed as Annexure A-13.of the IA) held as below:




“The present is not a case that Resolution Plan submitted by Respondent No.1 by email before 15.04.2021 was considered on merits. Rather, the CoC took a decision to issue fresh Form-G to give opportunity to all with the object of maximizing the value of Corporate Debtor. The Adjudicating Authority had not committed any error in granting extension of 90 days period after expiry of 300 days to complete the process. Exclusion of time granted by Adjudicating Authority in the facts of the present case cannot be held to be erroneous and uncalled for. In view of the foregoing discussions, we do not find any error in the impugned order, warranting interference by this Appellate Tribunal in exercise of its appellate jurisdiction. The Appeal is dismissed. No order as to costs.”

It was also informed that In pursuant to above Order, the Applicant has also filed a Caveat before Hon'ble Supreme Court in this regard.

(xxx) The Applicant called and convened the 25th meeting of the CoC on 09.08.2023, wherein, the Applicant apprised the CoC that total of six plans were received by the last day of submission of Resolution Plan i.e. 08.08.2023 from following PRAs:

Sr No.	PRA
1.	SPSS Infrastructure Pvt Ltd.
2.	Mr. Rajesh Singla
3.	Mr. Sandeep Kansal
4.	Mr. Mohit Garg
5.	Lauls Pvt Ltd.
6.	AAA Capital Services Private Limited

(xxxi) During the meeting, PRAs presented their Resolution Plans to the CoC. Further, it was observed that time-line of two Resolution Plans were 1095 days, exceeding the 1-year maximum term specified in the eligibility criteria. The PRAs were asked, if they were willing to reduce the Resolution Plan duration to one year, and both the PRA's agreed to do so after discussing the same with their team. The Applicant also outlined the evaluation process for the Resolution Plans and the upcoming negotiation phase with compliant PRAs, with a draft negotiation process shared for CoC members' input. Also, the CoC vide its 25th meeting has allowed the



waiver of Earnest Money Deposit (hereinafter referred to as the “**EMD**”) criteria and net worth criteria to Mr. Rajesh Singla (promoter of the Corporate Debtor) in accordance to Section 240 of the Code.

(xxxii) The Applicant called and convened the 26th meeting of the CoC on 17.08.2023 (copy of the minutes of the meeting annexed as Annexure A-14 of the IA), wherein, the Applicant apprised the CoC about the examination of Resolution Plans submitted by PRAs in accordance with the Code. The Applicant informed all PRAs of the findings and shortcomings in their Resolution Plans, and all PRAs confirmed their intent to rectify these issues. The compliant Resolution Applicants were invited to initiate the negotiation process. Before initiating the negotiation process, the Applicant confirmed from each PRA, whether they have gone through the negotiation process and if they have any objections with the process. No such objection was raised by any of the PRA. The negotiations with PRAs were conducted one by one, beginning with the lowest bidder, and discussions revolved around increasing the Resolution Plan amount to compete with the highest bid. After several rounds of discussions, most PRAs reached their limit for increasing their offers, and another round of negotiations was scheduled to align their Resolution Plan amount more closely with the CoC's expectations.

(xxxiii) The Applicant called and convened the 27th meeting on 21.08.2023 (copy of the minutes of the annexed as Annexure A-15 of the IA), wherein it was apprised that all PRAs, except promoter of Corporate Debtor Mr. Rajesh Singla, had declined to further improve their Resolution Plan amounts and terms. Mr. Singla was called in for further negotiations, and he presented

two options for his Resolution Plan, one including the release of personal guarantees. Following is the brief, as explained by Mr. Rajesh Singla:

Particulars	Rs. Crore	Remarks
<u>Option-I</u>		
Resolution Plan for CD	23.36	Payment term will be 25% upfront - within 15 days from the approval of Resolution Plan by NCLT and balance within 6 months from the approval of Resolution Plan by NCLT.
Resolution Plan for Personal Guarantee	3.20	Payment term (Rs.2.20 crore to SBI & Canara Bank & Rs.1.00 Crore to SIDBI) will be within 3 months from the approval of Resolution Plan by CoC.
Total Plan Value	26.56	
<u>Option-II</u>		
Resolution Plan for CD	23.36	Payment term will be 25 % upfront within 15 days from the approval of Plan by NCLT and balance with in 6 month from the approval of Plan by NCLT
Total Plan Value	23.36	

However, the CoC members expressed that the personal guarantees should be considered separately from the Resolution Plan approval. Mr. Singla was urged to increase his Resolution Plan amount, but he emphasized the need for funds for working capital due to market goodwill and raw material credit concerns. He proposed a payment schedule and explained potential sources of funds, including HDFC Bank loan and comfort letters. The CoC requested confirmation from HDFC Bank representatives and further negotiation on the Resolution Plan amount, but Mr. Singla declined to increase it. It was discussed that if the HDFC loan falls through, Mr. Singla has alternate sources, and comfort letters can be provided for verification.


(xxxiv) The Applicant called and convened the 28th meeting of CoC on 01.09.2023 (copy of the minutes of the meeting annexed as Annexure A-16 of the IA), wherein, the Applicant apprised the CoC that all the six Resolution Plans

were compliant and it was established that all six PRAs met the eligibility criteria under section 29A of the Code. However, the CoC members requested the Applicant to negotiate further with promoter of the Corporate Debtor Mr. Rajesh Singla to increase his Resolution Plan amount. After discussions, the promoter of Corporate Debtor increased his offer by Rs.50 lakhs, making his total Resolution Plan value Rs.24 crore, (the highest bid), while retaining the same payment schedule. The CoC decided to evaluate all six Resolution Plans according to the evaluation matrix and put them to vote in the next CoC meeting. The initial amount offered and revised amount offered by Mr. Rajesh Singla is as below:

Particulars	Initial Offer (Rs. Crore)	Final Offer (Rs. Crore)
<u>OPTION-I</u>		
Resolution Plan for Corporate Debtor	23.36	24.00
Resolution Plan for Personal Guarantee	3.20	3.20
Total Plan Value	26.56	27.20
<u>OPTION II</u>		
Resolution Plan for Corporate Debtor	23.36	24.00
Total Plan Value	23.36	24.00

The Applicant informed the CoC that the CIRP period was coming to an end on 11.09.2023, hence the approval of Resolution Plan is required to be done before 11.09.2023, but the CoC was of the opinion that more time is required for approval of Resolution Plan from concerned authorities of financial creditors. Thus, they unanimously approved to seek a further extension of 30 days beyond the 330 days CIRP period.

(xxxv) The Applicant filed I.A No.2143/2023 on 09.09.2023 before this Adjudicating Authority, which was listed for hearing on 22.09.2023, wherein this Adjudicating Authority granted extension for the period of 30



days w.e.f. 11.09.2023 i.e. upto 10.10.2023 (copy of the order dated 22.09.2023 annexed as Annexure A-17 of the IA).

(xxxvi) The Applicant convened the 29th meeting of CoC on 27.09.2023 (copy of the minutes of the meeting annexed as Annexure A-18 of the IA), wherein the distribution of the Resolution Plan amount was discussed at length at the request of SIDBI. However, the CoC members asked for more time to get approval of Resolution Plan from their higher authorities.

(xxxvii) The Applicant convened the 30th meeting of CoC on 06.10.2023 (copy of the minutes of the meeting annexed as Annexure A-19 of the IA), wherein the Applicant apprised the CoC members that the extended time of CIRP is going to expire on 10.10.2023 and consequently sought inputs from CoC members regarding approval of Resolution Plans from their competent authorities. After detailed discussions and deliberations, the CoC members were of the opinion that more time shall be required for approvals from their competent authorities and therefore, decided to go for 45 days extension from the date of receiving of final Resolution Plan by passing the resolution unanimously through raise of hands.

(xxxviii) Pursuant to the approval received in the 30th meeting of the CoC held on 06.10.2023, the Applicant filed IA No.2434 of 2023 to seek extension of 45 days on 10.10.2023, which was allowed by this Adjudicating Authority vide its order dated 18.10.2023 (copy annexed as Annexure A-20 of the IA).

(xxxix) The Applicant called and convened the 31st meeting of the CoC on 17.11.2023 (copy of the minutes of the meeting along with e-voting results annexed as Annexure A- 21(Colly) of the IA), wherein, the Applicant placed

all the compliant Resolution Plans submitted by the eligible PRAs before the CoC for discussion and voting and the following Resolution Plans were put for voting before the members of the CoC:

Sl. No.	PRA
1.	SPSS Infrastructure Pvt Ltd.
2.	Mr. Rajesh Singla
3.	Mr. Sandeep Kansal
4.	Mr. Mohit Garg
5.	Lauls Pvt Ltd.
6.	AAA Capital Services Private Limited

The RP further apprised the CoC that as per Notification No. IBBI/2022-23/GN/REG091 dated 13.09.2022, regarding amendment in the CIRP Regulations, after Regulation 34A, provision for performance linked incentive fee for timely resolution has been inserted. The Chairman apprised the CoC members about the remarkable efforts and the hard work put in by the RP and his team members, since the initiation of CIRP. With the dynamic efforts of the RP, 14 Eols and 6 Resolution Plans were received. Due to the efforts, multiple Resolution Plans, higher than the liquidation value are in consideration of CoC, which truly met the objective of maximization of the value of the assets of the Corporate Debtor, as also enshrined in the IBC. After due deliberation, the agenda to pay the performance-linked incentive fee for value maximization to the RP at the rate of one percent of the amount by which the realizable value is higher than the liquidation value, was placed for voting before the CoC. After due deliberation, all the agendas were put for e-voting and the voting results are shown in the table below:



S. N.	Agenda	Voting in Favor	Voting Against
	SIDBI - voting share- 48.03% SBI - voting share–29.03% Canara Bank- voting share– 22.94%		
1.	Resolution Plan submitted by Mr. Rajesh Singla (Option 1)	100%	-
2.	Resolution Plan submitted by Mr. Rajesh Singla (Option 2)	-	100%
3.	Resolution Plan submitted by Mr. Sandeep Kansal	48.03%	51.97%
4.	Resolution Plan submitted by AAA Capital Services Private Limited	-	100%
5.	Resolution Plan submitted by M/s SPSS Infrastructure Private Limited	-	100%
6.	Resolution Plan submitted by M/s Lauls Private Limited	-	100%
7.	Resolution Plan submitted by Mr. Mohit Garg	-	100%
8.	Performance-linked incentive fee payable to the RP under Regulation 34(B)(4) of IBBI (CIRP) Regulations, 2016	-	100%
9.	Appointment of the Monitoring Agency for the supervision and implementation of the Resolution Plan	100%	-

(xi) The brief contours of the Resolution Plan as submitted by Successful Resolution Applicant, Mr. Rajesh Singla (hereinafter referred to as the “**SRA**”) and approved by the CoC of the Corporate Debtor with 100% voting share is as follow:

(a) Particulars of the Resolution Applicant: The SRA, Mr. Rajesh Singla, is a Commerce Graduate having more than 31 years of experience in the different lines of businesses and has been in the business in 1992. Further, he has more than 10 years of experience by way of association with the Corporate Debtor as Director.


(b) Status of the Claims: The status of the claims admitted under the Resolution Plan is as below:



(Rs.)

S.N.	Category of Creditors	Amount Claimed	Claim Admitted	Not Admitted
1.	Financial Creditor having voting rights – Unrelated	1,151,272,338.94	1,151,272,338.94	0
2.	Unsecured Financial Creditors	0	0	0
3.	Workman	0	0	0
4.	Employees	0	0	0
5.	Operational Creditors (Statutory Authorities)	33,119,351.00	33,119,351.00	0
6.	Operational Creditors (Service Provider)	64,578,854.00	51,238,822.00	13,340,031
7.	Any Others	-	-	-
	TOTAL	1,248,970,543.94	1,235,630,511.94	13,340,031

(c) Payment Schedule: The CoC has approved the Resolution Plan along with Addendum of the SRA on the basis of Option I, wherein, an amount of Rs.3.20 crore towards the personal guarantees, over and above the amount of Resolution Plan of Rs. 24.00 Crores, has been proposed by the SRA. Therefore, the total offered amount is Rs. 27.20 crore. In terms of Regulation 31A of the CIRP Regulations, if the Resolution Plan is approved by CoC above the liquidation value, then a regulatory fee at the rate of 0.25% of the realizable value to the creditors shall be paid to the Insolvency and Bankruptcy Board of India (hereinafter referred to as the “IBBI”. Accordingly, the SRA proposes the payment of regulatory fee @ 0.25% of the realizable value to the creditors in terms of provisions of Regulation 31A of CIRP Regulations, over and above the other amounts committed in the Resolution Plan. In case any amount is determined to be payable, It would not affect the payment schedule proposed under the Resolution Plan. The distribution of the Resolution Amount shall be as follows:



Sl. No.	Particulars	Rs.crore
A	Resolution Plan Amount	24.000
B	CIRP Cost	0.240
C=(A-B)	Available Realizable value for Creditors	23.760
E	Less: Payment to Operational Creditors	0.580
F=(C-D-E)	Net Payment to Financial Creditors	23.18

(d) Detailed Payout Proposal for All Stakeholders of Corporate Debtor: The distribution of the Resolution Plan amount of Rs.24 crore as proposed by the SRA is as follow:

S. N.	Category of Creditors	Claim admitted	Proposal	Within 15 days	Within 180 days
		Rs. Crores			
1.	CIRP Cost		0.24	0.24	
2.	Secured Financial Creditors (other than Financial Creditors belonging to any class of creditors)		23.18	5.795	17.39
3.	Unsecured Financial Creditors (other than Financial Creditors belonging to any class of creditors)	0.00	0.00	0.00	0.00
4.	Operational Creditors (Government Dues) *		0.02	0.02	
5.	Operational Creditors (Workmen)	0.00	0.00	0.00	0.00
6.	Payment for Gratuity Liability of Ex-employees		0.24 **	0.24	
7.	Fund for Gratuity Liability for current Employees (Gratuity Fund)		0.29 **	0.29	
8.	Operational Creditors (Employees)	0.00	0.00	0.00	0.00
9.	Operational Creditors (other than Workmen & Employees and Government)		0.02	0.02	
10.	Other Creditors, if any (other than Financial Creditors and Operational Creditors)	0.00	0.00	0.00	0.00
	Total		24.00 #	6.60	17.39

Amount provided overtime under the Resolution Plan and includes estimated value of non-cash components. It is not NPV.

Regulatory fee payable to IBBI in compliance with Regulation 31(A)(1) of CIRP Regulations (0.25% of the realizable value to creditors) i.e. Rs. 0.059 crore, has been proposed by the SRA over and above the other amounts committed in the Resolution Plan (amounting to Rs. 24 crore) as mentioned at page 15 of the Resolution Plan.

* There is no liability of any Statutory Authority falling under the category of Secured dues in the books of the Corporate Debtor, nor any claim has been filed by any such secured creditor. Therefore, the judgment passed by the Hon'ble Supreme Court in the matter of Rainbow Papers does not apply to the present case. However, the SRA has undertaken that if any additional liability arises due to rainbow papers judgement, SRA will bring additional resources to fund the same without affecting the amount payable to other creditors including Financial Creditors as envisaged in the Resolution Plan.

** No claim has been received against the gratuity of the ex- employees and the current employees of the Corporate Debtor. However, in view of the judgment passed in the matter of Jet Airways, the SRA has proposed payment of full amount of the book liability against the dues of the gratuity.




In the plan submitted by the SRA, the amount allocated to the Financial Creditors has been distributed on the basis of voting share. However, it has been mutually decided by the CoC members that SIDBI shall receive a minimum value of Rs.14 crore, as per their security interest. Apart from the Resolution Plan amount of Rs.24 crores, the SRA has proposed an amount of Rs.3.20 crore towards the release of Personal Guarantees (mentioned at page 39 in the Resolution Plan), the distribution of which is as follows:

Sl. No	Name of the Financial Creditors	Rs. Crores
1	SIDBI	1.00
2	SBI	1.25
3	CANARA BANK	0.95
	Total	3.20

(e) Proposal for Personal Guarantees of Promoter Group of Corporate Debtors: The SRA vide its letter addressed to the Financial Creditors requested for the release of Personal Guarantees/Corporate Guarantees/properties of the SRA and others in the account of Corporate Debtor. Hence, the said invoked/ uninvoked Personal Guarantees/ Corporate Guarantees/ properties may not continue after the effective date upon approval of this Resolution Plan. Further, the beneficiaries of these Personal Guarantees will not continue with the legal remedies for recovery of their dues against the invoked Personal Guarantees of Erstwhile Promoter/ Directors and upon approval of the Resolution Plan, all these Personal Guarantees will become not enforceable.

In light of the above, in addition to the Resolution Plan amount for Corporate Debtor of Rs.24.00 crores, the SRA has proposed Rs.3.20



crores to Secured Financial Creditors (Rs.1.25 crore to SBI and Rs.0.95 crore to Canara Bank and Rs.1.00 crore to SIDBI in proportion to the security held by the Banks) against the Personal Guarantee of Rajesh Singla and Sanjay Singla, which will be paid within a period of 3 months from the effective date.

Further, the SRA vide addendum to Resolution Plan has stated that SRA agreed for the release of personal/ corporate guarantees executed or the securities (primary/ collateral) charged in favour of the Financial Creditors, subject to successful implementation of Resolution Plan and after satisfaction of the dues of the stakeholders as per the terms of the Resolution Plan.

(f) Payment of the CIRP Cost: In compliance of section 30(2)(a) of the IBC read with Regulation 38 of the CIRP Regulations, the total unpaid CIRP cost of Rs.24 lakhs has been proposed by the SRA in priority to all other debts of the Corporate Debtor. This amount is towards payment of unpaid CIRP cost, which was not paid using the cash flow during the CIRP period. In case of actual CIRP cost as ratified by the CoC and pending as on the Effective date is less than the proposed amount of Rs.24 lakh, the difference between actual CIRP Cost and assumed CIRP cost mentioned in this Resolution Plan will be paid proportionately to the Secured Financial Creditors.

(g) Term of Resolution Plan: The terms of the Resolution Plan shall be 180 days from the date of its approval by the Adjudicating Authority. For an effective implementation, Monitoring Committee shall co-ordinate in implementation of the Resolution Plan by the SRA. The Chairman of



Monitoring Committee will be nominated by the nominees of the SRA and its members shall be as below:

- *Two Representative of the RA;*
- *Three Representative of the CoC; and*
- *The Monitoring Professional*

The copy of the modified Resolution Plan dated 04.09.2023 along with addendum dated 19.11.2023, submitted by Mr. Rajesh Singla as approved by members of CoC with 100% voting; copy of RFRP as approved by the CoC; and copy of email received from the CoC members with respect to the feasibility and viability of the Resolution Plan are annexed as Annexure A-22 (Colly) Annexure A-23 and Annexure A-24(Colly) of the IA. The SRA has submitted an undertaking and affidavit stating that the Resolution Applicant is eligible under section 29A of the Code in view of the fact that the Resolution Applicant is a registered MSME. The copy of each of the undertaking and affidavit dated 01.07.2023 submitted by the Resolution Applicant under Section 29A of the Code and Regulation 39(1) of the CIRP Regulations and copy of MSME certificate in respect of the Corporate Debtor are annexed as Annexure A-25 (Colly) and Annexure A-26 of the IA.

- (xli) The compliance with section 30(2) of the Code, has been stated to be complied as below:



Section 30(2)(a): Payment of Insolvency Resolution Process Costs	Section III: Page 13-14 of the Resolution Plan provides for payment of the CIRP cost.
Section 30(2)(b): Payment to the operational creditors and dissenting Financial Creditors	Section III: Page 15-21 of the Resolution Plan and Page 5 of the Addendum of the Resolution Plan provides for the payment to Operational Creditors.
Section 30(2)(c): The management of the affairs of the Corporate Debtor	Section III: Page 21 of the Resolution Plan provides for the management of the affairs of the Corporate Debtor.
Section 30(2)(d): The implementation and supervision of the resolution plan	Section III: Page 21-22 of the Resolution Plan provides for the implementation and supervision of the Resolution Plan. Also mentioned in Addendum to Resolution Plan dated 19.11.2023.
Section 30(2)(e): The Resolution Plan does not contravene any provisions of law for the time being in force	Section III: Page 23 provides as under: <i>“The Resolution Plan has been prepared after taking into consideration compliance of all applicable laws and regulations and does not contravene any of the provisions of the law for the time being in force”</i>
Section 30(2)(f): Conforms to such other requirements as may be specified by the Board	Section III: Page 23 provides as under: <i>“The Resolution Plan has been prepared after taking every aspect into consideration so as to confirm to such other requirements as may be specified by Board”</i>

(xlii) Section 30(6) of the Code mandates the Applicant as a RP to submit the Resolution Plan as approved by the CoC to the Adjudicating Authority for approval under Section 31(1) of the Code. As the Resolution Plan submitted by the Resolution Applicant has been duly approved by the members of the CoC with voting share of 100%, which is more than the requisite voting share required, i.e., 66%, the Applicant has filed the present IA before this Adjudicating Authority for approval of the Resolution Plan.

(xliii) In compliance to Regulation 39(4) of CIRP Regulations, the Applicant is required to submit a compliance certificate in the prescribed format, i.e., Form-H stating that the Resolution Plan is compliant of the provisions of

the Code. The copy of Form-H duly signed by the Applicant, being the compliance certificate is annexed as Annexure A-27 of the IA.


(xiv) Pursuant to the approval of the Resolution Plan by the CoC, the Applicant issued a Letter of Intent (hereinafter referred to as the “LoI”) dated 23.11.2023 (copy annexed as Annexure A-28 of the IA) to the Resolution Applicant.

(xlv) As per Regulation 36B(4A) of the CIRP Regulations, the Resolution Applicant is required to submit an amount of Rs.2.40 crore as Performance Security in terms of the approved RFRP, which is to be submitted by the SRA within seven days from the date of issuance of LoI, i.e. 23.11.2023. The copy of the Performance Bank Guarantee shall be shared with this Adjudicating Authority as and when the same is submitted by the SRA.

(xlvii) The Liquidation value of the asset of the Corporate Debtor based on the valuation reports obtained from the valuers are as follows:

		(In INR)	
S.N.	Assets	Average Fair Value	Average Liquidation value
1.	Plant & Machinery	13,36,91,226	9,26,40,604
2.	Land & Building	8,39,57,029	6,36,59,120
3.	Securities & Financial Asset	9,69,15,273	4,54,54,376
	Total	31,45,63,527	20,17,54,099

(xlviii) In the facts and circumstances as detailed above, the RP and the CoC members have taken guidance from the judgment passed by the Hon’ble Supreme Court in the case of **Arcelor Mittal India Pvt Ltd v Satish Kumar Gupta, Civil Appeal No. 9402-9405 of 2018**, wherein it has been held that the only reasonable construction of the Code is the balance to be maintained between timely completion of the CIRP and the Corporate Debtor, otherwise being put into liquidation and if there is a Resolution



Applicant, who can continue to run the Corporate Debtor as a going concern, every effort must be made to try and see that this is made possible. In the facts and circumstances of the case, the Applicant has examined the Resolution Plan and has certified the Resolution Plan as being compliant of IBC, the Applicant has filed the present IA under 30(6) & 31 of the Code read with Regulation 39 of the CIRP Regulations, for approval by this Adjudicating Authority of the Resolution Plan as approved by the CoC under sub-section 4 of section 30 of the Code.


(xlviii) The Applicant, in the IA, has inter alia prayed for:

- a. Allow the present IA;
- b. Approve the Modified Resolution Plan dated 04.09.2023 along with addendum dated 09.11.2023 submitted by Mr, Rajesh Singla as approved by 100% voting share of the CoC in the 31st CoC meeting convened on 17.11.2023 and vide e-voting dated 23,11,2023.
- c. Declare upon approval of the Resolution Plan by this Adjudicating Authority, the provisions of the Resolution Plan shall be binding on the Company, its creditors, guarantors, members, employees, Statutory Authorities and other stakeholders in accordance with section 31 of the Code and shall be given effect to and implemented pursuant to the order of this Adjudicating Authority; and
- d. Approve and grant reliefs and directions sought under the Resolution Plan by the Resolution Applicant;
- e. Pass any further necessary order, as it may deem fit and proper in the interest of justice.



4. This Adjudicating Authority, vide its order dated 23.01.2024 directed the authorised representative of the RP to file a three-page note containing the arguments made during the course of hearing held on 23.01.2024 as well as liquidation value, fair value, amount offered by SRA and quantification of the exemptions and reliefs sought in the Resolution Plan. In compliance of the above Order, the short-written submissions dated 10.02.2024 on behalf of the RP was filed vide Dairy No. 03824/01 dated 13.02.2024 (which was taken on record vide order dated 13.03.2024), in which besides reiterating the facts mentioned in the IA No.2960/2023, it is stated that:

- (i) In view of the Supreme Court judgement in the matter of Rainbow Papers, VAT dues are secured & rank pari passu with secured Financial Creditors and thus, have been proposed to be paid in same proportion, as of secured Financial Creditor. There is no liability of any other Statutory authority falling under the category of secured dues in the books of the Corporate Debtor. Further, since the liquidation value of Corporate Debtor as assessed by Resolution Applicant is not sufficient to settle the dues of secured Financial Creditors, hence Resolution Applicant is not proposing any amount against the above-mentioned claims admitted of Statutory Authorities (Other than VAT).
- (ii) No claim has been received against the gratuity of the ex- employees and the current employees of the Corporate Debtor. However, in view of the judgment passed in the matter of Jet Airways, the SRA has proposed payment of full amount of the book liability against the dues of the gratuity, i.e., Rs.5262105.36/-.
- (iii) In the Resolution Plan submitted by the SRA, the amount allocated to the Financial Creditors has been distributed on the basis of voting share.



However, it has been mutually decided by the CoC members that SIDBI shall receive a minimum value of Rs. 14 crores, as per their security interest.

- (iv) Pursuant to the issuance of the Lol dated 23.11.2023, the SRA submitted the Performance Bank Guarantee dated 01.12.2023 within the specified time period of 7 days. The same has been placed on record vide IA No. 2959 of 2023.
- (v) The SRA has sought relief under the Income Tax Act to carry forward the losses incurred by the Corporate Debtor. In this regard, the RP has sent an email and following reminders to the SRA to share the quantification of the amount. In response to the same, the SRA vide email dated 08.02.2024 has stated that relief has been sought amounting to. Rs. 4,90,48,676/- and has also declared that the relief sought to be quantified has no repercussion or bearing on the Resolution Plan. A copy of the email communication between the RP & the SRA has been annexed as Annexure-1 of the short-written submissions.
- (vi) In compliance with order dated 23.01.2024, the RP has filed a separate compliance affidavit in IA 2959 of 2023 with respect to confirmation sought from the non-issuing branch regarding the authenticity and validity of the Performance Bank Guarantee submitted by the SRA.
- (vii) There is no PUFEE application is pending against the Directors (Power suspended) or any other party before this Adjudicating Authority.

5. This Adjudicating Authority, vide its Order dated 12.02.2024 directed the Ld. counsel for the Applicant to file amended memo of parties in IA No.2960/2023 by



impleading SRA in the array of the respondents in view of the order passed in IA no.348/2024, however, the compliance of the above Order has not been made by the RP so far.

6. After hearing the Parties, this Adjudicating Authority, vide its Order dated 12.02.2024 (Bench comprising of Dr. PSN Prasad, Judicial Member and Mr. Satya Ranjan Prasad, Technical Member) reserved the Order, however, both the Members demitted the office without pronouncing the Order and therefore, the matter was relisted for hearing.

7. During the course of hearing dated 19.09.2024, it was noted that balance-sheet of the Corporate Debtor is not available on record and the RP was directed to file the last balance-sheet prepared by the erstwhile management and first/ latest balance-sheet prepared by the RP along with reconciliation of its assets considered in the valuation report and liabilities considered in the Resolution Plan.

8. In compliance of the above Order, the short note dated 03.10.2024 on behalf of the RP was filed vide Dairy No. 03824/05 dated 04.10.2024, which were taken on record subject to just exceptions vide Order dated 08.10.2024 of this Adjudicatory Authority. It has been stated in the short note by the RP that the last balance sheet as on 31.03.2019 was prepared by the erstwhile management as per the Master Data of the Corporate Debtor and the latest balance sheet as on 31.03.2023 has been prepared by the RP. The RP vide above short note also enclosed the balance sheets as on 31.03.2019 and 31.03.2023 furnished the reconciliation of assets considered in the valuation report and liabilities considered in the Resolution Plan.


9. However, during the course of hearing dated 08.10.2024, it was observed that from the documents placed on record, it was not clear, whether all the assets as on



the CIRP date appearing on the balance sheet of the Corporate Debtor have been considered in the valuation report and the liabilities appearing in the balance sheet have been considered in the Resolution Plan. Therefore, Ld. Counsel for Applicant was directed to file the audited balance sheet as on date of CIRP and its reconciliation with the assets considered in the valuation report along with an affidavit stating that all the assets appearing in the balance sheet has been valued and there is no missing assets and all employees' dues, government authorities dues and other liabilities appearing in the balance sheet have been considered in the resolution plan and all contingent liabilities and contingent asset, if any, has also been properly provided in the Resolution Plan.


10. In compliance of the above Order, the compliance affidavit dated 22.10.2024 on behalf of the RP was filed vide Dairy No. 03824/06 dated 23.10.2024, which were taken on record subject to just exceptions vide Order dated 23.10.2024 of this Adjudicatory Authority. It is stated in the affidavit that:

- (i) The balance sheet prepared at the time of the CIRP is not audited and is considered provisional.
- (ii) The copy of the provisional balance sheet as on CIRP date i.e. 25.11.2019, audited balance sheet prior to the CIRP date 31.03.2019, first audited balance sheet prepared by the RP for the financial year 2019-20, and the latest audited balance sheet prepared by the RP for the financial year as on 31.03.2023 have been attached as Annexure-2, Annexure-3, Annexure-4 and Annexure-5 respectively with the affidavit.
- (iii) As per the Audited Balance Sheet prior to CIRP dated 31.03.2019, the written down value (hereinafter referred to as the “WDV”) of the tangible fixed assets is Rs.45,19,25,016. Additionally, that as per the provisional



balance sheet as of the date of the CIRP i.e. 25.11.2019, the WDV of the tangible fixed assets is Rs.43,80,10,325. Subsequently, in the audited balance sheet prepared by RP for the financial year 2019-2020, the WDV of the tangible fixed assets is Rs.43,11,88,732. Thereafter, as per the latest balance sheet prepared on 31.03.2023, by the RP, the WDV of the tangible fixed assets has further decreased to Rs.37,07,98,400. This reduction in asset value is attributed to depreciation of the assets over time.

- (iv) The total tangible assets include Rs.8.46 crores classified as pre-operative expenses in different asset heads i.e. (plant & machinery and misc. fixed assets). These pre-operative expenses encompass costs, such as interest and salaries incurred prior to the commencement of commercial operations for the unit. As a result, these Rs.8.46 crores have been capitalized within the tangible assets. Consequently, the valuer has excluded pre-operative expenses from the valuation of tangible assets.
- (v) The gross value of the fixed assets (i.e. plant & machinery) as per the valuation report is Rs.31,76,09,400. In addition, the pre-operative expenses amounts to Rs.84,631,000.00. When both figures are combined, the total comes to Rs.40,22,40,400, which reflects the gross block amount of the plant and machinery, as mentioned in the reconciliation statement. It is pertinent to mention that the gross value of plant and machinery as per provisional balance sheet is Rs.40,22,98,843 and gross value of land and building is Rs.18,00,36,659. Further, the WDV of the land and building as per the balance sheet on the date of CIRP is Rs.14,62,84,227. The WDV amount of the land and building as per the valuation report is Rs.14,62,84,227, which reflects the same amount of the land and building



as per the balance sheet on the date of CIRP. The gross value as per the valuation report can be verified from page no. 57 of the valuation report of the Rishi Kumar Aggarwal, which is annexed in the Convenience Proforma. The pre-operative expenses have been verified from the fixed assets register, which is annexed as Annexure-6 with the affidavit.

- (vi) The assets appearing in the balance sheet of the Corporate Debtor have been valued, and there are no missing assets except the FDR amount of Rs.3483047/-, which has been forfeited by the SIDBI prior to CIRP due to the adjustment against the term loans after the Corporate Debtor turned Non-Performing Assets as per terms of sanction and the same has been informed by SIDBI vide mail dated 20.03.2020, which is annexed as Annexure-7 with the affidavit.
- (vii) The reconciliation with the assets listed in the audited balance sheet at the time of CIRP with those considered in the valuation report (annexed as Annexure-7 with the affidavit) and the details of claims received, claims admitted and the treatment of these claims as outlined in the Resolution Plan were also enclosed.
- (viii) The RP has received a claim of Rs.3,27,68,881/- from the Customs Department, which has been fully admitted. Additionally, the RP have received a claim of Rs.3,50,470/- from the Income Tax Officer (TDS Patiala), and this entire amount has also been admitted. The entire amount belongs to late fees for delay in filling of TDS Return and interest on late payment, the SRA has proposed an amount of Rs.2,00,000/- in relation to these claims.



- (ix) Further, the total claims submitted by Operational Creditors (excluding those of workmen, employees, and government dues) amount to Rs.6,45,78,854/-, out of which, the claims of Rs.5,12,38,822/- have been admitted by the RP, while a claim of Rs.1,33,40,031/- has not been admitted. The SRA proposes to pay Rs.2,00,000/- as full and final settlement to the Operational Creditors, distributed in proportion to the admitted claims. Furthermore, it is proposed that the SRA will deposit this amount into an Escrow Account with the Corporate Debtor, from which payments to various creditors will be made. Should any contingent claims become final and accepted in the future, such amounts will be settled at Re.1/-.
- (x) The Provident Fund (hereinafter referred to as the “**PF**”) dues as of 25.11.2019 were Rs.9,08,807/- and these dues increased to Rs.11,45,794/- as of 31.03.2020, and further to Rs.15,83,431/- as of 31.03.2023. The PF dues as of 31.03.2020 include Rs.2,36,987/- for March 2020, which has since been paid. The PF dues as of 31.03.2023 include Rs.6,74,624/- related to the CIRP period, which has also been settled. Only the belated claims amounting to Rs.14,02,699/- have not been admitted due to their belated nature. There are no outstanding liabilities with the Employees' Provident Fund Organization (hereinafter referred to as the “**EPFO**”) except as mentioned above. An amount of Rs.8,02,577/- outstanding of the period prior to CIRP has not been proposed by the SRA, as the claim pertains to the same was not received by RP prior to approval of plan by CoC. Should any contingent claims become final and accepted in the future, such amounts will be settled at Rs.1/-.



- (xi) An affidavit dated 05.04.2024 (copy enclosed as Annexure A-9 of the affidavit), addressing all contingent liabilities, has already been submitted by the SRA in connection with the ongoing resolution process, which outlines the comprehensive evaluation of the contingent liabilities associated with the Corporate Debtor.

11. During the course of hearing dated 23.10.2024, it was transpired that there is a wide difference between the liabilities as per the provisional balance sheet as on the CIRP date 25.11.2019 and the liabilities for which the claims were filed and admitted by the RP as shown in Table below:

Sr. No.	Particulars	Amount as per provisional Balance Sheet as on CIRP dated 25.11.2019	Liabilities for which claim has been filed		
				Amount filed	Amount admitted
1.	Non-Current Liabilities	779,494,573.83	SBI	334,212,000.00	334,212,000.00
	Long term Borrowing*		SIDBI	553,008,185.00	553,008,185.00
			Canara Bank	264,052,153.90	264,052,153.90
	Long term provisions- Gratuity	4,183,561.00		0	0
	Other Non-Current Liabilities-Security	100,000.00		0	0
2	Current Liabilities				
	Trade Payables	43,134,628.00		64,578,854.00	51,238,822.00
	Other Current Liabilities	17,987,837.00		32,768,881.00	32,768,881.00
				350,470.00	350,470.00
			1,402,699.00	1,402,699.00	
Total		844,900,599.83		1,250,373,242.90	1,237,033,210.9

Similarly, there is wide difference between the book value of the assets as per provisional balance sheet as on the CIRP date and considered in the valuation report as shown in Table below:



Sr. No.	Particulars	Amount as per provisional Balance sheet as on CIRP dated 25.11.2019	Amount as per Valuation Reports by Reg. IBBI Valuers	
			Fair market value	Liquidation Value
1.	Non-Current Assets			
A.	Property, Plant & Equipment			
	i. Tangible Fixed Assets	438,805,291.26	217,648,255.00	156,299,723.00
	ii. Intangible Assets	101,758.00	0	0
B.	Long term Loans and Advances	866,999.00	799,775.00	606,387.50
2.	Current Assets			
	Inventories	158,620,552.00	58,212,634.50	21,688,179.00
	a. Trade Receivables	63,122,978.00	29,083,518.00	17,279,466.00
	b. Cash & Bank Balances	9,321,251.00	5,601,385.00	5,601,385.00
	Short terms loans & advances	8,360,730.00	3,217,960.00	298,958.50
	Total	679,199,559.26	314,563,527.50	201,774,099.00

In view of the above, the RP was directed to submit the audited financial balance sheet as on the CIRP date along with auditor's report and submit its reconciliation of liabilities with the liabilities admitted giving its bifurcation into two categories viz. liabilities appearing in the balance sheet & admitted and liabilities admitted, which was not appearing in the balance sheet giving adequate justification for the same. Similarly, RP was also directed to submit reconciliation of assets with the assets considered in the valuation report giving the justification in case of major difference and also confirm that all the assets appearing in the balance sheet as on the CIRP date have been considered in the valuation report.

12. In compliance of the above Order, the short note dated 17.11.2024 on behalf of the RP was filed vide Dairy No. 03824/07 dated 18.11.2024 (which was taken on record vide Order dated 18.11.2024 of this Adjudicating Authority) enclosing therewith the Audited Balance Sheet as on the date of CIRP i.e. 25.11.2019 as Annexure S-2. It is stated in the affidavit that:




- (i) The Reconciliation of the assets and liabilities appearing in the balance sheets and considered in the valuation report has been attached as Annexure S-5 of the short note.
- (ii) The Applicant has provided a justification for the discrepancies identified in the reported liabilities, which have arisen due to various factors. The major reason is due to the write offs made by the Corporate Debtor due to poor quality material, which was only verbally communicated to the claimants; interest and the other charges, which were not booked in the books of accounts; payment against LCs, which were never materialized, etc. The reconciliation of the liabilities appearing in the balance sheet along with details of claims received and admitted (enclosed as Annexure S-3 of the short note) shows as below:

Particular	as on 25-11-2019 as per Prov Balance Sheet	Claim Filed or Not	Principal Claimed	Interest & Other Charges Claimed	Total Claim Filed	Principal Claimed Accepted	Interest & Other charges Claimed Accepted	Total Claim Accepted	Reasons for difference with Book Liability	Remarks
Secured Loan										
SBI	227,382,974.00	Yes	225,896,455.74	108,315,544.30	334,212,000.04	225,896,455.74	108,315,544.30	334,212,000.04	Interest and other charges not booked in books of accounts.	
Canara Bank	180,413,569.00	Yes	188,360,000.00	75,692,153.00	264,052,153.00	188,360,000.00	75,692,153.00	264,052,153.00		
SIDBI	304,225,136.00	Yes	295,599,724.00	257,408,461.00	553,008,185.00	295,599,724.00	257,408,461.00	553,008,185.00		
Total	712,021,679.00		709,856,179.74	441,416,158.30	1,151,272,338.04	709,856,179.74	441,416,158.30	1,151,272,338.04		
Unsecured Loan										
PF Payable	908,807.00	Yes Belated	1,271,444.00	131,255.00	1,402,699.00					Belated Claim. Partly paid already
Total	908,807.00		1,271,444.00	131,255.00	1,402,699.00					
Trade Creditors										
Rajaj Enterprises	346,440.00	Yes	346,440.00	-	346,440.00	346,440.00	-	346,440.00		
Bansal Trading Company, Delhi	6,212,059.81	Yes	7,838,428.00	5,850,958.00	13,689,386.00	6,212,060.00	4,636,963.00	10,849,023.00		
Gravure Cils (India) Private Limited	819,398.00	Yes	856,904.00	-	856,904.00	819,398.00	-	819,398.00		
Guru Teg Bahadur Board Mills	163,967.30	Yes	164,994.00	38,883.00	203,877.00	164,994.00	30,523.00	195,517.00		
Herikal Adhesives Technologies India	3,655,131.00	Yes	3,760,694.00	-	3,760,694.00	3,760,694.00	-	3,760,694.00		Minor Difference
MAX SPECIALITY FILMS LIMITED	3,098,709.28	Yes	3,175,428.00	90,912.00	3,266,340.00	3,175,428.00	90,912.00	3,266,340.00		Minor Difference
PACCOEM 3P KALKA	5,078,374.96	Yes	5,248,134.00	4,064,563.00	10,312,697.00	5,075,675.00	-	5,075,675.00		
Poonam Enterprises (Ctd)	7,921,431.00	Yes	8,056,127.00	5,082,085.00	13,138,212.00	7,921,431.00	-	7,921,431.00		
Rai Impex										As per books liability is Rs. 63706. CD had written off Rs. 4500000.00 in the FY 2016-17 against poor quality of material which was informed verbally to Claimant.
SRF Limited Kashpur	83,706.00	Yes	4,563,706.00	-	4,563,706.00	4,563,706.00	-	4,563,706.00	Rs. 2.00 Lakh Provided for Operational Trade Creditors	The material was purchased on LC. It was not paid by bank/claimed by claimant. CD debited LC amount in its book of accounts.
	1,198,887.44	Yes	9,837,864.00	229,262.00	10,067,126.00	9,837,864.00	229,262.00	10,067,126.00		
Ms ANCHAL TRADERS	639,044.00	Yes	675,482.00	322,234.00	997,716.00	675,482.00	322,234.00	997,716.00		
V.P.GARG & CO	45,720.00	Yes								
Jajpur Golden Transport Organisation	80,788.50	Yes	139,616.00	-	139,616.00	139,616.00	-	139,616.00		As per books debit balance is of Rs. 144061.00. CD has issued debit note of Rs. 1229141.00 in the FY 2016-17 against poor quality of material which was informed verbally to claimant
Amakoin Overseas Pvt Ltd										
Shree Adinath Alzo Chem		Yes	1,086,040.00	730,112.00	1,816,152.00	1,086,040.00	730,112.00	1,816,152.00		As per books liability is Rs. 0.00. CD had written off Rs. 1328860.00 in the FY 2016-17 against poor quality material which was informed verbally to Claimant
		Yes	1,401,987.00		1,401,987.00	1,401,987.00		1,401,987.00		
Total	29,283,637.29		48,151,844.00	16,405,009.00	64,560,853.00	45,180,815.00	6,040,006.00	51,220,821.00		
Customs Department Q/O Comm Income Tax Officer TDS		Yes	16,513,325.00	16,255,556.00	32,768,881.00	16,513,325.00	16,255,556.00	32,768,881.00	Rs. 2.00 Lakhs Provided for Statutory Dues	Not in Balance Sheet as Contingent Liability for not submitted in Balance Sheet. Claim is for late filing of TDS Return
		Yes	350,470.00		350,470.00	350,470.00		350,470.00		
Total			16,863,795.00	16,255,556.00	33,119,351.00	16,863,795.00	16,255,556.00	33,119,351.00		
Grand Total	742,214,123.29		776,143,262.74	474,211,978.30	1,250,355,241.04	771,900,789.74	463,711,720.30	1,235,612,510.04		



(iii) The Reconciliation of the liabilities appearing in the balance sheet along with claims not received and not admitted (attached as Annexure S-4 of the short note) as below:

Secured Loan	as on 25-11-2019 as per Prov Balance Sheet	Claim Filed or Not	Principal Claimed	Interest & Other Charges Claimed	Total Claim Filed	Principal Claimed Accepted	Interest & Other charges Claimed Accepted	Total Claim Accepted	Reasons for difference with Book Liability	Remarks
Unsecured Loan										
AKSHITA SINGLA	90,000.00	No								
ALKA GUPTA	1,000,000.00	No								
Anita Singla	6,739,992.00	No								
Ankit Singla	935,000.00	No								
DEVINDER KUMAR	500,000.00	No								
Dvanshu Singla U/L	243,700.00	No								
GDYAL ENTERPRISES	2,100,000.00	No								
HARDEEP SINGH	150,000.00	No								
Krishna Rani	380,000.00	No								
MADHVI LUL	200,000.00	No								
Mohan Lal Gupta	1,705,000.00	No								
Mohan Lal Singla HUF	825,000.00	No								
Padmadevi Coal Depot Holder	500,000.00	No								
PARAMJIT KAUR LUL	250,000.00	No								
Rajesh Singla HUF	728,161.00	No								
Rajesh Singla U/L	29,598,909.50	No								
Rashmi Singla	3,653,493.00	No								
RIYA SINGLA	3,000.00	No								
Sanjay Singla HUF	145,000.00	No								
Sanjay Singla U/L	31,370,050.25	No								
Total	81,118,305.75									
Prov Gratuity	4,183,561.00	No							Prov for Gratuity of Rs.53.00 Lakhs has been provided in Resolution Plan	
Other Non Current Liability	100,000.00	No								
Current Liabilities										
Duty and Taxes										
GST	758,318.91	No								Regular Running Exp
TDS Payable	47,913.08	No								Regular Running Exp
ESI Payable	15,405.00	No								Regular Running Exp
Total	825,636.99									
Trade Creditors										
Namrata Marketing Agency	142,670.00	No								
Arya Engineers & Associates	39,305.00	No								
Expert Industries Pvt Ltd	754,825.50	No								
Mona Equipments	50,627.00	No								
NMA Automation	13,292.00	No								
Parkash Eitvators	31,069.00	No								
Resource Engimech India	193.00	No								
Sai Engineering Works	602,339.00	No								
SMC Pneumatics India Pvt	200.00	No								
Solutia Chemicals India Pvt	535.00	No								
Affatus Gravures Pvt. Ltd	570,837.00	No								
AGGARWAL PACKAGES	681,555.00	No								
A K Trading Co. Delhi	883,861.00	No								
Ampacet Specialty Products	532.00	No								
Antares Rubber Roller	216,290.00	No								
Chandpur Enterprises Lmt	2,053,762.00	No								
HI PACK FILMS INDIA PRIVATE	105.00	No								
METAWARES (INDIA) PRIVATE	167,222.00	No								
Mongopolymer	217.00	No								
Munna Mishra & Sons	1,000.00	No								
Patalla Packing Industries	106,086.00	No								
Revanche Industries Ltd. Madhya	382,788.25	No								
R V S industries	208,860.00	No								
Singla Engravers Pvt Ltd	2,901,032.28	No								
Sivaram Polypet Pvt Ltd	365,063.00	No								
Speciality Paper Corporat	272,307.00	No								
Tudent Limited	5,388.00	No								
Volga (India) Rubber Pvt. Ltd	275,457.36	No								
Anvind Rub. Wbb Controls	69,893.00	No								
Asian Elevators Pvt. Ltd	2,825.00	No								
Bansal Travel Lines	4,950.00	No								
Convertech Equipment (Pvt)	123,900.00	No								
DIVYA ENTERPRISES	111,878.00	No								
Eco Friends	28,060.00	No								
Goyal Chemical Industries	8,384.00	No								
Happy Tour & Travels	11,972.00	No								
Hindon Electricals	37,264.00	No								
Honeywell Flexpack	109,701.00	No								
Intertek India Pvt. Ltd	21,724.00	No								
Ishar Singh & Sons	390,294.96	No								
JJI TELECOM	1,925.00	No								
KRISHAN GOPAL TRADING	566.00	No								
Krishna Industries	191,019.00	No								
M/S Mahotra Medicos	1,337.00	No								
Namrata Trade Links (Chennai)	1,150.00	No								
Raj Enterprises	1,150.00	No								
RAJINDER SINGH & BROTHERS	149,175.70	No								
ROLWELA SAI INDUSTRIES	5,767.00	No								
SATGURU ALUMINIUM INDUSTRIES	2,450.00	No								
SHREE JEE PAPER INDUSTRIES	5,163.00	No								
Sun Electro De Aluminio	13,467.00	No								
Sunderesh Traders	44,000.00	No								
Water Mechanics India Pvt	500.00	No								
AGGARWAL TRANSPORT	4,620.00	No								
Ambay Road Lines	5,800.00	No								
BILLA CHEEMA RANSPOR	1,000.00	No								
GURDEEP LOAD BODY	1,000.00	No								
HUM TEMPO TRANSPORT	7,970.00	No								
India Global Logistics	37,477.00	No								
Jagtar Singh Tempo Union	7,900.00	No								
Kata Tempo Union	7,900.00	No								



claim as admitted, the RP has acknowledged that the claim has been correctly admitted.

- (ii) As per the balance sheet as on the CIRP date, the liability recorded for Rai Impex (trade creditor) is Rs.63,706/-, however, the creditor has filed a claim amounting to Rs.45,63,706/-, which the RP has verified and admitted amounting to Rs.45,63,706/-. The difference arises because the Corporate Debtor had written off an amount of Rs.45,00,000 in the financial year 2016-17 due to the poor quality of material supplied, a matter that was verbally communicated to the claimant at the time. Since no written communication was sent for this write off, the claimant has claimed full amount. There have been no documents as provided by the Corporate Debtor regarding poor quality even to the RP. Reaffirming the correctness of the claim as admitted, the RP has acknowledged that the claim has been correctly admitted.
- (iii) As per the balance sheet on the CIRP date, the liability recorded in the books of accounts of the Corporate Debtor for SRF Limited, Kashipur was Rs.11,98,867/-. However, the creditor had filed a claim amounting to Rs.1,00,67,126/-, which was verified and admitted. The material in question was purchased on a Letter of Credit (hereinafter referred to as the “**LC**”) basis, but the payment was neither made by the bank nor claimed by the claimant. The difference in the liability arises due to the Corporate Debtor debiting the LC amount in its books of accounts. This discrepancy has led to the variation in the claim amount. The books of accounts were checked and verified that the LC amount was not debited by the Bank. The claim was correctly admitted.



- (iv) As per the balance sheet as on the CIRP date, the liability recorded for Shree Adinath Alcochem (trade creditor) is Rs.0.00. However, the creditor has filed a claim amounting to Rs.14,01,987/-, which the RP has verified and admitted. The difference arises because the Corporate Debtor had written off an amount of Rs.13,28,860/- in the financial year 2016-17 due to the poor quality of material supplied, a matter that was verbally communicated to the claimant at the time. Since no written communication was sent for this write off, the claimant has claimed full amount. There have been no documents as provided by the Corporate Debtor regarding poor quality even to the RP. The claim was correctly admitted.
- (v) The liability recorded for Amakon Overseas Pvt. Ltd. (trade creditor) is Rs.1,44,061/-. However, the creditor has filed a claim amounting to Rs.10,86,152/-, which was verified and admitted. The difference arises, because the Corporate Debtor had written off Rs.12,29,141/- in the financial year 2016-17 due to the poor quality of material supplied, a matter that was verbally communicated to the claimant at the time. Since no written communication was sent for this write off, the claimant has claimed full amount. There have been no documents as provided by the Corporate Debtor regarding poor quality even to the RP. The claim was correctly admitted.
- (vi) The liability recorded for Custom Department is Rs.0/-. However, the Statutory Authority has filed a claim amounting to Rs.3,27,68,881/-, which the RP has verified and admitted for an amount of Rs.3,27,68,881/-. The said claim is due to non-fulfilment of export obligations. The claim was correctly admitted.



- (vii) The liability recorded for Income Tax Department (TDS) is Rs.0/-. However, the Statutory Authority has filed a claim amounting to Rs.3,50,470/-, which the RP has verified and admitted for an amount of Rs.3,50,470/-. The said claim amount is for delayed filing of TDS returns. The claim was correctly admitted.
- (viii) The SRA has incorporated Employees' Provident Fund (**EPF**) and other employee dues, as reflected in the books of accounts as on the CIRP date into the Resolution Plan, and an addendum reflecting these changes has been prepared and shared by the SRA and the same is attached as Annexure A-2 of the compliance affidavit.

15. In compliance of the above Order dated 18.11.2024, the SRA filed the Affidavit dated 27.11.2024 vide diary No.03824/08 dated 27.11.2024 (refilled on 28.11.2024) (which was taken on record vide Order dated 27.11.2024 of this Adjudicating Authority) stating that

- (i) The Resolution Plan dated 04.09.2023 along with addendum dated 19.11.2023 submitted by the SRA, was placed in the 31st CoC meeting held on 17.11.2023 before the CoC members and the same was approved by the CoC members by way of e-voting with 100% voting rights.
- (ii) The CIRP of the Corporate Debtor was initiated by this Adjudicating Authority vide Order dated 25.11.2019. The Corporate Debtor has been maintained as a going concern by the RP during the CIRP.
- (iii) It is undertaken that all the employee dues and EPF dues as on the CIRP commencement date i.e. 25.11.2019 appearing in the books of accounts of the Corporate Debtor shall be paid in full by the SRA.



16. During the course of hearing dated 29.11.2024, it was observed that the SRA has given an affidavit to provide the figure appearing in the books of accounts on the CIRP date, however. the EPFO has already filed the claim of Rs.14,62.699/- and therefore, the SRA was directed to provide additional affidavit that any subsequent claim made by EPFO shall also be paid in full. In compliance of the above order, the SRA filed affidavit dated 05.12.2024 vide Diary No. 03824/11 dated 06.12.2024 further undertaking that any subsequent claim made by the EPFO shall also be paid in full by the SRA.

ANALYSIS OF THE CASE

17. We have heard the submissions made by the RP/ Applicant, SRA and have also perused the records carefully.

18. Before examining the submission and compliance of the IBC and CIRP Regulations, we consider it appropriate to review the facts of the case.

- (i) Against 1st publication of Form G on 08.12.2020, although three PRAs have submitted EoI, but no Resolution Plan was received and therefore, Form G was republished on 30.06.2020.
- (ii) The RP obtained the MSME certificate on 22.07.2020.
- (iii) Against 2nd publication of Form G, five Resolution Plans were received and Mr. Ramneek Goel was with H1 bidder with Resolution Plan amount of Rs.24.51 crore and the Management and Operations Agreement dated 15.03.2021 was executed between the Corporate Debtor and Mr. Ramneek Goel to run the operations of the Corporate Debtor to keep intact its current assets.



- (iv) During the 19th meeting of the CoC held on 12.04.2021 & 13.04.2021, the Applicant apprised the CoC that the Applicant received a Resolution Plan from another PRA namely Mr. Sunil Bajaj for an amount of Rs.27.06 crore.
- (v) The Applicant convened the 20th meeting of the CoC on 15.06.2023, wherein the members of CoC unanimously approved the agenda for re-publication Form G in the newspaper.
- (vi) Against 3rd publication of Form G, six Resolution Plans were received including of Mr. Rajesh Singla (promoter of the Corporate Debtor).
- (vii) The Applicant convened the 25th meeting of the CoC on 09.08.2023, wherein the CoC allowed the waiver of EMD criteria and net worth criteria to Mr. Rajesh Singla (promoter of the Corporate Debtor), while we note that the waiver of the EMD criteria is normally not allowed.
- (viii) The Applicant convened the 27th meeting on 21.08.2023, wherein it was apprised that all PRAs, except promoter of Corporate Debtor Mr. Rajesh Singla, had declined to further improve their Resolution Plan amounts and terms. Mr. Singla was called in for further negotiations, and he presented two options for his Resolution Plan, Rs.26.56 crore with the release of personal guarantees and Rs.23.36 crore without the release of personal guarantees.
- (ix) It is proposed in the Resolution Plan that the Banks will release the following properties and the guarantees and the SRA will back up the offer by disposing off these properties:



- (a) Release of Personal Guarantees of Sh. Sanjay Singla and Sh. Rajesh Singla.
- (b) Release of Corporate Guarantee of M/s Goodearth Infrastructure Development Pvt. Ltd.
- (c) Release of Corporate Guarantee of Nexgen Laminators (Partnership Firm)
- (d) Release of 1st Charge and Title deeds of Residential Plot Nos 5 and 6 measuring 200 Square Yards each at Ghuman Road, Patiala in the name of M/s Goodearth Infrastructure Development Pvt. Ltd mortgaged with SBI and Canara Bank.
- (e) Release of 1st Charge and Title deed of land mortgaged with SIDBI measuring 15 Kanal 12 marle situated at Village Farm Bahdurgarh, Patiala- 147021 in the name of Nexgen Laminators (Partnership Firm) and Release the 2nd Charge which is with SBI and Canara Bank.

- (x) The Applicant convened the 31st meeting of the CoC on 17.11.2023, wherein the Resolution Plan of Mr. Rajesh Singla was approved with 100% voting share of the CoC.

19. Section 31 of the IBC provides that “***if the Adjudicating Authority is satisfied that the resolution plan as approved by the COC under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan***, which shall be binding on the Corporate Debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan”. In view of the above, we consider it appropriate to examine whether resolution plan meets the requirements of sub-section (2) of section 30 of the IBC as below:

- (a) ***The 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.***

- (i) The page 26 of the Resolution Plan (page 389 of the IA) provides for the CIRP costs as below:



CIRP Cost	<p>The Resolution Applicant agrees that the amounts to be paid towards CIRP costs shall be determined by the Resolution Professional as soon as practicable after the Hon'ble NCLT approval date and in any event no later than 30 (thirty) days from the date thereof.</p> <p>The Resolution Applicant will make payment of the unpaid CIRP Cost incurred, and the estimated CIRP Cost to be incurred till the end of CIRP Period, as is discussed earlier in our resolution plan and is proposed to be Rs. 96,50,000 /- (Rupees Ninety-Six Lakhs Fifty Thousand Only) wherein Rs. 6,509,202.02 (Rupees Sixty-Five Lakhs Nine Thousand Two Hundred and Two Rupees and Two Paise) towards unpaid CIRP Cost as specified in sub-section 30(2)(a) (Payment of CIRP Costs) of Section VI (Treatment of Stakeholders) of this Resolution Plan, towards payment of CIRP Costs.</p> <p>In case of actual CIRP cost as ratified by the CoC, and pending as on the Effective Date is less than proposed amount of Rs. 96,50,000 /- (Rupees Ninety-Six Lakhs Fifty Thousand Only), the difference between actual CIRP Cost and proposed CIRP Cost will be paid proportionately to Secured Financial Creditors. The amount will not be retained by the Resolution Applicant.</p> <p>In case the actual CIRP Cost exceeds the amount proposed in this Resolution Plan, aforesaid additional amount shall be reduced proportionately from the proposed payment of the Secured Financial Creditors to be paid by the Resolution Applicant.</p>
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- (ii) Further at page 13-14 of the Resolution Plan (page 362-363 of the IA), it is stated that the total CIRP cost incurred till 27.07.2023 is Rs.1,07,41,071.02 and the paid amount is Rs. 42,31,869,00. Hence payment of the unpaid amount of Rs.65,09,202.02 and an estimated unpaid CIRP Cost of the sum of Rs.31,31,675.00 shall be incurred by the Corporate Debtor till the completion of the CIRP Process, for which the Resolution Applicant proposes to allocate a sum of Rs.96,50,000.00, which was not paid using the cash flow during the CIRP period.

(iii) As per para 20 of the Convenience Proforma filed by the RP, it is proposed to pay the above CIRP costs, as the first item as shown below:

(In Crore)

Sr. No.	Particulars	Amount Proposed	Within 15 days	Within 180 Days
1.	CIRP Cost	0.24	0.24	-
2.	Financial Creditor (Secured and Unsecured)	22.465	4.465	18.00
3.	Workmen dues	0.00	--	--
4.	Employee dues	0.00	--	--
5.	Operational Creditor (Statutory Authorities)	0.02	0.02	--
6.	Payment for Gratuity Liability of Ex-employees	0.24	0.24	--
7.	Fund for Gratuity Liability of current Employees (Gratuity Fund)	0.29	0.29	--
8.	Operational Creditors (other than Workmen & Employees and Govt.)	0.02	0.02	--
9.	Any other Creditors	--	--	--
	Total	24.00	6.00	18.00

**The said amount is the total of the amount to be distributed and the CIRP cost after deducting the regulatory fee and the performance-linked incentive fee for timely resolution and the performance-linked incentive fee to RP for value maximization.*

(iv) In view of the above, we observe that the Resolution Plan is in compliance of Section 30(2)(a) of the IBC.



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

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

(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53,

whichever is higher and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.


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

(i) The RP, in para 15 of the Convenience Proforma has given a note, how the provision for payment to Operational Creditors is in compliance with the provisions of section 30(2)(b) of the IBC stating as below:

a. The liquidation value of the Operational Creditor is Nil.

b. Operational Creditor claim/ dues: The claims of Operational Creditors (Workmen) are nil. The claims of Operational Creditors (Government Dues) as per the IM amounts to Rs.33,119,351/- and the RP has identified possible claims of Rs. 0/- based on liabilities outstanding in the books of accounts.

c. Operational Creditor Treatment (Government Dues): The SRA proposes to allocate a sum of Rs.2,00,000/- towards the settlement of Operational Creditors (Government Dues). However, in future, if due to any reasons whatsoever including the judgement of Hon'ble Supreme Court in the case of Rainbow Papers Ltd. vs. State Tax



Officer Ltd. or due to any other reason, the amount to be paid VAT, then the SRA undertakes to bring additional sources

- d. Gratuity Claim/ Dues (Ex-employees): As per the information provided by the RP, a sum of Rs. 23,95,025.57 pertaining to gratuity provision is payable to the ex-employees of the Corporate Debtor, and shall be paid in full by the SRA. The said amount shall be paid in entirety by the SRA.
- e. Gratuity Treatment (Ex-employees): The SRA will deposit the sum of Rs.23,95,025/- in an Escrow Account with the Corporate Debtor and the respective payments to various ex-employees can be made from this Account.
- f. Gratuity Claim/ Dues (current employees): The outstanding Gratuity Liability with respect to the current employees of the Corporate Debtor is Rs. 28,67,079.79. As the Corporate Debtor is maintained as a going concern, the SRA confirms that it will make payment of the gratuity liability as and when it will become due for payment.
- g. Gratuity Treatment (current employees): Further, the SRA proposes to deposit a sum of Rs.29,00,000/- in a separate fund maintained with the Corporate Debtor to meet this liability as and when the same arises for payment. The Gratuity payable to any employee retiring/ resigning from the Corporate Debtor shall be computed as per the Payment of Gratuity Act, 1972, based on the entire tenure of the employee with the Corporate Debtor and paid at the time of retirement/ resignation of the employee.



- h. Operational Creditor (Employees): The claims of Operational Creditors (Employees), which have been admitted amount to Rs. NIL as against total claim amount of Rs. NIL.
- i. Operational Creditors (Other than Workmen, Employees and Government Dues) : The claims of Operational Creditors (Other than Workmen, Employees and Government Dues), which have been admitted as per the IM amounts to Rs.5.12 Crores as against the total claim amount of Rs.6.46 Crores and the same shall be settled by making payment of Rs.2,00,000/- proportionately in the ratio of the admitted claims of such Operational Creditors. It is further proposed that the SRA will deposit this amount in an Escrow Account with the Corporate Debtor and the respective payments to various creditors can be made from this Account.
- j. The individual payments to the respective Operational Creditors will be made proportionately in the ratio of the admitted claims of such Operational Creditors.
- k. Further, the SRA has undertaken that in case any Operational Creditor is found to have a higher entitlement than the amount provided under the Resolution Plan, then such higher entitlement will be paid to the said Operational Creditor in the same ratio by the SRA.
- (ii) The RP in para 5 of the Convenience Proforma has shown the fair value and liquidation value of the Corporate Debtor as below:

(Amount in INR)

S. NO.	NAME OF VALUER	FAIR VALUE	LIQUIDATION VALUE	AVERAGE	
				FAIR VALUE	LIQUIDATION VALUE
A. Plant & Machinery					
1.	Rishi Kumar Aggarwal	14,47,68,200	10,07,87,350	13,36,91,226	9,26,40,604
2.	Alok Kaushik	12,26,14,252	8,44,93,857		
B. Land & Building					
3.	Anil Saxena	8,32,52,060	5,95,88,642	8,39,57,029	6,36,59,120
4.	Sandeep Goel	8,46,61,997	6,77,29,597		
C. Securities and Financial Asset					
5.	Vikas Aggarwal	7,73,550	3,86,775	9,69,15,273	4,54,54,376
6.	Gautam Maurya	8,26,000	8,26,000		
Total Value				31,45,63,527	20,17,54,099

(iii) The RP in para 19 of the Convenience Proforma has shown the amount provided for financial and operational creditors as below:

(Amount in Rs. Cr)

Sl. No.	Category of Stakeholder	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount Provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	a) Creditors not having a right to vote under sub-section (2) of section 21	--	--	--	--
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	--	--	--	--
		(ii) who voted in favour of the resolution plan	1,151,272,338.90	1,151,272,338.90	231,800,000	20.14%
		Total[(a) + (b)]	1,151,272,338.90	1,151,272,338.90	231,800,000	20.14%
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	--	--	--	--
		(b) Other than above:				
		(i) who did not vote in favour of the resolution Plan	--	--	--	--
		(ii) who voted in favour of the resolution plan	--	--	--	--
		Total[(a) + (b)]	--	--	--	--

3	Operational Creditors	(a) Related Party of Corporate Debtor	--	--	--	--	
		(b) Other than (a) above:	--	--	--	--	
		Government dues					
		(a) Employee Provident Fund Organisation (EPFO)	--	--	--	--	--
		(b) Custom Department	32,768,881	32,768,881	1,97,884	0.60%	
		(c) ITO (TDS), Patiala	350,470	350,470	2,116	0.60%	
		Total of Govt dues	33,119,351	33,119,351	2,00,000	0.60%	
		(i) Workmen	--	--	--	--	
		(ii) Employees	--	--	--	--	
		(iii) Operational Creditors	64,578,853.51	51,238,821.71	2,00,000	0.31%	
		(iv) Gratuity Liability of ex-employees	--	--	24,00,000**		
		(v) Gratuity Liability of current Employees	--	--	29,00,000**		
		Total[(a) + (b)]	97,698,204.51	84,358,172.71	57,00,000**	1.51%	
4	Other debts and dues	Creditors (other than Financial Creditors and Operational Creditors)	--	--	--	--	
Grand Total			1,248,970,543	1,235,630,512	237,500,000	21.65%	

Amount provided overtime under the Resolution Plan and includes the estimated value of non-cash components. It is not NPV.

Regulatory fee payable to IBBI in compliance with Regulation 31(A)(1) of CIRP Regulations (0.25% of the realizable value to creditors) i.e. Rs. 0.059 Crs., has been proposed by the SRA over and above the other amounts committed in the plan (amounting to Rs. 24 Cr) as mentioned at Page no. 15 of the Resolution Plan.

*There is no liability of any statutory authority falling under the category of Secured dues in the books of the Corporate Debtor, nor any claim has been filed by any such secured creditor. Therefore, the judgment passed by the Hon'ble Supreme Court in the matter of Rainbow papers does not apply to the present case. However, the SRA has undertaken that if any additional liability arises due to rainbow paper judgment, Resolution Applicant will bring additional resources to fund the same without affecting the amount payable to other creditors including financial creditors as envisaged in the Resolution Plan.

**No claim has been received against the gratuity of the ex-employees and the current employees of the CD. However, the SRA has proposed payment of full amount of the book liability against the dues of the gratuity. With regard to PF, claim was received belatedly and thus the same has been rejected. Thus, nothing has been provided for PF in accordance with the judgments.

- (iv) The liquidation value of the Corporate Debtor is Rs.20.18 crore and claim admitted of the secured Financial Creditor is Rs.115.13 crore. Since the amount provided in the Resolution Plan is Rs.24.00 crores, which is less than the admitted claim of the secured Financial Creditor, the Operational Creditors are not likely to get anything in case of distribution under section 53 of the IBC. However, the Resolution Plan provides for Rs.2 lakh for the Operational Creditors and thus, the payment to the Operational Creditors complies with the provision of section 30(2)(b) of IBC.
- (v) The liquidation value available for the Operational Creditors (other than workmen) is nil, as the claim of the secured creditors is more than the liquidation value of the Corporate Debtor. Further, there are no claims of the workmen for twenty-four months preceding the insolvency commencement date.
- (vi) The RP at para 4 of the Convenience Proforma has mentioned the votes of the CoC members casted in favour/ against the Resolution Plan as below:

Name of the Financial Creditor	Amount Claimed (INR)	Amount Admitted (INR)	Percentage of Voting Share (%)	Voting for Resolution Plan (Voted For/ Dissented/ Abstained)
State Bank of India	33,42,12,000	33,42,12,000	29.03	Voted For
Canara Bank	26,40,52,153.9	26,40,52,153.9	22.94	Voted For
Small Industrial Development Bank of India	55,30,08,185	55,30,08,184	48.03	Voted For
TOTAL	1,15,12,72,339	1,15,12,72,337.9	100	

It may be seen from the above, that there is no dissenting Financial Creditor.

(vii) We note that there are wide variances in the fair value and liquidation value of the Corporate Debtor as per the short note dated 17.11.2024 as shown below:

RECONCILIATION OF BALANCE SHEETS, VALUATION REPORTS AND PUFE TRANSACTIONS								
NEXGEN LAMINATORS PRIVATE LIMITED- RECONCILIATION STATEMENT								
S. No.	Particulars	Amount as per Audited Balance sheet prior to CIRP dated 31.03.2019	Amount as per provisional Balance sheet as on CIRP dated 25.11.2019	Amount as per Audited Balance sheet by RP dated 31.03.2020	Amount as per latest Audited Balance sheet by RP dated 31.03.2023	Amount as per Valuation Reports by Reg IBBI Valuers		Assets for which Application has been filed
						Fair market Value	Liquidation Value	
1	Non Current Assets							
A	Property, Plant & Equipment							
	Tangible Fixed Assets							
	i - Note 1a	451,925,016.00	438,010,325.00	431,188,730.00	370,798,200.00	217,648,255.00	156,299,723.00	
	ii Intangible Assets	101,758.00	101,758.00	101,758.00	-			
	- Note 1b							
B	Long term Loans and Advances	666,999.00	666,999.00	666,999.00	867,000.00	799,775.00	606,387.50	2,417,000.00
2	Current Assets							
a	Inventories	169,255,887.00	158,451,187.07	164,148,017.00	205,358,900.00	58,212,634.50	21,668,179.00	
b	Trade Receivables	68,885,331.00	63,122,978.00	51,324,921.00	43,764,500.00	29,083,518.00	17,279,466.00	
c	Cash & Cash Equivalents	6,956,753.00	8,321,251.00	15,084,360.00	7,686,700.00	5,601,385.00	5,601,385.00	
	- Note 2							
d	Short terms loans & advances	8,060,995.00	8,360,727.36	7,376,412.00	8,979,500.00	3,217,960.00	298,958.50	
	Total	706052739	677235225	670091197	637454800	314563528	201754099	2417000

SCHEDULE

	31.03.2019	25.11.2019	31.03.2020	31.03.2023	Fair market Value	Liquidation Value
1a Tangible Assets						
i. Land	9,535,919.00	9,535,919.00	9,535,919.00	9,535,900.00	14,019,750.00	11,215,800.00
ii. Building	140,383,639.00	136,746,308.00	134,930,642.00	118,571,600.00	69,937,278.50	52,443,319.50
iii. Plant & Machinery	236,161,723.00	228,660,886.00	224,821,537.00	190,801,000.00	106,114,067.00	74,326,571.50
iv. Misc fixed assets	63,400,574.00	62,104,569.00	60,348,990.00	51,225,000.00	25,038,724.00	16,278,399.50
v. Furniture & Fixture	872,790.00		645,611.00	144,300.00	326,833.00	245,124.50
vi. Office Equipments	295,328.00	264,444.00	259,198.00	192,400.00	522,044.50	391,533.50
vii. Computer	83,383.00		64,114.00	64,100.00	141,250.00	105,937.50
viii. Vehicle	1,191,660.00	696,199.00	582,719.00	263,900.00	1,548,307.50	1,293,037.00
	451,925,016.00	438,010,325.00	431,188,730.00	370,798,200.00	217,648,254.50	156,299,723.00
1b Intangible Assets						
i. Line charges	101,758.00	101,758.00	101,758.00	0	0	0
2 Cash & Cash Equivalents						
a Cash in hand	62718	29735	525	7200	29735	29735
b Balance with scheduled banks	580834	1978315	8574092	733500	1977076	1977076
c Fixed Deposit accounts	6313201	6313201	6509743	6946000	3594574	3594574
	6956753	8321251	15084360	7686700	5601385	5601385

(viii) Further, it appears from the submission of the RP vide affidavit dated 22.10.2024 that efforts have been made to reconcile the valuation with the book value of the land & building (which normally increases with time) as well plant & machinery, however, the affidavit dated 22.10.2024 states that the assets appearing in the balance sheet of the Corporate Debtor have been valued, and there are no missing assets except the FDR amount of Rs.3483047/-, which has been forfeited by the SIDBI prior to CIRP due to the adjustment against the term loans after the Corporate Debtor turned Non-Performing Assets as per terms of sanction and the same has been informed by SIDBI vide mail dated 20.03.2020.

(ix) We note wide variation between the liabilities appearing in the balance sheet and as admitted by the RP as per the short note dated 17.11.2024 as below:

S. No.	Particulars	Amount as per Audited Balance sheet prior to CIRP dated 31.03.2019	Amount as per provisional Balance sheet as on CIRP dated 25.11.2019	Amount as per Audited Balance sheet by RP dated 31.03.2020	Amount as per latest Audited Balance sheet by RP dated 31.03.2023	Liabilities for which Claim has been filed			
						Name of claimant	Amount filed	Amount admitted	Amount proposed in plan
1	Non Current Liabilities								
	Long term Borrowings*	779,494,575.00	779,494,573.83	793,139,986.00	795,557,000.00	SBI	334,212,000.00	334,212,000.00	
						SIDBI	553,008,185.00	553,008,185.00	224,650,000.00
						Canara Bank	264,052,153.90	264,052,153.90	
	Long term provisions- Gratuity	4,183,561.00	4,183,561.00	4,691,512.00	5,600,000.00		-	-	Provision made for payment
	Other Non Current Liabilities- Security	100,000.00	100,000.00	100,000.00	-		-	-	
2	Current Liabilities								
	Trade Payables	58,461,172.00	43,134,628.00	44,499,427.00	69,254,600.00	Trade Creditors	64,578,854.00	51,238,822.00	200,000.00
	Other Current Liabilities	17,326,924.00	17,987,837.00	2,461,265.00	4,014,100.00	Custom Department	32,768,881.00	32,768,881.00	
						Income Tax Officer (TDS) Patiala	350,470.00	350,470.00	200,000.00
						Belated claim			
						Provident Fund	1,402,699.00	1,402,699.00	
	Total	859,566,232.00	844,900,599.83	844,892,190.00	874,425,700.00		1,250,373,242.90	1,237,033,210.90	225,050,000.00

* This is classified as Long term and short term in balance sheet .Re-grouping done for the sake of clarity only

(x) We also note that from the compliance affidavit dated 26.11.2024 that the claim admitted in some of the cases are far more than that



appearing in the balance sheet as on the CIRP (refer para 12 of this Order). However, we are not going to examine the same, as the amount provided to the Operational Creditors is only Rs.2 lakh and thus even if their claims are admitted more than the amount reflected in the balance sheet are not likely to have any bearing on the distribution of amount among the stakeholders the explained in detail the reasons.

(xi) The SRA vide Affidavit dated 27.11.2024 has undertaken that all the employee dues and EPF dues as on the CIRP commencement date i.e. 25.11.2019 appearing in the books of accounts of the Corporate Debtor shall be paid in full by the SRA.

(xii) The SRA vide affidavit dated 05.12.2024 has further undertaken that any subsequent claim made by the EPFO shall also be paid in full by the SRA.

(c) The resolution plan provides for the management of the affairs of the corporate debtor after approval of the resolution plan;

The page 21 of the Resolution Plan (page 370 of the IA) provides as below:

“The Resolution Applicant shall identify and appoint suitable professional to manage the affairs of the company on a day-to-day basis, with the support of the Key Managerial personnel of the Company and with the guidance from the Board of Directors.”

(d) The resolution plan provides for the implementation and supervision of the resolution plan;

The page 21-22 of the Resolution Plan (page 370-371 of the IA) provides as below:

“The term of the plan shall be the period in which amounts committed to be paid to Creditors under this plan are paid. In the present resolution plan, Resolution Applicant is proposing a period of 180 days from the effective date as term of the plan.



The Plan shall be put into implementation immediately after the acquisition is complete on payment of settlement Amount or upon entering into of definite agreement of unpaid settlement amount.

It is envisaged that an effective Implementation and Monitoring Committee (IMC) shall co-ordinate in implementation of the Resolution Plan by the Resolution Applicant. This Committee shall include two nominees from the Secured Financial Creditors/CoC representing the Secured Financial Creditors, to safeguard the interests of the Lender and two nominees from Resolution Applicant, and Present Resolution Professional. The Chairman of this Committee will be nominated by the nominees of the Resolution Applicant

The RP shall handover the management control of the CD to the new board upon approval of the plan by Hon'ble NCLT.

The new Board shall be responsible for the day-to-day affairs of the Corporate Debtor under supervision of the IMC till the date on which the Resolution Applicant fulfils all its obligations as proposed under the Resolution Plan, including the payment to the Financial Creditors and Board shall keep IMC informed on progress on implementation of plan from time to time. Vesting of ownership/control of Corporate Debtor in favour of Resolution Applicant shall be effective only after payment of the entire payment envisaged under the Resolution Plan by the Resolution Applicant and only post the receipt of the entire payment as envisaged under the approved Resolution Plan, the Monitoring Committee shall be dissolved.”

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

The page 23 of the Resolution Plan (page 372 of the IA) provides as below:

“The Resolution Plan has been prepared after taking into consideration compliance of all applicable laws and regulations and does not contravene any of the provisions of the law for the time being in force.”

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

(i) The page 23 of the Resolution Plan (page 372 of the IA) provides as below:

“The resolution plan has been prepared taking every aspect into consideration so as to confirm to such other requirements as may be specified by Board.”

(ii) At page 29-31 of the Convenience Proforma, the RP has submitted requirements of Regulation 37(1) of CIRP Regulations as under:



<p>Regulation 37(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p>	<p>Compliance under Resolution Plan</p>
<p><i>(a) transfer of all or part of the assets of the corporate debt to one or more persons;</i></p>	<p>The Resolution Plan does not envisage transfer of any assets of the Corporate Debtor except non-core asset.</p> <p>Refer: Section III Clause 6 @Page no. 23</p>
<p><i>(b) sale of all or part of the assets whether subject to any security interest or not;</i></p>	<p>The Resolution Plan does not envisage sale of any assets of the Corporate Debtor except non-core asset.</p> <p>Refer: Section III Clause 6 @Page no. 23</p>
<p><i>(ba) Restructuring of the Corporate Debtor, by the way of merger, amalgamation and demerger.</i></p>	<p>RA is proposing the restructuring of the Corporate Debtor without any merger, amalgamation or demerger.</p>
<p><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></p>	<p>The Resolution Applicant and/or SPV shall subscribe to equity shares of Corporate Debtor such that they together will hold at least 51% of the Equity share capital of the Corporate Debtor with a minimum Lock In Period of 2 years, following the capital reduction, of the Corporate Debtor and acquire control of Corporate Debtor.</p> <p>Refer: Section III Clause 6 @Page no. 23</p>
<p><i>(ca) cancellation or delisting of any shares of the corporate debtor, if Applicable</i></p>	<p>The Resolution Applicant does not envisage delisting of shares of Corporate Debtor as it is an unlisted company. There shall be no extinguishment of Share Capital. It is proposed that subsequent to the acquisition of the business of the Corporate Debtor the existing share Capital shall stand transferred to the Resolution Applicant from the effective date.</p> <p>Refer: Section III Clause 6 @Page no. 23</p>
<p><i>(d) satisfaction or modification of any security interest;</i></p>	<p>As per the Information Memorandum and MCA Master Data, there is an</p>



	<p>existent Security Interest created by the Corporate Debtor in favour of Secured Financial Creditor.</p> <p>It is proposed to be satisfied upon full payment of its dues by the Resolution Applicant upon approval of the Resolution Plan by the NCLT, and signing of a definitive agreement and no separate processes are required to be completed for this Security Interest.</p> <p>It is also proposed that modification of Security Interest in terms of provisions of Resolution Plan shall be given effect to by the Security Interest holders upon approval of this Resolution Plan by NCLT and COC to be informed suitably.</p> <p>Refer: Section III Clause 6 @Page no. 24</p>
<i>(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;</i>	<p>Curing and waiving of any breach of terms of any debt due from the Corporate Debtor is provided separately under this Resolution Plan.</p> <p>Refer: Section III Clause 6 @Page no. 24</p>
<i>(f) reduction in the amount payable to the creditors;</i>	<p>All the liabilities of CD shall be reduced to amount proposed under the resolution plan.</p> <p>Refer Section IV of Resolution Plan @ pg no. 36 of the Resolution Plan</p>
<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>	<p>The various debt due from the Corporate Debtor are proposed to be settled/ waived as provided separately under this Resolution Plan.</p> <p>Refer: Section III Clause 6 @Page no. 24</p>
<i>(h) amendment of the constitutional documents of the corporate debtor</i>	<p>Requisite amendments shall be made to the Memorandum of Association, Article of Association in relation to the transactions contemplated herein or for the implementation of Resolution Plan subject to compliance with applicable law.</p> <p>Refer: Section III Clause 6 @Page no. 25</p>



<p><i>(i) issuance of securities of the corporate debtor, for cash, property, securities, or exchange for claims or interests or other appropriate purpose</i></p>	<p>The implementation of the Resolution Plan shall commence immediately from the Effective Date, and completion of the implementation of the Resolution Plan shall be carried out in accordance with the steps set out under Section V of the resolution plan @ pg no. 50 of the Resolution Plan</p>
<p><i>(j) change in portfolio of goods or services produced or rendered by the corporate debtor</i></p>	<p>No amendment or change in the portfolio of goods or services produced or rendered by the corporate debtor is envisaged/ proposed at this stage. In case of any change in end use of the project, the Resolution Applicant shall be allowed to make such change.</p> <p>Refer: Section III Clause 6 @Page no. 25</p>
<p><i>(k) change in technology used by the corporate debtor and</i></p>	<p>There is no change in the technology proposed.</p> <p>Refer: Section III Clause 6 @Page no. 25</p>
<p><i>(l) obtaining necessary approvals from the Central and State Governments and other authorities;</i></p>	<p>Certain necessary approvals from the Central and State Governments are already in place for the operation of the business. A prayer has been made at Section XIV (Other Terms and Conditions) of this resolution plan for extending any expired approval to the extent within the purview of Adjudicating Authority.</p> <p>Refer: Section III Clause 6 @Page no. 25</p>
<p><i>(m) Sale of one or more assets of corporate debtor to one or more successful resolution applicants submitting resolution plans for such assets; and manner of dealing with remaining assets</i></p>	<p>The Resolution Plan does not envisage sale of any assets of the Corporate Debtor as per this Regulation. All the assets of the Corporate Debtor will be utilised for its use except non-core assets.</p> <p>Refer: Section III Clause 6 @Page no. 26</p>

(iii) At page 31-35 of the Convenience Proforma, the RP has submitted requirements of Regulation 38 and 39 of CIRP Regulations as under:



<p>Regulation 38(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p> <p>Regulation 38(1)(a)- <i>The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors</i></p>	<p>At Page No 26-31 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant page no. 375-380) of the main application.</p>
<p>Regulation 38(1)(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></p>	<p>At Page No. 31 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant Page No. 380) of the main application.</p>
<p>Regulation 38(1A)- <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></p>	<p>At Page No. 31 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant Page No. 380) of the main application.</p>
<p>Regulation 38(1B)- 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.</p>	<p>Resolution Applicant declares that Resolution Applicant or any of its related parties hasn't failed to implement or contributed to the failure of implementation, in past of any resolution plan approved under the Insolvency and Bankruptcy Code.</p> <p>At Page No. 31 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant Page No. 380) of the main application.</p>
<p>Regulation 38(2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p> <p>Compliance under Resolution Plan</p>	
<p>a) <i>The term of the plan and its implementation schedule;</i></p>	<p>The Resolution Applicant proposes to implement the entire Resolution Plan within a period of 180 days from effective date as mentioned at Section V of the Resolution Plan which is attached as Annexure No. 22</p> <p>Effective date is defined as "means the date on which the Adjudicating</p>

	<i>Authority approved the Resolution Plan”</i>
<i>(b) The management and control of the business of the corporate debtor during its term;</i>	The Applicant/ investor shall identify and appoint suitable professionals to manage the affairs of the company on a day-to-day basis, with the support of the Key Managerial Personnel of the Company and with guidance from the Board of Directors.
<i>(c) Adequate means for supervising its implementation;</i>	<p>Section III @Pg no. 21-22 of the Resolution Plan provides “<i>It is envisaged that an effective Implementation and Monitoring Committee (IMC) shall co-ordinate in implementation of the Resolution Plan by the Resolution Applicant. This Committee shall include two nominees from the Secured Financial Creditors/ CoC representing the Secured Financial Creditors, to safeguard the interests of the Lender and two nominees from Resolution Applicant, and Present Resolution Professional. The Chairman of this Committee will be nominated by the nominees of the Resolution Applicant”</i></p> <p>In view of the above, agenda for appointment of a Monitoring Professional was placed for approval by CoC in the 31st meeting of the CoC held on 17.11.2023 which was approved by the CoC with a voting share of 100% vide e-voting. Further, CoC approved the name of Mr. Jalesh Kumar Grover as Monitoring Agent for the implementation and Monitoring Committee post the approval of the Resolution Plan.</p>
<i>d) 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</i>	No avoidance applications are pending, thus not applicable



<p><i>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></p>	
<p>Regulation 38(3) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations,2017 Compliance under Resolution Plan</p>	
<p><i>a. It addresses the cause of default</i></p>	<p>(a) The reasons for default/ losses are due to demonetization in Nov 2016 when overall consumers' goods industry was affected badly, Corporate Debtor further suffered huge inventory loss and consequently failed to adhere to the financial norms and discipline of the Financial Creditor as per terms and conditions of the sanction this has led to situation of running of the production facility/plant at a lower capacity level. The cumulative effect of all these factors have led to a scenario of lower revenues from the operations of the Company for payment of operational due obligations, Interest obligations and principal repayment amongst other dues. This has resulted in lower profitability/losses and consequently resulted into a default i.e. inability of the Corporate Debtor for servicing of liabilities. The Resolution Plan provides for infusion of fresh funds for improvement of overall efficiency level of the Corporate Debtor.</p>
<p><i>(b) It is feasible and viable</i></p>	<p>Section IX provides the business plan for corporate debtor proposing its feasibility and viability</p> <p>Refer: Section IX @Pg No. 73 onwards.</p>



(c) <i>It has provisions for its effective implementation</i>	Section XIII provides the timelines for effective implementation of the Resolution Plan. Refer: Section XIII @Pg No. 97 onwards.
(d) <i>It has provisions for approvals required and the timeline for the same</i>	Section XIII provides the timelines for effective implementation of the Resolution Plan. Refer: Section XIII @Pg No. 97 onwards.
(e) <i>The resolution applicant has the capability to implement the resolution plan.</i>	The Resolution Applicant has the requisite experience and the capability to implement the resolution plan.
Regulation 39 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person Regulations, 2016	Compliance under Resolution Plan
<p>Regulation 39(1)-</p> <p><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></p> <p><i>a. an affidavit stating that it is eligible under section 29A to submit resolution plan;</i></p> <p><i>b. deleted by amendment</i></p> <p><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></p> <p>Regulation 39(1A)</p> <p><i>A resolution plan which does not comply with the provision of sub-regulation (1) shall be rejected.</i></p>	<p>Duly complied with.</p> <p>Affidavits dated 01.07.2023 were submitted by the SRA along with the EOI and Resolution Plan respectively stating that he is eligible under Section 29A to submit the resolution plan.</p> <p>The SRA has submitted an undertaking 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.</p>



<p>Regulation 39(2)</p> <p><i>The resolution professional shall submit to the committee all resolution plans which requirements comply of the with the Code and regulations made there under along with the details of following transactions, if any, observed, found or determined by him: -</i></p> <p><i>(a) preferential transactions under section 43;</i></p> <p><i>(b) undervalued transactions under section 45;</i></p> <p><i>(c) extortionate credit transactions under section 50; and</i></p> <p><i>(d) fraudulent transactions under section 66, and the orders, if any, of the adjudicating authority in respect of such transactions</i></p>	<p>Yes, RP had filed Application in respect of Preferential Transactions (Section 43) IA No. 293/2021 dated 25.03.2021.</p> <p>IA no. 293/2021 listed for hearing on 02.09.2022 and the same has been disposed off on 02.09.2022, as a sum of Rs. 24.17 Lacs has been recovered from the respondents and is maintained in the Bank Account of the Corporate Debtor opened for the CIRP proceedings and shall be for the benefit of all the creditors and shall be distributed as per section 53 of IBC, 2016.</p>
<p>Regulation 39(3)</p> <p>The committee shall evaluate the resolution plans received under sub-regulation (1) strictly as per the evaluation matrix to identify the best resolution plan and may approve it with such modifications as it deems fit.</p> <p>Provided that the committee shall record the reasons for approving or rejecting a resolution plan.</p>	<p>The said Resolution Plan has been approved by the COC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100% of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.</p>

- (iv) An Affidavit has been filed by the RP regarding the compliance of the Judgment passed by the Hon'ble Supreme Court in the matter of State Tax Officer v. Rainbow Paper as Annexure C-12 of the Convenience Proforma stating that SRA has undertaken that if any additional liability arises due to Rainbow Papers Judgement, the SRA will bring additional resources to fund the same without affecting the amount payable to the other creditors including financial creditors as envisaged in the Resolution Plan. The relevant extracts of the said Affidavit are reproduced below:



- (e) Further, it has been ascertained that the Resolution Professional has duly received claims totaling Rs. 3,27,68,881/- from the Custom Department, and an additional claim in the amount of Rs. 3,50,470/- from the Income Tax Officer (TDS), Patiala. It is imperative to note that the aforementioned claims have been admitted in their entirety by the Resolution Professional.
- (f) It is pertinent to mention that the RP had received a claim of the EPFO department amounting to Rs. 14,02,699/- (PF dues + damages & interest+ Short deposits) with respect to the pre & post CIRP initiation period in form B dated 02.12.2023 which is after the approval of the Resolution Plan from the CoC and has been rejected therefore.
- (g) That there is no liability of any other Statutory Authority falling under the category of Secured dues in the books of the Corporate Debtor, nor any claim has been filed by such secured creditor. Therefore, the judgment passed by the Hon'ble Supreme Court in the matter of Rainbow Papers does not apply to the present case. However, the SRA has undertaken that if any additional liability arises due to the Rainbow Papers judgment, SRA will bring additional resources to fund the same without affecting the amount payable to other creditors including financial creditors as envisaged in the Resolution Plan.

20. In Section X: Relief and Concessions of the Resolution Plan (page 430-440 of the IA), it is mentioned in that the following reliefs may be included with such modification, as may be considered necessary, however, any reliefs requested to be granted to the Resolution Applicant shall not be construed as conditionality to the implementation of the Resolution Plan.

- (i) Given that the Resolution Applicant will acquire control of the affairs of the Corporate Debtor on the Effective Date, all Government and Statutory Authorities (as they are Operational Creditors) to waive any financial penalties, or any other financial liabilities and dues that may arise from any defaults or non-compliances by the Corporate Debtor prior to the Effective Date of Applicable Laws, including but not limited to the provisions of the Companies Act, 2013, , Contract Labour (Regulation and Abolition) Act, 1970, all relevant and applicable labour laws, all relevant and applicable Direct and Indirect tax laws, the relevant stamp acts of the different States of India, relevant environmental laws and any other government instrumentality.
- (ii) The change in shareholding of the Corporate Debtor pursuant to the Resolution Plan shall not lead to lapse of any brought forward losses of the Corporate Debtor and provisions of Section 79 (2) of the Income Tax Act, 1961 are not applicable. The RA is allowed to carry forward and set off all the losses and specific directions be issued to the Jurisdictional and Principal Commissioner of Income Tax.
- (iii) The Resolution Applicant would have the right to renegotiate all the existing Agreements with all the clients as well as with vendors/contracts or with any other persons. All the benefits realizing out of this should accrue to the Applicant/ Corporate Debtor.
- (iv) The Resolution Applicant would have the right to renegotiate all contract. All the benefits realizing out of the contracts entered into by the Corporate Debtor should accrue to the Applicant.
- (v) As the Resolution Applicant is required to take over the Corporate Debtor's Business on a "going concern" basis, all consents, licenses, approvals, clearances, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled or



- accustomed to, shall continue to remain valid, notwithstanding any provision to the contrary in their terms, and provided that in case of consents, licenses, approvals, rights, entitlements, benefits and privileges that have expired or lapsed, notwithstanding that they may have already lapsed or expired due to any breach, non-compliance or efflux of time, be deemed to continue without disruption, for the benefit of the Corporate Debtor, for a period of 12 (twelve) months from the Effective Date or such other period as required under Applicable Law.
- (vi) Credit in respect of minimum alternate tax paid by the Corporate Debtor shall continue with the Corporate Debtor on a going concern basis and shall be available for the benefit of the Resolution Applicant or the Corporate Debtor, as the case may be.
- (vii) The Corporate Debtor or the Resolution Applicant shall not, at any point of time, be held financially liable under the provisions in relation to the liability of the Corporate Debtor as per Section 170 of the Income Tax Act, 1961 in respect of any transaction carried out before the Effective Date or contemplated under the Resolution Plan or on account of any action taken pursuant to this Resolution Plan including acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan.
- (viii) In the interest of keeping the Corporate Debtor a going concern, unless otherwise specified in this Resolution Plan, all contracts and agreements shall continue to remain valid and notwithstanding any lapse, non-compliance, breach or expiry of underlying terms of such contracts and agreements, these contracts and agreements shall be deemed to continue without disruption for the benefit of the Corporate Debtor for their original tenure.
- (ix) All contractual arrangements (except for any contracts that vest property rights in the Corporate Debtor) entered into by the Corporate Debtor with the Related Party of the Corporate Debtor, including (including any contracts of employment or consultancy with, and any benefits, fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages or any policy of providing such benefits, fees, commissions, perquisites or profits extended by the Corporate Debtor) shall be deemed to be terminated on and from the Hon'ble NCLT Approval Date. Any claims or financial liabilities arising as a consequence of any termination of such contracts till the Hon'ble NCLT Approval Date shall be cancelled and written-off on the Hon'ble NCLT Approval Date, and shall be permanently extinguished and written-off on the Hon'ble NCLT Approval Date.
- (x) The Resolution Applicant, or the Corporate Debtor shall not be liable to pay any Taxes (direct or indirect) whatsoever arising (directly or indirectly on such entity) as a result of the actions taken by the Corporate Debtor prior to the Effective Date or arising from the actions under this Resolution Plan. It may also be clarified that any Tax liabilities pertaining to any period or action prior to the Effective Date, whether assessed or un-assessed, by the relevant Government and Statutory Authority shall be deemed to have been extinguished and written-off on the Hon'ble NCLT Approval Date.
- (xi) All penalties and dues arising out of any short supply of power/unfulfilled contracts/quality issues in supply in the past or till the approval of Resolution Plan by the Adjudicating Authority shall be deemed to have been extinguished and waived off on the Hon'ble NCLT Approval Date. No liability shall accrue due to this and all benefits and deposits shall be refunded fore with to the Resolution Applicant.
- (xii) All financial liabilities (including any contingent claims) relating to any investigations, inquiries, show-cause notices, causes of actions, suits, claims, disputes, litigations, arbitrations or other judicial or regulatory or administrative proceedings shall be deemed to be extinguished and written-off.
- (xiii) Any and all other claims, rights and entitlements of any Person, including any actual or potential Creditors of the Corporate Debtor (including but not limited to all Financial Creditors, Operational Creditors, Other Creditors, and Government and Statutory Authorities and any person who may claim to be a creditor by way of exercise of rights under Applicable Laws or equity), whether or not such claims rights or entitlements (including any demand for any losses or damages, principal, interest, compound interest, penal interest, liquidated damages, and other charges already accrued/accruing or in connection with any third party claims) have been filed before the Resolution Professional or not, whether admitted by the Resolution Professional or not, whether or not set out in the Information Memorandum, the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor, being due or

contingent, asserted or unasserted, crystallized or uncrystallised, known or unknown, disputed or undisputed, in relation to any period prior to the Effective Date, shall be written-off and permanently extinguished with effect from the Effective Date.

The Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.

- (xiv) Financial Creditor will issue "No Dues Certificate" to the Resolution Applicant once all the payments envisaged in the Resolution Plan are made;
- (xv) Financial Creditors will ensure vacant possession of all immovable properties proposed to be acquired by the Resolution Applicant.
- (xvi) Extinguishment and write-off of any financial liabilities against the Corporate Debtor or the Resolution Applicant, including as result of the termination of any agreements by the Corporate Debtor.
- (xvii) Extinguishment and write-off all financial liabilities (including past liabilities) against the Corporate Debtor or the Resolution Applicant that may accrue due to non-compliance with any clearance issued by any Government and Statutory Authority.
- (xviii) Extinguishment of any other liability, investigations, inquiry pending against the Corporate Debtor due to non-compliance with any environmental clearance issued by any Government and Statutory Authority.
- (xix) The Corporate Debtor shall be entitled to carry forward and set off of all the accumulated Tax losses and unabsorbed depreciation of the Corporate Debtor in accordance with the returns of income filed under the Income-tax Act, 1961.
- (xx) All Disputes to be initiated against the Corporate Debtor (including those proceedings that relate to the Corporate Debtor) at any time till the Effective Date shall stand automatically abated, revoked, released, cancelled, withdrawn, dismissed and deemed null and void (as the case may be) and all financial obligations in relation to such Dispute shall be permanently extinguished on the Hon'ble NCLT Approval Date, after payments being made to any such Creditors if mandatorily required in accordance with the provisions of the Code.
- (xxi) All benefits and incentives, including but not limited to, under all such incentive schemes, subsidy schemes and policies that the Corporate Debtor is entitled under, and all such benefits shall remain vested in the Corporate Debtor with effect from the Effective Date;
- (xxii) On and from the Hon'ble NCLT Approval Date, by order of the Hon'ble NCLT sanctioning this Resolution Plan, a restraint on, and prohibition of, all Adverse Actions shall be deemed to be declared until the Effective Date;
- (xxiii) On and from the Hon'ble NCLT approval date by order of the NCLT any contingent liabilities past, existing or future arising out the past or existing contracts will come to an end. Resolution Applicant will not be liable and responsible for honouring those contingent liabilities, warranties, and claims of any nature whatsoever which have either arisen or will arise in future date due to conditions of the Contracts or by virtue of any court order.
- (xxiv) Resolution Applicant (RA) is proposing to acquire all the existing agreed debt of Secured Financial Creditors by way of settlement. The Resolution Applicant will make payment to the Secured Financial Creditors ("Secured Financial Creditors Payments"), as consideration for Corporate Resolution process under the IBC settlement of the Admitted Secured Financial Creditor Debt ("Admitted Secured Financial Creditors Debt Acquisition") from the Financial Creditors.

Post order of NCLT for Corporate Insolvency Resolution of Corporate Debtor acquisition, no additional claims can arise to the account of RA and all the rights of the secured financial creditors shall stand vested with the RA. All Admitted Secured Financial Creditors Debt shall be extinguished upon the approval of this resolution plan and consequent payment by the resolution applicant. The manner of distribution of the Secured Financial Creditor payments amongst the Secured Financial Creditors shall be pro-rata to the Admitted Secured Financial Creditor Debt.

- (xxv) Upon Secured Financial Creditor payments as per the value proposed in the Resolution Plan, neither the Corporate Debtor nor the Resolution Applicant shall have any liability to make any payments to any Secured Financial Creditor and all liabilities of the Corporate

Debtor and the Resolution Applicant towards the Secured Financial Creditors shall be settled fully and finally, on and from Implementation Date. Upon completion of the Admitted Secured Financial Creditors Debt settlement, the Secured Financial Creditors shall have no further liability towards the Resolution Applicant or Corporate Debtor.

- (xxvi) All Governmental Authorities (including the Income Tax authority, Service Tax department and VAT department, GST department, Provident Fund, Employee State Insurance) to provide relief to the Corporate Debtor from all past litigations pending at different levels and provide waiver from tax dues/other dues including interest and penalty on such litigations as on the Approval Date. Further, all demands/ interest and penalty charged against the dues of the sales tax/VAT/GST authority a till date to be waived;
- (xxvii) The lenders (including Institutional Financial Creditors) to the Corporate Debtor shall regularise all the loan accounts of the Corporate Debtor and shall ensure that the asset classification of such loan account is "standard" in their books with effect from the Approval Date.
- (xxviii) The resolution applicant shall obtain the applicable approval, if 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 (1) of the Code or within such period as provided for in such law, whichever is later as per section 31(4) of the Code.
- (xxix) The approval of this Plan by the Hon'ble NCLT shall be deemed to have waived all the procedural requirements in terms of Section 66, Section 42, Section 62, Section 71 of the Companies Act, 2013 and relevant rules made thereunder, in relation to reduction of share capital of the Corporate Debtor, subscription of debentures by the Corporate Debtor.
- (xxx) All Governmental Authorities (including the Income Tax authority, Provident Fund, Employee State Insurance) to waive the non-compliances of the Corporate Debtor or further claims of the Governmental Authorities on the Corporate Debtor arising out of or in relation to the past claims or non-compliances, prior to the Approval date.
- (xxxi) All creditors (including the Institutional Financial Creditors and Operational Creditors) of the Corporate Debtor to withdraw all legal proceedings commenced against the Corporate Debtor in relation to Claims including proceedings under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Recovery of Debt and Bankruptcy Act, 1993 and seek quashing of criminal proceedings including proceedings under section 138 of the Negotiable Instruments Act, 1881, within a period of 30 (Thirty) days of the Approval Date.
- (xxxii) Issuance of necessary direction to the concerned government authority for waiver of the stamp duty, registration charges, filing fees and other moneys payable to the government if applicable and in relation to this Resolution Plan and its implementation including settlement of loan agreement as is envisaged in this Resolution Plan but not limited to reduction of share capital of the Corporate Debtor, issuance of Equity Shares and documentation in relation thereto, to the extent permissible under Applicable Laws.
- (xxxiii) The Hon'ble NCLT be pleased to issue necessary directions to the local district administration of the respective states where the assets of the Corporate Debtor are situated to give assistance to the Resolution Applicant (s) for the implementation of the Resolution Plan, as and when required by the Resolution Applicants.
- (xxxiv) To direct the concerned Registrar of Companies to expeditiously associate, as per Applicable Laws, the Directors Identification Numbers (DIN) of the Directors who would be taking charge collectively as Board of Directors of the Corporate Debtor, pursuant to the approval of the Resolution Plan.
- (xxxv) The Government Authorities, Electricity Board/Electricity department of Punjab, and discoms will provide forthwith the electricity connection/reconnection after the acquisition of Corporate Debtor by the Resolution Applicant without payment of any dues related to the



- period up to the Effective Date to them by Corporate Debtor. The relevant authorities/departments of Punjab Government shall also issue no objection certificate/no dues certificate to the Corporate Debtor..
- (xxxvi) Entire land owned by the Corporate Debtor shall be deemed to be converted to NA (Non-Agriculture) without any further payment to any of the Government Authorities.
- (xxxvii) To grant all approvals under FEMA, RBI, PMLA or any other Act, Rules or Regulations for foreign investment or disinvestment or capital write-off upto the date of approval of the Resolution Plan, without any payment.
- (xxxviii) All of any of the previous defaults reported to CIBIL, RBI, FEMA or any other authority/institution due to the corporate debtor to be corrected with 6 months from the date of approval of Resolution Plan.
- (xxxix) For such further or other relief/s be granted and/or directions be given as the Hon'ble NCLT may deem fit and proper in the facts and circumstances of the case and in the interests of resolution of the insolvency of the Corporate Debtor.
- (xl) The Collector of Stamps, Revenue Department of any state government and the Ministry of Corporate Affairs to exempt the Resolution Applicant and the Corporate Debtor, from the levy of stamp duty and fees applicable in relation to this Resolution Plan, its implementation, including any stamp duty applicable on the issue of shares by the corporate debtor.
- (xli) The relevant State Pollution Control Boards to approve renewal of the consents to establish/ operate obtained by the Corporate Debtor under applicable provisions of the Water (Prevention and control of Pollution) Act 1974, Air (Prevention and control of Pollution Act, 1981 and other applicable regulations.
- (xlii) The relevant Governmental Authorities to waive all past non-compliances of the Corporate under any applicable law, including but not limited to provisions of the Industrial Disputes Act 1947, the Factories Act ,1948 and the relevant Shops and Establishment Acts and any rules, circulars and regulations framed thereunder.
- (xlili) All Governmental Authorities to grant any relief, concession or dispensation as may be required for implementation of the transactions contemplated under the Resolution Plan in accordance with its terms and conditions.
- (xliv) All relevant Governmental Authorities (including, for the avoidance of doubt, the enforcement Directorate and the Serious Fraud Investigation Office, Central Bureau of Investigation (CBI) to not attach, take any other action including initiating criminal proceedings against or in respect of the Company, its subsidiaries and their respective assets and properties under the Prevention of Money Laundering Act 2002. Prevention Corruption Act,1988. The Companies Act,2013, the Indian Penal Code or any other similar Applicable Law dealing with fraud, money laundering or any other economic offences.
- (xlv) On and from the Hon'ble NCLT Approval Date, by order of the Hon'ble NCLT sanctioning this Resolution Plan, a restraint on, and prohibition of, all Adverse Actions shall be deemed to be declared until the Effective Date and in any case till the implementation of this Resolution Plan in full. All stakeholders shall be bound by the provisions of this Resolution Plan and such restraint and prohibition.
- (xlvi) On approval of plan by Hon'ble NCLT, the Resolution Applicant shall request the state and central governments to treat the operations of the Corporate Debtor as the New Industrial Unit or to allow the incentives available to new industrial units and/or sick industrial units under the latest Industrial Policy of the State Government as amended from time to time and consequently grant all the relief/ concession as available to a New Industrial Unit under the said scheme. However, the revival of the Corporate Debtor and/or implementation of the Resolution plan is not contingent of it.
- (xlvii) To withdraw any suits/ applications filed against Corporate Debtor by the Financial Creditors and any person/entity/whatsoever pending in any court of law and effect of suits/applications thereafter related to past events will be nullified after approval of plan.
- (xlviii) The Resolution Applicant will have the option to pre pay the dues of the Financial Creditors committed under this Resolution Plan, without any additional levies.




- (xlix) The Resolution Applicant will have liberty to change the name of the company and the approval of the State Government without any tax implications.
- (l) The resolution applicant will be exempt from section 41 of the Income Tax Act with respect to any Income which may arises due to write back of liabilities against the existing Brought Forward Losses and unabsorbed Depreciation pursuant to the Approval of the Resolution Plan.
- (li) On the approval of the Resolution Plan by Hon'ble NCLT, the Resolution Applicant shall be the sole beneficiary of any amount recovered by the Resolution Applicant post acquisition, previously written off by the corporate Debtor. Further, the Resolution Applicant shall have full right to recover/ proceed against the party, whose account is recoverable in the books of corporate debtor as on Effective Date and It shall be the sole beneficiary of the amount so recovered.
- (lii) Resolution Applicant has prepared this Resolution Plan with utmost care and due diligence in spite of that if in future any hidden financial liability towards discharge of any legal obligation, of any nature whether known or unknown, defined or non-defined, admitted or non admitted, arise on Resolution Applicant, the Resolution Applicant must be protected from such liability and must be allowed to approach Hon'ble NCLT for reliefs, if needed.
- (liii) Resolution Applicant request NCLT for Specific Order to the Financial Creditors to "UPGRADE" the Account of Corporate Debtor with Banks/FI under the CIBIL Mechanism to "Standard Category" from NPA on the approval of Resolution Plan by Hon'ble NCLT as per applicable RBI Guidelines so as to enable the New Promoter (Resolution Applicant) to revive the business of Corporate Debtor afresh and such action would enable the Resolution Applicant to quickly turn around the business.

It is further acknowledged by the Resolution Applicant that any waiver requested in the Resolution Plan not approved by this Adjudicating Authority shall not be ground to withdraw from the implementation of the Resolution Plan. After going through the reliefs & concessions sought, we are not inclined to approve the same, as these are not falling within the purview of the IBC. However, we are sanguine of the fact that the SRAs shall be eligible to get protection as available under Section 32A of IBC.

21. With regard to compliance of Section 29A of the Code, the status is discussed here below:

- (a) An Affidavit has been filed by the RP on the due diligence of the SRA in terms as Annexure C5 of the Convenience Proforma, the relevant extracts of which are reproduced below:



I, Jalesh Kumar Grover, S/o Shri N R Grover, resident of H. No 1036, Sector 15, Panchkula – 134113, do hereby solemnly affirm and state that based on the CIBIL reports, data available on public domain and based on the 29A affidavit submitted by Successful Resolution Applicant, due diligence of the Successful Resolution Applicant – Mr. Rajesh Singla under Section 29A of the IB Code 2016 was conducted and the Successful Resolution Applicant was found eligible to submit Resolution Plan of Nexgen Laminators Private Limited. I further state as follows:

(a) I state that based on the CIBIL reports, data available on public domain and based on Section 29A affidavit submitted by Successful Resolution Applicant, due diligence of the Successful Resolution Applicant i.e., Mr. Rajesh Singla under Section 29A of the IB Code 2016 was conducted and the Successful Resolution Applicant was found eligible to submit Resolution Plan of Nexgen Laminators Private Limited.

(b) I state that in view of Section 240A (1) of the IB Code, 2016, the provisions of clauses (c) and (h) of Section 29A shall not apply to the Resolution Applicant (who is the promoter & director of the Corporate Debtor) in respect of Corporate Insolvency Resolution Process of any Micro, Small and Medium Enterprises. Therefore, the SRA, who is the promoter & director (power suspended) of the Corporate Debtor, being an MSME, is not barred under Section 29A clause (c) and/or (h) from submitting his Resolution Plan for the Corporate Debtor.

(c) I state that I have examined the web portal of IBBI but no information /orders/ongoing matters were found in respect of the insolvency of the Successful Resolution Applicant (Mr. Rajesh Singla). On the basis of the search outcome, I believed that Mr. Rajesh Singla is not an undischarged insolvent.

(d) I state that I have searched the web portal of different Tribunals/Courts and used the searched criteria to look out for any orders in the name of Mr. Rajesh Singla but no such information was found on any web portals of the tribunals/courts. Based on the said search outcome, I state that Mr. Rajesh Singla is not convicted of any offense.

(e) I state that I have checked the website of the Ministry of Corporate Affairs, the list of disqualified Directors issued by the Ministry from time to time and the list of defaulter companies in complying with the provisions of the Companies Act, 2013. No disqualification was found against Mr. Rajesh Singla. In accordance with the same, I state that Mr. Rajesh Singla is not disqualified to act as a director under the Companies Act 2013.

(f) I state that I have searched the website of the Securities and Exchange Board of India but nothing negative was observed in the search results shown at the website. Based on the outcome, I state that Mr. Rajesh Singla is not prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets.

(g) I state that I have searched the IBBI web portal and did not find any information to believe that Mr. Rajesh Singla is a promoter or in the management or control of a Corporate Debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under IB Code 2016. However, an application under Section 43 of the IB Code, 2016, was filed, which has been disposed off on 02.09.2022, as a sum of Rs. 24.17 Lacs has been recovered from the Respondents and is maintained in the Bank Account of the Corporate Debtor opened for the CIRP proceedings and shall be for the benefit of all the creditors and shall be distributed as per Section 53 of IB Code, 2016.

(h) I state that the deponent got conducted due diligence of the SRA from an independent professional with respect to the eligibility under Section 29A wherein no adverse opinion or observation was made against the SRA.

(i) I state that apart from the above-mentioned search and examination of documents, I further made enquiry about Mr. Rajesh Singla through Google search Engine to look up for information that may impact their eligibility under section 29 A of IBC, 2016, but to the best of my knowledge and in accordance with information available in public domains, Mr. Rajesh Singla is not subject to any disability, corresponding to clauses (a) to (h) above, under any law in a jurisdiction outside India and further Successful Resolution Applicant do not have a connected person in respect of such person who meets any of the criteria specified in clauses (a) to (i) above.

(b) MSME Certificate along with an Affidavit that no proceedings for cancellation of the acknowledged entrepreneurs' memorandum have been

undertaken in this case by the prescribed authority or the same is not cancelled as on the date of filing the IA has been annexed as Annexure C6 of the Convenience Proforma, the relevant extracts of which are reproduced below:

I, Jalesh Kumar Grover, aged about 54 years, S/o Sh. N R Grover, resident of H No. 1036, Sector 15, Panchkula – 134113, do hereby solemnly affirm and state as follows:

(a) I state that based on the CIBIL reports, data available on public domain and based on Section 29A affidavit submitted by Successful Resolution Applicant, due diligence of the Successful Resolution Applicant i.e., Mr. Rajesh Singla under Section 29A of the IB Code 2016 was conducted and the Successful Resolution Applicant was found eligible to submit Resolution Plan of Nexgen Laminators Private Limited.

(b) I state that in view of Section 240A (1) of the IB Code, 2016, the provisions of clauses (c) and (h) of Section 29A shall not apply to the Resolution Applicant (who is the promoter & director of the Corporate Debtor) in respect of Corporate Insolvency Resolution Process of any micro, small and medium enterprises. Therefore, the SRA, who is the promoter & director (power suspended) of the Corporate Debtor, being an MSME, is not barred under Section 29A, clause (c) and/or (h) from submitting his Resolution Plan for the Corporate Debtor

(c) I state that the Udyog Registration number of the Corporate Debtor is UDYAM-PB-17-0000303. I have examined the web portal of MSME and checked the validity of the Acknowledged Entrepreneurs Memorandum and found that no proceedings for the cancellation of the same have been undertaken by the Authorities and the same is valid on the date of CIRP, i.e., 25.11.2019. Copy of the Udyam Registration Certificate is annexed herewith and marked as ANNEXURE A.

Annexure A

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11/4/2020

Print : Udyam Registration Certificate

भारत सरकार Government of India सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय Ministry of Micro, Small and Medium Enterprises		MSME सूक्ष्म, लघु एवं मध्यम उद्यम MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES																					
UDYAM REGISTRATION CERTIFICATE																							
Our small hands to make you LARGE																							
TYPE OF ENTERPRISE	MEDIUM	MANUFACTURING																					
UDYAM REGISTRATION NUMBER	UDYAM-PB-17-0000303																						
NAME OF ENTERPRISE	M/S NEXGEN LAMINATORS PRIVATE LIMITED																						
SOCIAL CATEGORY OF ENTREPRENEUR	NA																						
NAME OF UNITS																							
OFFICIAL ADDRESS OF ENTERPRISE	<table border="1"> <tr> <td>Plot/Door/Block No.</td> <td>Nexgen Laminators</td> <td>Name of Premises/Building</td> <td>Nexgen Laminators Private Limited</td> </tr> <tr> <td>Village/Town</td> <td>Fern Bahadurgarh</td> <td>Block</td> <td>Bahadurgarh</td> </tr> <tr> <td>Post/Street/Lane</td> <td>Bekhal Milk Food</td> <td>City</td> <td>Patiala</td> </tr> <tr> <td>State</td> <td>PUNJAB</td> <td>District</td> <td>PATIALA, Pin 147021</td> </tr> <tr> <td>Mobile</td> <td>8437075942</td> <td>Email:</td> <td>nexgenlaminators@gmail.com</td> </tr> </table>			Plot/Door/Block No.	Nexgen Laminators	Name of Premises/Building	Nexgen Laminators Private Limited	Village/Town	Fern Bahadurgarh	Block	Bahadurgarh	Post/Street/Lane	Bekhal Milk Food	City	Patiala	State	PUNJAB	District	PATIALA, Pin 147021	Mobile	8437075942	Email:	nexgenlaminators@gmail.com
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Mobile	8437075942	Email:	nexgenlaminators@gmail.com																				
DATE OF INCORPORATION / REGISTRATION OF ENTERPRISE	04/01/2011																						
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NATIONAL INDUSTRY CLASSIFICATION CODE(S)	<table border="1"> <thead> <tr> <th>SNo.</th> <th>NIC 2 Digit</th> <th>NIC 4 Digit</th> <th>NIC 5 Digit</th> <th>Activity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>22 - Manufacture of rubber and plastics products</td> <td>2220 - Manufacture of plastic products</td> <td>22203 - Manufacture of plastic articles for the packing of goods (plastic bags, sacks, containers, boxes, cases, carboys, bottles etc)</td> <td>Manufacturing</td> </tr> </tbody> </table>			SNo.	NIC 2 Digit	NIC 4 Digit	NIC 5 Digit	Activity	1	22 - Manufacture of rubber and plastics products	2220 - Manufacture of plastic products	22203 - Manufacture of plastic articles for the packing of goods (plastic bags, sacks, containers, boxes, cases, carboys, bottles etc)	Manufacturing										
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DATE OF UDYAM REGISTRATION	22/07/2020																						

Disclaimer: This is computer generated statement, no signature required.
Printed from <https://udyamregistration.gov.in>

For any assistance, you may contact:

1. DIC PATIALA
2. MSME-DI LUDHIANA

BE A
CHAMPION
with the

<https://udyamregistration.gov.in/PrintApplication.aspx?udrn=QuZTrUlyBaePhE++&idjw==>

- (c) It is noted that the Resolution Plan has been submitted by the Suspended Board of Director of the Corporate Debtor. However, it is noted that after the Corporate Debtor was admitted into CIRP on 25.11.2019, the MSME certificate has been obtained on 22.07.2020 that also by the RP without instructions of the CoC and subsequently, the CoC has taken note of the same in its 8th CoC meeting held on 29.07.2020 as recorded in the minutes as below:

The Committee took note of the same.

ITEM NO. 08:08

To take note of actions taken by Resolution Professional

The Chairperson apprised the members about the major actions taken by RP. The details are summarized as below:

S.No	Actions Taken
1.	MSME Registration
	MSME registration from online portal (Udyam Registration) has been done.

- (d) However, the ***Hon'ble Supreme Court in its Judgment in the matter of Hari Babu Thota in Civil Appeal No. 4422/2023, 2023 INSC 1056 decided on 29.11.2023*** had observed as below:

“20. The common submission thus, is that while interpreting Section 240A, the reason for carving out an exception in micro, small and medium industries is set out on the date of application for making the bid as the crucial date. The submission is that while for some other aspects the initiation of the CIRP proceedings would be the cut off date, the same would not apply in the case of Section 240A, in view of the statement by the Minister themselves while introducing the amendment Bill.

21. We are inclined to accept the aforesaid plea as it is quite obvious that while seeking to protect this category of industries, the disqualification is not to be incurred, especially in view of the “notwithstanding clause”.

22. We certainly can look to the statement of the Minister for purposes of a cut off date that “there is no other specific provision providing for cut off date” which submits that it should be the date of application of making a bid. Thus, to opine that it is the initiation of the CIRP proceedings which is the relevant date, cannot be said to reflect the correct legal view and thus, we are constrained to observe that the law laid down in Digambar Anand Rao Pagle (supra) case by the Tribunal is not the correct position in law and the cut off date will be the date of submission of resolution plan.”

- (e) We observe that the Corporate Debtor was having the MSME Registration Certificate at the time of submission of the Resolution Plan by Suspended Director/ Promoter of the Corporate Debtor, thus, in view of the ***Hon'ble Supreme Court Judgement in the matter of Hari Babu Thota (Supra)*** is not ineligible to file the Resolution Plan.



22. With regard to PUFЕ transactions, the RP at para 25 of the of the Convenience Proforma has stated that IA No. 293/2021 dated 25.03.2021 was filed under section 43 of the Code and the same has been disposed off by this Adjudicating Authority vide its Order dated 02.09.2022 and a sum of Rs.24.71 lakh has been recovered from the Respondents and is maintained in the Bank account of the Corporate Debtor opened for the CIRP proceedings and shall be distributed as per section 53 of the Code.

- (a) The allegations of the PUFЕ transactions filed by the RP under Regulation 35A has been shown in para 31 of the Convenience Proforma as below:

SECTION	NATURE OF ALLEGATION	AMOUNT INVOLVED	DOCUMENTS RELIED UPON	REMARKS
43	PREFERENTIAL TRANSACTION (I.A. 293 of 2021)	Rs. 24.17 Lacs	Forensic Audit Report	The Application has been disposed on 02.09.2022, as a sum of Rs. 24.17 Lacs has been recovered from the respondents and is maintained in the Bank Account of the Corporate Debtor opened for the CIRP proceedings and shall be for the benefit of all the creditors and shall be distributed as per section 53 of IBC, 2016.

With regard to distribution of the proceeds from the proceedings of the PUFЕ transactions, the RP in para 34 of the Convenience Proforma has stated as below:

As mentioned in the Resolution Plan, "The proceeds, if any, from such proceedings under Regulation 38(2) (d) shall be distributed amongst those creditors to whom some haircut has been applied in proportion of their remaining debt in compliance of Section 53. However, if this amount is in excess of the haircut amount, then such excess amount will be retained with the Corporate Debtor and will be used by it for working capital in any case this amount will not be kept by the Resolution Applicant."

- (b) The brief contents and prayer of the IA No.293/2021 are reproduced below:

15. Based on the review of the Forensic Audit Report and the underlying documentation relating to the relevant transactions, the Resolution Professional is of the view that the following transactions fall within the meaning of preferential transaction under Section 43 of the Code.

TRANSACTION: REPAYMENT OF UNSECURED LOANS

{PREFERENTIAL TRANSACTION U/S 43 (2)}

- I. The summary of transactions covered under Sec 43(2) of IBC, 2016 as per the Forensic audit report is reproduced hereunder:

Sr. No.	Name of the person	Transactions	Amount (Rs. in lacs)	Page No. as per Report annexed
1	Mr. Abhinav Tiwari	Repayment of Unsecured Loan	12.55	254
2	Mr. Prem	Repayment of Unsecured Loan	8.82	274
3	Ms. Tanima Tiwari	Repayment of Unsecured Loan	1.36	283
4	Ms. Yogasvi Tiwari	Repayment of Unsecured Loan	1.44	284
TOTAL			24.17	

- XV. That in view of the above mentioned transactions:
- It is pertinent to mention here that all the above mentioned transactions have been entered into by the Corporate Debtor through its directors i.e. Respondent No 1 and 2 during the relevant period defined under section 43 i.e. during the period of one year preceding the Insolvency Commencement Date thereby giving preference to above mentioned unsecured creditors over other Creditors of the Corporate Debtor, as mentioned in Section 43(4) (b) of the Code.
 - That the repayment of unsecured loans were preferential transactions as defined u/s 43(2) (b) of the Code as the unsecured creditors have been put into a beneficial position as they would have been in case of distribution of assets in accordance with section 53 of the code, since they are unsecured creditors and can receive their amount only after satisfaction of the claims of the Secured creditors and workmen & employees. Further it shall be noted that, liquidation value of the Corporate Debtor is not sufficient even for secured creditors.



- XXVI. That the repayment of the unsecured loan of approx. Rs.24.17Lacs to the unrelated parties have been made during the prescribed relevant time which falls within the ambit of preferential transaction under Section 43(2)(b) of the Code. It may be noted that during the relevant period, the Corporate Debtor defaulted in the repayment to its secured creditor. However, it continued to make repayment of the loans availed from unsecured creditors, thereby putting them in a beneficial position than it would have been in the event of a distribution of assets being made in accordance with Section 53 of the Code, since unsecured creditors can receive the amount due to them only after satisfaction of the claims of the secured creditors and workmen & employees in terms of Section 53.
- XXIV. That in view of the provisions of the Code and the Judgment passed by the Hon'ble Supreme Court, the aforementioned transactions occurred during the relevant time fall within the purview of preferential transactions in terms of Section 43 of the Code since the due to the said transactions incurred by the Corporate Debtor through its directors with the above mentioned unsecured creditors have been put in a beneficial position over the other creditors of the Corporate Debtor.
- XXV. That based on the Transaction Audit report, the Applicant issued a letter to the suspended directors of corporate debtor on 16th July 2020 to pay the above said amount of Rs. 24.17 Lacs immediately, failing which Applicant shall be constrained to file an appropriate application with Adjudicating Authority. A copy of the letter issued by the applicant on dated 16th July 2020 to Respondent 1 is annexed herewith and marked as ANNEXURE-A-8.
- XXVI. That the Respondent No.1 submitted their reply stating that the payment to the unsecured creditors were contractual payment which were made to avoid legal action since the Corporate Debtor had issued post dated cheques. Accordingly, the suspended management submitted that the payment made has not diluted the interest of secured creditors. Copy of the reply received from Respondent No. 1 is annexed herewith and marked as ANNEXURE- A-9.
- XXVII. That the Applicant unsatisfied with the reply of Respondent No.1, again issued reminder letter dated 20th October 2020 requesting the suspended board to pay the above said amount of Rs. 24.17 Lacs immediately, failing which Applicant shall be constrained to file an appropriate application with this Hon'ble Adjudicating Authority. A copy of the reminder letter issued by the Applicant on dated 20th October 2020 to suspended management is attached herewith and marked as ANNEXUREA-10.



XXVIII. That in response to the above letter issued by the Applicant, Respondent No. 1 submitted in the 16th CoC meeting held on 21st December, 2020 that he is ready to pay back the above said amount in installments of Rs. 2 Lakh per month and in any case complete payment shall be made before approval of Resolution Plan by the Adjudicating Authority and the CoC members has not objected the request of Respondent No.1. Copy of the mail sent to Respondent No.1 and copy of reply received along with Copy of minutes of 16th CoC meeting dated 21st December, 2020 are annexed herewith and marked as ANNEXUREA-11(COLLY).

XXIX. It is submitted that the Respondent No.1 has paid Rs. 2,00,000/- for the month of January and February, 2021 respectively. That under Section 25(2) (j) of the Code, it is the duty of the Resolution Professional to file an application for avoidance of transactions in accordance with Chapter III of the Code. Accordingly, the Applicant in terms of duties mandated under the Code read with the underlying regulations is filing the present Application to report avoidance of transactions so that appropriate remedial and/or punitive action can be taken by this Hon'ble Adjudicating Authority.

XXX. That the present Application is made *bonafide* and in the interest of justice.

PRAYER

It is, therefore, most respectfully prayed that this Hon'ble Adjudicating Authority may kindly be pleased to:

- a) Allow the present application under Sections 43 and pass Order in terms of Section 44 of the Insolvency and Bankruptcy Code, 2016 against Respondents 1 to 6 to pay such amount in respect of benefit received by them from the Corporate Debtor; or
- b) In the alternative, allow the Applicant to accept the contribution made by Respondent No.1 and 2 and issue further directions, if any; and
- c) Pass any other order(s) as this Hon'ble Adjudicating Authority may deem fit.

(c) The IA No.293/2021 was heard on 01.06.2022, wherein the reply filed vide Diary No. 511/01 dated 08.04.2022 was taken on record and it was directed that the rejoinder, if any, be filed within two weeks with copy advance to the



ineligible under Section 29A(g) of IBC to submit the resolution plan. However, this contention on behalf of Suspended Director is not much convincing because when the total amount of Rs.24.17 lacs claimed in IA No.293/2021 filed under Section 43 has been deposited then it amounts to admission about said preferential transactions and there is no need to pass any formal order by this Bench. In these circumstances, the authority (supra) *Hari Babu Thota* is not applicable to the facts of present case.

- (f) In the light of discussion foregoing and reasons recorded hereinbefore, we are of the considered view that the Resolution Applicant is not eligible to submit the Resolution Plan under section 29A (g) of the IBC.

23. As a sequel to the discussion above, we are not inclined to approve the resolution plan. Accordingly, IA No. 2960/2023 is dismissed and disposed of accordingly.

Sd/-
(Umesh Kumar Shukla)
Member (Technical)

Sd/-
(Harnam Singh Thakur)
Member (Judicial)

May 07, 2025