

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

**IA No.1455 of 2022
In
CP(IB) No.588/Chd/HP/2019
(Admitted)**

**Under Section 30 (6) and 31 of the
Insolvency and Bankruptcy Code, 2016
read with Regulation 39(4) of IBBI
Regulations, 2016**

In the matter of:-

BMSS Steel Industries Private Limited ...Petitioner/Financial Creditor

Versus

Forge India Private Limited ...Respondent/Corporate Debtor

And in the matter of IA No. 1455/2022:-

**Mohit Chawla,
Resolution Professional for
M/s. Forge India Private Limited
having its registered office at
SCO 2935/36, 1st Floor,
Sector-22C, Chandigarh-160022.**

...Applicant/Resolution Professional

Order delivered on : 04.08.2023

**Coram:HON'BLE SHRI HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE SHRI SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

Present :-

For the Applicant: :Mr. Harsh Garg, Advocate

: Mr. Pulkit Goyal, Advocate

**For Resolution Applicant : Mr. Krishan Vrind Jain, Practising Chartered
Accountant**

IA No.1455 of 2022
In
CP(IB) No.588/Chd/HP/2019
(Admitted)

PER: SUBRATA KUMAR DASH, MEMBER (TECHNICAL)

ORDER

IA No.340/2022

The present application has been filed by Mr. Mohit Chawla, Resolution Professional of M/s. Forge India Private Limited, under Section 30(6) and Section 31 (1) of the Insolvency and Bankruptcy Code, 2016 (**'the Code'**), read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 seeking approval of the resolution plan in respect of the M/s. Forge India Private Limited (**"the corporate debtor"**). The applicant-Resolution Professional filed the present application on 10.10.2022 for approval of the Resolution Plan, which was approved with a 100% voting share of the Committee of Creditors (**COC**) in its 11th meeting, which was held on 28.09.2022.

2. The present application was reserved for orders on 13.03.2023 but was subsequently relisted, seeking clarification for payments towards workmen and employees and other issues. The compliance affidavit to our directions has been filed by the applicant.

3. The Company Petition CP(IB) No.588/Chd/HP/2019 was filed by the Operational creditor- BMSS Steel Industries Private Limited, against the corporate debtor, which was admitted into the Corporate Insolvency Resolution Process (**'CIRP'**) vide order dated 12.01.2022.

4. Mr. Mohit Chawla was appointed as Insolvency Resolution Professional (**'IRP'**), and the Committee of Creditors (CoC) in its first meeting held on 11.02.2022, confirmed the appointment of Mr. Mohit Chawla (Reg. No. IA No.1455 of 2022
In
CP(IB) No.588/Chd/HP/2019
(Admitted)

IBBI/IPA-001/IP-P00524/2017-18/10949) as the Resolution Professional with 100% voting.

5. The Applicant submits that the public announcement as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with Section 15 of IBC, 2016 in Form A as prescribed under the schedule was made on 15.01.2022 in two newspapers, i.e. 'Amar Ujala' and 'Business Standard', inviting claims from the creditors of the corporate debtor as envisaged under the Code.

6. The Interim Resolution Professional constituted the Committee of Creditors in accordance with Section 21(2) of the Code, as amended, which comprised two financial creditors, i.e. Canara Bank and SIDBI, holding 92.56% and 7.44% voting share, respectively. The list of creditors, including financial, operational, and other creditors, has been attached as Annexure A-4 with the application.

7. The shares of the members of CoC and the fair value and the liquidation value of the corporate debtor as under:

Sr. No.	Name of Valuer	Fair Value	Liquidation Value
1.	GTech Values Pvt. Ltd.	Rs.15,20,56,542.00	Rs. 11,35,09,510.00
2.	Ms. Shagun Gupta Mr. Anil Kumar Saxena Mr. Nikka Ram	Rs. 15,26,51,886.00	Rs. 11,35,81,765.00
	Average	Rs. 15,23,54,214.00	Rs. 11,35,45,637.50

8. The Applicant Submits that a total of 12 CoC meetings have been held during the CIRP period, details as follows:

Particulars	Date of CoC Meeting	Main Points of discussion	Important decisions taken
1st CoC Meeting	11.02.2022	<p>To discuss and take note of the operations of the Corporate Debtor as Determine by the Interim Resolution Professional</p> <p>The IRP informed the CoC that pursuant to the receipt of order the IRP along with his team visited the registered office and units of the Corporate Debtor located at Parwanoo [H.P.] and one unit located at Pithampur [M.P.]. The units at Parwanoo are operational and currently doing job work of forging and machining for M/s F I Precision Components Private Limited. However, the units are running at a very low capacity. M/s F I Precision Components Private Limited and the Corporate Debtor have entered into a job work agreement wherein the raw material is being provided for the job work by M/s F I Precision Components Private Limited.</p> <p>To take note of the records requested from the Directors (Powers Suspended)</p> <p>The IRP informed the CoC that after the receipt of the order dated 12.01.2022 passed by the Hon'ble NCLT on 14.01.2022 the IRP through his letter dated 14.01.2021 advised the Directors (powers suspended) to provide the records of the Corporate Debtor. The IRP is getting cooperation from the directors (power suspended).</p> <p>To discuss and take note of the actions/activities carried out by</p>	<p>CoC appointed Interim Resolution Professional as Resolution Professional.</p> <p>It was resolved that Mr. Mohit Chawla [Regn. No. IBBI/IPA-001/IP-P00524/2017-2018/10949] Interim Resolution Professional is hereby appointed as Resolution Professional to complete the Corporate Insolvency Resolution Process of Corporate Debtor-M/s Forge India Private Limited.</p> <p>CoC approved related party transactions (Execution of a Job work agreement with M/s FI Precision Components P Ltd for keeping the unit as going concern)</p> <p>CoC approved carrying out the related party transactions between the Corporate Debtor and M/s F I Precision Components Private Limited on arm's length basis.</p> <p>It was further resolved that the IRP/RP is hereby authorized to execute a fresh Job Work agreement on behalf of the Corporate Debtor and M/s F I Precision Components Private Limited."</p>

		<p>the Interim Resolution Professional since appointment</p> <p>The IRP informed the CoC that following actions were taken by the IRP after his appointment:</p> <ol style="list-style-type: none"> 1. <i>Making public announcement on 15.01.2022</i> 2. <i>Visiting the registered office as well as other units of Corporate Debtor</i> 3. <i>Taking control of the office and assets of Corporate Debtor</i> 4. <i>Deputation of Security Guards at Pithampur Unit</i> 5. <i>Intimation of initiation of CIRP Proceedings to Financial Creditors</i> 6. <i>Intimation of initiation of CIRP Proceedings to Statutory Authorities</i> 7. <i>Intimation of initiation of CIRP Proceedings to Directors (powers suspended)</i> 8. <i>Taking control of the bank accounts of Corporate Debtor</i> 9. <i>Opening of separate Current Account for managing transactions during CIRP Period</i> 10. <i>Verification of Claims</i> 11. <i>Formation of CoC</i> 	
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<p>2nd CoC Meeting</p>	<p>04.03.2022</p>	<p>To discuss and take note of the operations of the Corporate Debtor and execution of Job Work Agreement</p> <p>The IRP briefed the Committee about the operations of the Corporate Debtor as well as new Job Work Agreement executed with M/s F I Precision Components Private Limited. He informed the CoC members that a new job work agreement has been executed by the IRP with M/s F I Precision Components Private Limited which is valid upto the CIRP period only. The format of the job work agreement executed is same as it was shared with the CoC members in the first CoC meeting.</p> <p>To take note of the appointment of Registered Valuers as per the provision of Code and applicable Regulations</p> <p>The IRP informed that as per Regulation 27 of The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 two registered valuers needed to be appointed to determine the fair value and liquidation value of the corporate debtor in accordance with Regulation 35.</p>	<p>Form G will be published on the 75th Day from the CIRP commencement date inviting eligible prospective resolution applicant to submit their EOI. The prospective resolution applicant if found eligible will be invited to submit their Resolution plan for the CD.</p> <p>The IRP further briefed the CoC and suspended Director about the Transaction Audit to be conducted as per the provisions of IBC. He further informed that he has already called for the quotation from the several renowned firms to conduct transaction audit and shared the same with CoC. Mr. Arvind Kumar further suggested increasing the look back period for the transaction audit from 2 Years to 3 Years.</p>
<p>IA No.1455 of 2022 In CP(IB) No.588/Chd/HP/2019 (Admitted)</p>			

		<p>To discuss and approve for debiting the CIRP account of Corporate Debtor</p> <p>The IRP informed that the Corporate Debtor is currently engaged for doing job work for M/s F I Precision Components Private Limited. However, the units are running at a very low capacity of around forging of 70 M.T of steel per month. The Interim Resolution Professional is looking to increase volume of job work by procuring more orders from M/s F I Precision Components Private Limited or from other clients directly.</p>	
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3 rd CoC meeting	17.03.2022	<p>To discuss the publication of Form G inviting Expression of interest</p> <p>The IRP informed the CoC that to invite the eligible prospective resolution applicants to submit their expression of interest, Form G under Regulation 36A of The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, needs to be published on or before 75th day from the CIRP initiation date i.e. 28.03.2022. Thirty days time is proposed to given to the eligible prospective resolution applicant.</p> <p>To discuss and approve the Eligibility Criteria for the Prospective Resolution Applicants</p> <p>The IRP informed the CoC that as provided under Section 25(2)(h) he will invite Prospective Resolution Applicants, who fulfill such criteria as may be approved by the CoC to submit a resolution plan. The format of the Eligibility Criteria for the Prospective Resolution Applicants was placed before the CoC.</p>	<p>The CoC members further proposed to fix refundable Earnest Money Deposit (“EMD”) of Rs. 20 Lacs, which is to be deposited by the Resolution Applicant at the time of submitting their plan. The CoC members also proposed that successful resolution applicant shall deposit 10 percent of the approved resolution plan as Performance Security within 5 days of the approval of resolution plan or before filing of application before the Adjudicating Authority whichever is earlier.</p> <p>It was resolved that Evaluation Matrix, terms of Earnest Money Deposit and Performance Security along with other terms and conditions of Request for Resolution Plan as per Annexure 2 of the minutes are hereby approved”</p>
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4 th CoC meeting	06.05.2022	<p>To discuss and take note of the FIR registered with respect to the theft at Pithampur unit</p> <p>The IRP informed the members of committee that he has reported the theft at Pithampur Unit on 04.04.2022 through an email to the COC. The IRP has sent Mr. Rattan Chand a technical person from Parwanoo unit on 31st March 2022 along with the valuers of Land & Building and Plant & Machinery. Mr. Rattan Chand noticed some anomalies in the machine area and he reported the same to me on 01.04.2022 and immediately I asked him to send a complete video and photographs of the site.</p> <p>To take note and ratify expenses of the Interim Resolution Professional</p> <p>The IRP informed the CoC that the following expenses were incurred during the period. However, he clarified that the bills of the security agency will not be paid and it is only included in the list for information purposes only.</p>	<p>The IRP informed the CoC that the following expenses were incurred during the period. However, he clarified that the bills of the security agency will not be paid and it is only included in the list for information purposes only.</p> <p>It was resolved that the CIRP expenses incurred towards Corporate Insolvency Resolution Process is hereby ratified and approved.”</p>
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5 th CoC meeting	04.07.2022	<p>To take note of the progress/activities undertaken by the Resolution professional after his appointment</p> <p>Looking after the operations of Corporate Debtor The RP informed that he has been able to increase the capacity of the job work of forging from 70 tonnes to 100 tonnes on the monthly basis. The RP has been able to meet the cost of running the operations and CIRP cost from within the accruals from the operations. The RP then shared the monthly Receipt and Payment account with the CoC Members. All the queries of the members were duly addressed by the RP.</p> <p>Assisting the Resolution Applicants to conduct inspection of the plants of Corporate Debtor</p> <p>The RP continuously assisted the Resolution Applicants who had submitted their quires and who wanted to visit the plants of Corporate Debtor. The RP also fixed dates for the Prospective Resolution Applicants for them to inspect the assets of the Corporate Debtor however, only one Prospective Resolution Applicants M/s Sponge Sales (India) Pvt. Ltd. visited the Parwanoo units of the Corporate Debtor.</p> <p>Converting EMD Received into Fixed Deposit</p>	<p>To ratify extension of time for submitting the Resolution Plan</p> <p>The last date for submitting Resolution Plan was 04th June 2022, but on the request of the Potential Resolution applicant for giving some more time for filing resolution plan, three more week period was extended/granted to the Resolution Applicants under intimation to the CoC members. The last date for submitting the Resolution plan was 25.05.2022. The CoC members were request to ratify the same. It was resolved that the timelines extended by three weeks for submitting the Resolution Plan is hereby ratified.</p> <p>Extension of CIRP period by 90 days approved by CoC</p> <p>CoC approved the extension of CIRP period by 90 days.</p>
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		<p>The RP has converted Rs. 60 Lakhs received from the PRA's as EMD into Fixed Deposit. The same shall be returned to the Resolution Applicants on being unsuccessful in the Resolution Plan process</p> <p>To approve extension of CIRP period by 90 days</p> <p>The initial 180 days of Corporate Insolvency Resolution Process ends on 11.07.2022. The CoC was apprised that the Resolution Professional had received three resolution plans which was placed before the CoC in the meeting. The Resolution professional have to verify in detail the resolutions plan received and prepare compliance certificates. Further the Resolution Professional will evaluate the Resolution Plans with the Evaluation Matrix and the CoC may further negotiate on the plans with the Resolution Applicants and thereafter take decision to approve the Resolution Plan as considered by them. Accordingly, the CoC was requested to approve the extension of CIRP by 90 days</p>	
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6 th CoC meeting	15.07.2022	<p>To discuss the Resolution Plan received</p> <p>The RP apprised the CoC that three Resolution Plans were received. Thereafter the RP placed before the CoC, a sheet containing comparative analysis of all the three resolution plans along with scoring of the Resolution Applicants as per the evaluation matrix approved by the CoC and the mechanism of calculating the score as per the evaluation matrix. He also briefed the members of the COC in regard to the mechanism and manner of scoring of evaluation matrix for the help of all the members.</p>	<p>RP apprised the CoC that an application has been filed before Hon'ble NCLT seeking 90 days extension of CIRP period and that the Resolution Professional engaged Advocate Harsh Garg for the same. Accordingly, the Resolution Professional placed before the CoC, the fees and expenses of Advocate Harsh Garg for approval. It was resolved that the professional fees of Rs. 25,000/- and expenses of Rs. 2,000/- towards court fees, attestation and photocopy of Advocate Harsh Garg is hereby ratified and approved”</p> <p>The RP informed the CoC that after the last meeting he has planned certain actions that are to be taken for the recovery of the pending debtor. He informed that he has identified the Debtors against whom he will file an application under the MSME Act, or file a recovery suit or file an application under the IBC, 2016.</p>
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7 th CoC meeting	29.07.2022	<p>To invite the Transaction auditor and to place before the CoC Draft Transaction Audit Report</p> <p>The RP invited the Transaction Auditor to present the draft transaction audit report. Mr. SK Arora(Senior Partner of M/s Kansal Singla & Associates) briefly introduced himself and apprised the CoC that: The Corporate Insolvency Resolution Process was initiated under Section 7 of the IBC, 2016 vide order dated 12/01/2022. As the date of CIRP being 12/01/2022, the period of two years i.e. 12/01/2020 to 12/01/2022 has been considered for Transactions with Related parties and one year i.e. 12/01/2021 to 12/01/2022 for Transactions with Unrelated parties for the purpose of reporting under Sections 43,45,49,50 & 66 of the IBC, 2016.</p>	<p>Further the CoC requested Sh. Alok Sharma to reduce the timelines of the plan since they will be paying certain amount to the banks by selling their Pithampur unit to which he requested the CoC not to ask him to reduce the timelines as sometimes it becomes difficult to arrange a buyer for the unit and even though a buyer will not be available he will be obliged to make the payments to banks as approved in the resolution plan.</p> <p>However it was decided that he can consider to further improve the tranches to make sure that the CoC will get at least 50% in 6 months. Capt. Alok Sharma requested for some time and ensured the CoC, to come up with a smaller timeline by Monday or Tuesday. Thus it was decided that the next CoC meeting shall be convened on Wednesday i.e. 03.08.2022</p>
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8 th CoC meeting	04.08.2022	<p>To discuss the Resolution Plan received</p> <p>The RP apprised the CoC about the three Resolution Plans that were received. The RP informed the CoC that M/s Marytime Barter Pvt. Ltd through an email expressed their intention to increase the proposed amount by Rs. 50 Lakhs and will be joining today's CoC meeting in some time. With the permission of the COC, RP than invited Capt. Alok Sharma the first resolution applicant, to present his plan before the CoC.</p> <p>Capt. Alok Sharma started with a brief introduction about himself and the company. He went on to explain that he needed some more time to finalize the resolution plan based upon the last CoC meeting discussions and also to match the expectations of the CoC.</p> <p>Mr. Avinash Sharma briefly introduced himself and his company. He then went on to explain the plan and how the company is going to execute the same. He informed that M/s Marytime Barter Pvt. Ltd. has enough funds. He then apprised the CoC that after deliberate discussion, the board has decided to increase the said proposed amount under the resolution plan from Rs 9.50cr to Rs 10cr and the same shall be treated as final offer.</p>	<p>The RP briefed the CoC that he has engaged Advocate Harsh Garg for filing application before Hon'ble NCLT for extension of CIRP period and application seeking directions to the Himachal Pradesh State Electricity Board Limited to refrain from disconnecting electricity connections since they have already visited the CD's unit two tiles for disconnecting the electricity connection. The advocate is also representing the RP in the DRT. Accordingly, the RP placed before the CoC, the fees of Advocate Harsh Garg for its ratification.</p> <p>It was resolved that the following fees of Advocate Harsh Garg for filing two applications in the NCLT and reply in DRT is deferred for further discussion.</p>
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9 th CoC meeting	10.08.2022	<p>To discuss on the revised Resolution Plan of Sh. Alok Sharma & M.R Murari</p> <p>The RP apprised the CoC about the three Resolution Plans that were received. The RP informed the CoC that M/s Marytime Barter Pvt. Ltd through an email expressed their intention to increase the proposed amount by Rs. 50 Lakhs and will be submitting the modified plan in coming days. The RP have however informed them to submit the revised resolution plan so that the same can be put before the CoC for voting along with other resolution plans.</p> <p>Capt. Alok Sharma than requested the CoC members to please not press on the timeline issue as he has now increased the resolution plan by considerable amount and he also needs to build certain amount separately for the release of guarantees and that it will be difficult to raise such money with the limited resources he possess.</p>	<p>To ratify fees of Advocate Harsh Garg for filing various application in NCLT and reply in DRT</p> <p>The RP briefed the CoC that he has engaged Advocate Harsh Garg for filing application before Hon'ble NCLT for extension of CIRP period and application seeking directions to the Himachal Pradesh State Electricity Board Limited to refrain from disconnecting electricity connections since they have already visited the CD's unit two tiles for disconnecting the electricity connection. The advocate is also representing the RP in the DRT. Accordingly, the RP places before the CoC, the fees of Advocate Harsh Garg for its ratification. It was resolved that fees of Advocate Harsh Garg for filing two applications in the NCLT and reply in DRT are hereby ratified.</p>
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10 th CoC meeting	30.08.2022	<p>To place the revised and Final Resolution Plans in the CoC meeting.</p> <p>The RP apprised the CoC about the three revised Resolution Plans that were received. The RP placed before the COC all the three final resolution plans along with compliance certificate and the detail of the same is as under:-</p> <p>a) Resolution Plan of Capt. Alok Sharma with M R Murari dated 25.08.2022</p> <p>b) Resolution Plan of Marytime Barter dated 10.08.2022</p> <p>c) Resolution Plan of MT Autocraft dated 24.06.2022</p> <p>The RP informed the CoC that these resolution plans were revised by the resolution applicants and that these resolution plans are now to be considered as final resolution plans. The RP than enquired the banks as to how much time they require for taking approvals from their sanctioning authority and voting thereupon the final resolution plans to which banks harmoniously decided a timeline of 3 weeks. Mr. Swapnil Sahil further sought clarification about the schedule of payment to SIDBI out of the resolution plan amount as well as the money realized from the sale of assets.</p> <p>To take note of the claims received by the Resolution Professional.</p>	It was thus resolved that the next CoC meeting should be called by the RP on 21 st Sept 2022 and voting line should be opened for 48 hrs from the conclusion of the said CoC meeting.
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		<p>The RP apprised the CoC about the claim received by him from one M/s Usha Martin Ltd vide an email dated 22.07.2022, which was rejected by the Resolution Professional vide a letter issued on the same date i.e. 22.07.2022, as the claim was filed by the said operational creditor after an inordinate delay. It was also apprised to the CoC that the said operational creditor has filed an application in the NCLT against the RP and the CoC. The copy of the application was received by the RP and the copy of the said application was also given to the CoC members. The RP also apprised the CoC about the claim received by him from East India Transport Agency vide an email dated 18.08.2022, which was rejected by the Resolution Professional vide a letter issued on the same date i.e. 25.08.2022, as the claim was filed by the said operational creditor after an inordinate delay. The RP also apprised Mr. Alok Sharma (resolution applicant) about the said claims received by the Resolution Professional. Mr. Alok Sharma apprised the CoC that he can't increase the proposed amount in the resolution plan any further and that the revised resolution plan sent by him on 25th August 2022 should be considered as final.</p>	
11 th CoC meeting	30.09.2022	<p>To discuss and thereafter vote upon the Resolutions Plans Received by the RP</p> <p>The Resolution Professional apprised the CoC that in the tenth CoC meeting, the CoC members had informed the</p>	<p>Pursuant to the issue of Form G inviting Expression of Interest, three eligible PRAs submitted their EOIs namely [a] M/s Marytime Barter [b] Sh. Alok Sharma along with Mr. Mange Ram Murari and, [C] M/s MT</p>

		<p>Resolution Professional that they need three weeks time to take final approval on the Resolution Plans submitted by 1) Capt. Alok Sharma along with Mr. Murari, 2) M/s Marytime Barter Pvt. Ltd. and 3) M/s MT Autocraft from their higher authorities. Accordingly, the revised resolution plans received were sent to the CoC members with compliance certificate on 30.08.2022.</p> <p>The resolution professional apprised the CoC that as per the judgement of the Hon'ble Supreme Court in the matter of State Tax Officer Vs. Rainbow Paper Limited had safeguarded the interest of state government or any legal authority to file the claims.</p> <p>Accordingly the resolution applicant i.e. Capt. Alok Sharma and Mr. Mange Ram Murari has proposed an amount of Rs. 10.00 Lacs to the Operational Creditors (Government Dues) adjusted from the amount proposed to the Operational Creditors (Other than Employees and Workmen and Government Dues) through an addendum to cater the need of governmental authorities, the same was apprised to the CoC. Accordingly Capt. Alok Sharma was advised to submit the addendum to the Resolution Professional so that the same can be placed before the CoC along with the minutes. The addendum received from Capt. Alok Sharma and Mr. Mange Ram Murari is enclosed with the minutes and shall form part of their Resolution Plan.</p>	<p>Autocraft. Thereafter, the Resolution Professional issued RFRP, IM and Evaluation matrix to all the eligible PRAs.</p> <p>Accordingly, the PRAs were invited in various CoC meetings to present their resolution plans before the CoC. The CoC further provided opportunities to the PRAs to improve their resolution plans. The Resolution Professional has received following resolution plan:</p> <ol style="list-style-type: none"> Capt. Alok Sharma and Mr. Mange Ram Murari M/s Marytime Barter Pvt. Ltd. M/s MT Autocraft <p>All the plans were placed before the CoC for their approval as provided under Regulation 39 (2) of IBBI (CIRP) Regulations, 2016.</p> <p>The CoC during the e-voting held from 30.09.2022 to 04.10.2022 approved the Resolution Plan of Capt. Alok Sharma and Mr. Mange Ram Murari with 100% votes</p>
12 th CoC Meeting	01.12.2022	To discuss with the CoC and the Successful Resolution	The Co-Resolution Applicant Capt. Alok Sharma said that he has no problem if the claim of M/s

		<p>Applicant the claim received from M/s Usha Martin Limited</p> <p>The Resolution Professional apprised the COC that this meeting has been called as per the directions of the Adjudicating Authority vide its order dated 22.11.2022 wherein it has directed the Resolution Professional to decide on the claim of M/s Usha Martin Limited on merits, whose claim was earlier rejected by him. The Adjudicating Authority also directed the Resolution Professional to place the claim of M/s Usha Martin Limited before the CoC as well as before the Successful Resolution Applicant for their consideration. Accordingly, this meeting has been called to comply with the order of the Adjudicating Authority.</p>	<p>Usha martin is accepted and that he has already allocated Rs.29,80,357 for the Operational Creditors (Other than Government Dues and Employees and Workmen Dues), and the same may be divided accordingly. He has no wish to increase the amount allocated to the Operational Creditors (Other than Government Dues and Employees and Workmen Dues). The COC members were in agreement with Capt. Alok Sharma. Accordingly, the same is taken on record.</p>
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9. It is submitted that the CoC, in its 3rd meeting held on 17.03.2022, discussed and approved the publication of Form G inviting Expression of Interest along with the Eligibility Criteria for the Prospective Resolution Applicants. It was informed by the IRP that invitation of Expression of Interest in Form G under Regulation 36A of The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, needs to be published on or before the 75th day from the CIRP initiation date, i.e. 28.03.2022 and accordingly, 30 days time is proposed to give to the eligible prospective resolution applicant. Further, as per Section 25(2)(h), the IRP will invite Prospective Resolution Applicants who fulfil such criteria as may be approved by the CoC to submit a resolution plan. The members of the CoC further approved to fix refundable Ernest Money Deposit

("EMD") of Rs. 20 Lacs to be deposited by the Resolution Applicant at the time of submitting their plan. Along with this, the successful resolution applicants shall deposit 10 percent of the approved resolution plan as Performance Security within 5 days of the approval of the resolution plan or before the filing of the application before the Adjudicating Authority, whichever is earlier as per Annexure 2 of the minutes.

10. It is stated that IA No.874/2022 was filed under Section 12(2) of the Code read with Regulation 40 of Insolvency Resolution Process Regulation 2016 read with Rule 11 of NCLT Rules for extension of CIRP period by 90 days beyond the period of 180 days. The extension of 90 days was approved by CoC in its 5th meeting on 04.07.2022 with a 100% voting share. The Adjudicating Authority keeping in view the facts and circumstances and grounds mentioned in the application and in the interest of justice, CIRP period of 90 days beyond 180 days was extended to complete the CIRP proceedings.

11. The applicant submits that pursuant to the publication of Form G, three Resolution Plans were received. Thereafter, the RP placed before the CoC a sheet containing a comparative analysis of all three resolution plans along with scoring of the Resolution Applicants as per the evaluation matrix approved by the CoC. The applicant has, however, informed them to submit the revised resolution plan so that the same can be put before the CoC for voting along with other resolution plans.

12. It is submitted that in the 9th and 10th CoC Meetings held on 10.08.2022 and 30.08.2022, respectively, the applicant placed before the CoC all the three revised and final resolution plans along with the compliance certificate and the detail of the same as under:-

- a) Resolution Plan of Capt. Alok Sharma with M R Murari dated 25.08.2022.
- b) Resolution Plan of Marytime Barter dated 10.08.2022.
- c) Resolution Plan of MT Autocraft dated 24.06.2022.

It was further resolved that the next CoC meeting should be called by the applicant on 21.09.2022 and the voting line should be opened for 48 hours from the conclusion of the said CoC meeting.

13. In the 11th CoC meeting held on 30.09.2022, the Resolutions Plans were discussed and voted upon. The resolution applicants i.e. Capt. Alok Sharma and Mr. Mange Ram Murari have proposed an amount of Rs. 10.00 Lacs to the Operational Creditors (Government Dues) adjusted from the amount proposed to the Operational Creditors (Other than Employees and Workmen and Government Dues) through an addendum to cater for the need of governmental authorities, the same was apprised to the CoC. Accordingly Capt. Alok Sharma was advised to submit the addendum to the Resolution Professional so that the same can be placed before the CoC along with the minutes. Pursuant to the issue of Form G inviting Expression of Interest, three eligible PRAs submitted their EOIs namely [a] M/s Marytime Barter [b] Sh. Alok Sharma, along with Mr. Mange Ram Murari and [c] M/s MT Autocraft. Thereafter, the Resolution Professional issued RFRP, IM and Evaluation matrix to all the eligible PRAs. Accordingly, the PRAs were invited in various CoC meetings to present their resolution plans before the CoC. The CoC further provided opportunities to the PRAs to improve their resolution plans. The applicant Resolution Professional has received the following resolution plan: a. Capt. Alok Sharma and Mr. Mange Ram Murari b. M/s Marytime Barter Pvt. Ltd. c. M/s MT Autocraft. All the plans were placed before the CoC for their approval as provided under Regulation 39 (2) of IBBI (CIRP) Regulations, 2016.

14. It is submitted that in the 12th CoC, meeting held on 01.12.2022, the claim received from M/s Usha Martin Limited was discussed with the CoC as per the directions of the Adjudicating Authority vide its order dated 22.11.2022 wherein it has directed the Resolution Professional to decide on the claim of M/s Usha Martin Limited on merits, whose claim was earlier rejected.

15. It is submitted that after due diligence and detailed deliberations on resolution plans, the CoC, during the e-voting held from 30.09.2022 to 04.10.2022, approved the Resolution Plan of Capt. Alok Sharma and Mr. Mange Ram Murari with 100% votes. (Joint applicants)

16. The Successful Resolution Applicants had made a deposit of Rs. 20 Lakhs as EMD and have also given performance security of Rs. 1.2 Crores deposited in favour of the corporate debtor in Canara Bank, Parwanoo Branch.

17. The resolution professional by an affidavit dated 07.10.2022, had averred that "to the best of knowledge, the applicant is eligible under Section 29A of IBC, 2016 as per the due diligence conducted by the deponent (Resolution Professional)".

18. The Applicant has submitted the details of various compliances as envisaged by the Code and the CIRP Regulations, which a Resolution Plan is required to adhere to, as follows:

I. Requirements of Section 30 (1) and (2) of the Code are as under:-

Provisions under Section 30(1) and (2) of the Code	Compliance under Resolution Plan
<p>Section 30(1) <i>A resolution applicant may submit a resolution plan along with an affidavit stating that he is eligible under section 29A to the resolution professional prepared on the basis of the information memorandum.</i></p>	<p>Yes, the resolution applicant (RA) has submitted affidavit under section 29A regarding its eligibility to submit the resolution plan at the time of submission of resolution plan</p>
<p>Section 30(2) <i>(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the Corporate Debtor;</i></p>	<p>Clause 8.2.1 of the Resolution Plan provides for payment of CIRP Cost in priority over any other payments/debts of the Corporate Debtor and as per the provisions of the Code.</p> <p>The Resolution Plan has estimated CIRP cost of Rs. 10.00 lacs which the RA proposes to pay as under: RA proposes to pay CIRP cost on actual basis as estimated by the Resolution Professional. In the event, the CIRP cost is more than Rs.10.00 lacs, the RA proposes to pay such excess amount of CIRP cost on actual basis. In case the CIRP cost is less than Rs.10.00, the balance will be distributed to the financial creditors in the ratio of their voting rights in CoC.</p>
<p><i>(b) provides for the payment of the debts of operational creditors in such manner as may be specified by the Board which shall not be less than:</i> <i>(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or</i> <i>(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53; Whichever is higher, and provides for the payment of the debts of financial creditors, who do not vote in favour of the resolution plan, in such a manner as may be specified by the board, which shall not</i></p>	<p>According to the provisions of Section 30 of the IBC read with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidation value due to operational creditors shall be paid in priority over the financial creditors</p> <p>As per Clause 8.2.2. & 8.2.3 of the Resolution Plan, the resolution Applicant estimates that the liquidation value would not be sufficient to cover the amounts owned by secured financial creditors in full and the liquidation value to operational creditors:-</p> <ul style="list-style-type: none"> ● Workmen & Employees. ● Government Dues. <p>is expected to be NIL. Accordingly the</p>

<p><i>be less than the amount to be paid to such creditors in accordance with the sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.</i></p>	<p>Resolution Applicant proposes to pay NIL amount against the said claim. However, the RA has proposed payment of Rs. 10,19,643.00 towards the dues of EPFO as mentioned in the IM. The Resolution Applicant also offered Rs. 10,00,000 towards the payment of Statutory dues via addendum to the Resolution plan.</p> <p>As per Clause 8.2.4 of the Resolution Plan, The resolution Applicant estimates that the liquidation value would not be sufficient to cover the amounts owned by secured financial creditors in full and the liquidation value to operational creditors (other than workmen & employees and Govt. dues) is expected to be NIL. However, Resolution Applicant proposes to pay Rs 29,80,357/- amount against the said claim.</p> <p>As per Clause 8.2.5 of the Resolution Plan, the Resolution Applicant proposes payment of Rs.11,30,00,000/- to the financial creditors and the same shall be distributed amongst the banks as mutually agreed by them.</p> <p>In terms of regulation 38 (1)(b) 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.</p>
<p><i>(c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;</i></p>	<p>As per clause 10 of resolution plan, upon approval of the resolution plan & after effective date, the existing directors of CD would cease to be director and Capt. Alok Sharma and Mr. Mange Ram Murari or their nominees shall be appointed as the new Board of Directors. The management of affairs of the CD after effective date shall be done by the newly constituted board of directors of the CD jointly with monitoring committee.</p> <p>To enable ownership, control and management of the CD by Resolution Applicant, it is proposed that after the approval of resolution plan, all the existing shares shall stand extinguished and the shares of the corporate debtor Shall be issued to the Resolution Applicant and their family.</p>

(d) <i>the implementation and supervision of the resolution plan;</i>	Yes, As per the clause 14 of Resolution Plan, Implementation and Supervision of the Resolution Plan shall be done by the Monitoring Committee. The composition of Monitoring Committee is as under:- <ul style="list-style-type: none"> ● Monitoring Agent-Mr. Mohit Chawla ● One from Resolution Applicant-Capt. Alok Sharma, and ● Both the CoC Members i.e. Canara Bank and SIDBI After the effective date, The Resolution Applicant will appoint new board of directors to manage the affairs of the Company.
(e) <i>does not contravene any of the provisions of the law for the time being in force;</i>	As per Clause (16)(f) of the Plan, the Resolution Applicant has declared that this Resolution Plan is not in contravention of the provisions of any Applicable Laws.
(f) <i>Conforms to such other requirements as may be specified by the Board.</i>	Yes, the Resolution Plan conforms with such other requirements, as specified by the IBBI.

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

Regulation 37(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	Compliance under Resolution Plan
(a) <i>transfer of all or part of the assets of the corporate debt to one or more persons;</i>	Not Applicable.
(b) <i>sale of all or part of the assets whether subject to any security interest or not;</i>	Yes. As per Clause The Resolution Applicant proposes to sell the unit located at Pithampur (Madhya Pradesh) which is closed since 2019 and has become a non-core Assets.

<i>(ba) Restructuring of the Corporate Debtor, by the way of merger, amalgamation and demerger.</i>	The resolution applicant does not propose any merger, amalgamation and demerger of the corporate debtor.
<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>	As per clause 10, to enable ownership, control and management of the Corporate Debtor by Resolution Applicant, it is proposed that after the approval of the Resolution Plan, all the existing shares shall stand extinguished and the fresh 14,00,000 equity shares of Rs. 10 each shall be issued to the Resolution Applicants and their family.
<i>(ca) cancellation or delisting of any shares of the corporate debtor, if Applicable</i>	As per Clause 10, the shares of existing shareholders of the Corporate Debtor will be automatically stand cancelled approval of this Resolution Plan by the Adjudicating Authority.
<i>(d) satisfaction or modification of any security interest;</i>	As per Clause 17 (f) the Security Interest (Mortgage/ hypothecation/ pledge/ lien/ encumbrance) of any creditor on the assets of the Corporate Debtor will be extinguished upon payment of Resolution Plan amount proposed to the stakeholders..
<i>(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;</i>	Not Applicable
<i>(f) reduction in the amount payable to the creditors;</i>	Yes, there is reduction in the amount payable vis-à-vis claimed by the creditors. It has been covered in detail in the resolution plan proposal.
<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>	Not Applicable
<i>(h) amendment of the constitutional documents of the corporate debtor</i>	As per Clause 10 of the Plan, the Resolution Applicants proposes that 100% shares of the Corporate debtor will be acquired by issuance of Fresh shares to the Resolution Applicants and their family.
<i>(i) issuance of securities of the corporate debtor, for cash, property, securities, or exchange for claims or interests or other appropriate purpose</i>	Not Applicable

<i>(j) change in portfolio of goods or services produced or rendered by the corporate debtor</i>	Not applicable.
<i>(k) change in technology used by the corporate debtor and</i>	Not Applicable
<i>(l) obtaining necessary approvals from the Central and State Governments and other authorities;</i>	Although the Resolution Applicant have all the required compliances under check, yet resolution applicant seek some time & immunity from the effective date to ensure compliance in relation to non-compliance of applicable laws by the corporate debtor to any period up to effective date without any additional interest and penalty. Further the relevant Government/ statutory authorities shall not initiate any investigation, action or proceeding against the resolution applicant or the new management (upon acquisition of CD) including the Board of Directors, in relation to any non-compliance with Applicable laws by the CD pertaining to any period up to effective date.

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

<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)-</p> <p><i>The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors</i></p>	<p>Yes, as per Clause 8(2)(4) and Clause 16(g) of the Plan the Claims of secured financial creditors are much higher than assessed value. The Resolution Applicants proposes to pay amount of Rs. 50,00,000/- to the operational</p>
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<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>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>creditors which will be paid in priority to the Financial Creditors within 60 days.</p> <p>Yes, as per Clause 16(h) of the Plan, the Resolution Applicants will pay the amount that is 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, in priority over financial creditors who voted in favour of the plan</p> <p>The Resolution Plan envisages a justified payout to the different class of creditors, as mentioned in proposed payment of dues schedule.</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 plan contains a statement that the neither resolution applicant nor 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>Regulation 38(2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Compliance under Resolution Plan</p>	
<p><i>(a) The term of the plan and its implementation schedule;</i></p>	<p>As per clause 14 of the Plan, the term of the Resolution Plan shall begin w.e.f. Effective Date till the final settlement of pay-outs as suggested in the Resolution plan (i.e. 1 years).</p> <p>Implementation and supervision of the</p>

	Resolution Plan shall be done by the Monitoring Committee appointed by the Resolution Applicants in consultation with the COC and Resolution Professional.
<p><i>(b) The management and control of the business of the corporate debtor during its term;</i></p>	<p>Yes, the Management and the Control of the Business during the Term of Resolution Plan shall be done by Monitoring Committee as per clause 14(2) of the Plan.</p> <p>As per clause 10 of resolution plan, upon approval of the resolution plan & after effective date, the existing directors of CD would cease to be director and Capt. Alok Sharma and Mr. Mange Ram Murari or their nominee shall be appointed as the new Board of Directors.</p> <p>The management of affairs of the CD after effective date shall be done by the newly constituted board of directors of the CD jointly with monitoring committee.</p> <p>To enable ownership, control and management of the CD by Resolution Applicant, it is proposed that after the approval of resolution plan, all the existing shares shall stand extinguished and the shares of the corporate debtor Shall be issued to the Resolution Applicants and their family.</p>
<p><i>(c) Adequate means for supervising its implementation;</i></p>	<p>Yes,</p> <p>As per Clause 14 of the Plan, from the approval date and until the transfer date, monitoring committee, identified by</p>

	<p>Resolution Applicant with the Consent of COC shall be appointed for the corporate debtor.</p> <p>The Monitoring committee shall supervise the implementation of the Resolution plan and shall be required and entitled to do all the acts, deeds, matters and things as may be necessary, desirable or expedient, in order to implement and give effect to this Resolution Plan, and shall act under the supervision of the Hon'ble NCLT. The monitoring committee shall have the same functions, powers and protections as assigned to the Resolution Professional under the IBC. Until the transfer date, the CoC shall continue with its roles and responsibilities and have protections, as set out in the IBC. All the decisions of the monitoring committee shall be taken with the unanimous consent of the members of monitoring committee.</p> <p>Monitoring committee will arrange meetings on time to time basis with notice in advance to understand current stage of implementation of the resolution plan and future course of action with respect to the resolution plan. The fees and other costs relating to the monitoring committee and meetings arranged by the monitoring committee will be incurred and paid by the Resolution Applicant.</p>
<p><i>d) Provides for the manner in which proceedings in respect of avoidance litige transactions, if any, under Chapter III or fraudulent or wrongful trading under</i></p>	<p>As per Clause 7(2)(f) in case any suit, litigation etc. in respect of sections 43,45,49,50,66,68,70,71,72,73 and 74 of</p>

<p><i>Chapter VI of Part II of the Code, shall will be pursued after the approval of Fina the resolution plan and the manner in bened which the proceeds, if any, from such proceedings shall be distributed:</i></p> <p><i>Provided that this clause shall not</i></p> <p><i>The apply to any resolution plan that has been submitted to the Adjudicating Authority under sub-section (6) of avoida 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>the code claiming a certain amount shall remain outstanding and the Financial creditors will be the sole beneficiary of the funds recovered out of such cases.</p> <p>The RA, under the Clause 16(n) have explained how and by whom such avoidance transaction would be pursued/ taken care of, after the approval of the resolution plan.</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>As per the analysis of the Resolution Applicant, the major reasons for deteriorated Financial Condition of the Corporate Debtor are elaborated in the plan. The Resolution Applicant after the detailed analysis of the business of debtor corporate incorporated sufficient provisions to run the business with stability, post- acquisition</p>
<p><i>(b) It is feasible and viable</i></p>	<p>Yes, the proposed resolution plan is addressing the cause of default being due to various factors like investment in units which are at distant location and the PRA now proposes to dispose off the non-core asset i.e. Pithampur unit which was lying closed since 2019. Further, the Resolution Applicants are bringing additional Rs. 2,00,00,000 (Rupees Two Crores Only)</p>

	<p>for Capital expenditure and working capital. Capt. Alok Sharma the, Director of the Corporate Debtor who is associated with the Corporate Debtor from last three decades has</p> <p>good understanding of the Business and shall ensure that the corporate debtor is and shall focus</p> <p>revived consolidation of its strengths.</p>
<p><i>(c) It has provisions for its effective implementation</i></p>	<p>Yes,</p> <p>As per clause 10 of the plan, the Corporate Debtor shall be managed by the monitoring committee to take care of the operations of Corporate Debtor till the reconstitution of the Board of Corporate Debtor.</p> <p>As per Clause 14, the Monitoring committee shall supervise the implementation of the Resolution plan and shall be required and entitled to do all the acts, deeds, matter and things as may be necessary, desirable or expedient in order to implement and give effect to this Resolution Plan, and shall act under the supervision of the Hon'ble NCLT.</p> <p>The monitoring committee shall have the same functions, powers and protections as assigned to the Resolution Professional under the IBC. Until the transfer date, the CoC shall continue with its roles and responsibilities, and have protections, as set out in the IBC. All the decisions of the monitoring committee shall be taken with the unanimous consent of the members of the monitoring</p>

	committee.
<i>(d) It has provisions for approvals required and the timeline for the same</i>	The RA has sought the following relief from the Hon'ble NCLT: All Government Authorities shall provide appropriate time to the Resolution Applicant to assess the status of necessary business permits so that the Corporate Debtor is compliant with the terms of Such Business permits and Applicable Law and any negligence does not initiate any investigations or proceedings or actions in relation to such noncompliances w.r.t respective Business Permits. The Government shall permit the Resolution Applicant to continue to operate the business of the Corporate Debtor as carried out prior to the Insolvency Commencement Date.
<i>(e) The resolution applicant has the capability to implement the resolution plan.</i>	Yes, as per the Plan, Capt. Alok Sharma has dedicatedly spent major part of his life for the growth and betterment of Corporate Debtor. Being a promoter of an MSME unit, Capt. Alok Sharma and with the support of the new investor Mr. Mange Ram Murari the RA is fully capable to revive the corporate debtor and also to implement the proposed resolution plan.
Regulation 39 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person Regulations, 2016	Compliance under Resolution Plan
Regulation 39(1)- <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</i>	

<p><i>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) <i>A resolution plan which does not comply with the provision of sub-regulation (1) shall be rejected.</i></p> <p>Regulation 39(2) <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> <i>(b) undervalued transactions under section 45;</i> <i>(c) extortionate credit transactions under section 50;and</i> <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, the resolution applicant has submitted affidavit under section 29A regarding his eligibility to submit the resolution plan.</p> <p>Not applicable now.</p> <p>Yes, the undertaking has been submitted by the resolution applicant separately.</p> <p>Yes an undertaking to this effect is given by the RA</p> <p>The resolution professional has already placed before the CoC the findings of the transaction audit report and an application for avoidance of preferential transactions have already been filed on 17.08.2022.</p>
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<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>Yes, the committee will evaluate the resolution plans as per the provisions of the code, the Eligibility criteria and Evaluation Matrix approved by the members of the committee.</p>
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19. Details of Resolution Plan/Payment Schedule:

The relevant information with regard to the amount claimed, amount admitted, and the amount proposed to be paid by the Resolution Applicant under the said resolution plan is tabulated as under :

Particulars	Amount of Claim Filed (Rs. in Cr.)	Amount of Claim admitted (Rs. in Cr.)	Amount provided under the Plan (Rs. in Cr.)	Amount provided to the amount claimed %	Amount reflected in the last Balance Sheet before CIRP. (only on 3 * starred item below)	Amount available in liquidation (Rs. in Cr.)
Secured Financial Creditors	25.70	25.70	11.30	43.96%	--	11.35
Unsecured Financial Creditors (except related party)	Nil	Nil	Nil	Nil	--	Nil
*Staff & Workmen	Nil	Nil	Nil	Nil	0.21	Nil
Operational Creditors	29.40	25.90	0.21	0.78%	3.01	Nil

(statutory dues)						
Related Party (includes Unsecured Financial Creditors & Operational Creditor)	Nil	Nil	Nil	Nil	--	Nil
*Statutory Liabilities	Nil	Nil	Nil	Nil	Mentioned at Operational Creditors (statutory dues)	Nil
*Any other liability, including contingent liability	20.51	17.62	0.39	2.21%	Nil	Nil
Total	75.61	69.22	11.90	17.19	--	11.35

20. Summary of the Financial proposal/payment under the Resolution Plan is as follows:

Sr. No.	Particulars	Amount (Rs. in Lakhs) verified by RP	Upfront Cash	Deferred Cash at the end of 1st Year	Rest of Deferred Cash
1	CIRP Cost	Nil	10.00	Nil	Nil
2	Secured Financial Creditor	2,570.38	1,130.00	Nil	Nil
3	Unsecured Financial Creditor	Nil	Nil	Nil	Nil
4	Operational Creditor for Goods & Services	1,471.70	29.80	Nil	Nil
5	Operational Creditor Government Dues (EPFO)	Nil	10.20	Nil	Nil

6	Operational Creditor Government Dues (Tax)	2,589.62	10.00	Nil	Nil
7	Operational Creditor Employees & Workers	Nil	Nil	Nil	Nil
8	Funds for stabilization of Business and Working Capital	200.00	Nil	200.00	Nil

21. The resolution professional has appointed a forensic auditor, and on the basis of the forensic report, applications under Section 43(2) have been filed in compliance with Regulation 35A of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

22. The resolution plan in clause 13.1 provides that the avoidance transactions will be pursued by Canara Bank, and the proceeds realised, if any, shall be distributed as per the provisions of Section 53(1) of the Code.

23. The Successful Resolution Applicants have filed an affidavit by diary No. 02508/3 dated 03.03.2023 with regard to the payment of gratuity dues stating as under:

“That the deponent/ SRA hereby states that he will pay the contribution and other sums due from the corporate debtor under the provision of the Employees Provident Funds and Misc. Act, 1952 or the Scheme or the Pension Scheme or the Insurance Scheme, and under the Payment of the Gratuity Act, 1972, as the case may be, in respect of the period up to the date of approval of the resolution plan by the Adjudicating Authority, in accordance with prevailing law, without prejudice to the right of the deponent to avail available remedies with respect to the treatment/ levy of the dues of the aforesaid dues.”

24. With regard to the payment of dues to the workmen and employees, the resolution applicant, in his affidavit dated 13.06.2023, has stated as under:

“It is hereby submitted that the dues related to the workmen and employees amounting to Rs 25,57,628/- as on date of CIRP were partly paid by the Resolution Professional to the tune of Rs 18,48,327/- to workmen and employees o Parwanoo units of the corporate debtor since the units located at Parwanoo were operational and a going concern. Further, as regard to the balance dues of Rs 7,09,301/- pertaining to the unit at Pithampur were pending since the said unit was closed since September 2019 and no claims has been received by the Resolution Professional for the same.”

25. As regards the payment towards the claim of statutory authorities, there is a provision of Rs.10 Lakhs, which has been submitted by way of an addendum to the resolution plan dated 25.08.2022 attached at page Nos. 651 & 652 of the application.

26. Regarding the eligibility of the Successful Resolution Applicants to submit the resolution plan and other issues the following averments have been made in the affidavit dated 10.02.2023 filed by SRA:

“That the resolution plan in present matter has been submitted by consortium of two individuals Mr. Alok Sharma and Mr. Mange Ram Murari who are eligible to submit the resolution plan in view of the provisions of section 240A of IBC, 2016 as the corporate debtor is a MSME firm as per the definition provided under the MSME Development Act, 2008. Moreover, it is worth here to mention that the corporate debtor has been a going concern and is kept as a going concern during CIRP as well and moreover, no proceeding for cancellation of Acknowledged Enterprises Memorandum has been undertaken against the corporate debtor nor has the same been cancelled. That the resolution plan also complies with other provisions of IBC, 2016 and the Regulations made there under.”

27. The term of the Resolution Plan is for the period commencing from the effective date till the implementation of financial settlements of the plan as detailed in clause 15.1 of the plan. The total period is of 360 days from the effective date. The resolution applicant has proposed to sell the unit located in Pithampur (Madhya Pradesh) and distribute the amounts realised on the secured financial creditor. Further, the amount proposed for CIRP cost and contingent liability if remains unutilised, shall be distributed to Canara Bank as SIDBI is already getting its full share.

28. Upon approval of this plan, the corporate debtor is liable to pay the payment of Rs. 12, 00,00,000/- (Rs. 12 Crores only) as proposed in Resolution Plan for all the stakeholders. Upon payment of the aforesaid amount, all the secured financial creditor shall relinquish all their charge from the corporate debtors remaining properties existing as on the insolvency commencement date.

29. Details on Management/Implementation and Relief as per Resolution Plan include the following Salient Features:

- a. Management of the affairs of the corporate debtor after approval of the resolution plan.
- b. Adequate means for supervising of implementation of the plan.
- c. Management and control of the business of the corporate debtor during its term.
- d. Timelines for implementation of resolution plan.

30. Certain Waivers, Reliefs, and Exemptions have been sought in the Resolution Plan. The applicant has submitted the following facts with regard to the Waivers, Reliefs and Exemptions sought in the Resolution plan:

Sr.No	Relief and/or Concessions and Approvals Sought	Competent Authority/ Courts/ Government/Semi-Government Authority for relief sought	The plan is approved subject to the observations as below made in the column next to the prayer for relief.
1	Other than Persons receiving settlements under this Plan, no other payments or settlements (of any kind) shall be made to any other Person in respect of claims filed under the CIRP (including, for avoidance of doubt, any unverified portion of their claims) and all Claims against the Corporate Debtor, along with any related legal proceedings, including criminal proceedings and other penal proceedings, shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity on the Effective Date.	No Authority. To be granted by NCLT	Relief is granted in terms of the judgement of Hon'ble Supreme Court in case of <i>Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors.</i> 2021 SCC Online SC 313.
2	Registrar of Companies to take on record and implement the Plan, upon approval of the Plan by Hon'ble NCLT, without any further compliances.	The Registrar of Companies, Minister of Corporate Affairs	This is for the ROC to consider, keeping in view the objects of IBC 2016.
3	On and from the Effective Date, all bank accounts of the Corporate Debtor shall stand regularized and the name of the Corporate Debtor will removed from the list of defaulters, if any maintained by the bank.	RBI/Financial Creditors	This is for the RBI to consider as per their Regulatory framework and keeping in view the objects of IBC 2016.

4	<p>From the Effective Date, all inquiries, investigations and legal and quasi-legal proceedings/prosecution, whether civil or criminal, suits, claims, disputes, proceedings in connection with Forge India Private Limited or affairs of Forge India Private Limited (including those initiated by Governmental Authorities), pending or threatened, present or future in relation to any period prior to the Effective Date, or arising on account of implementation of this Resolution Plan shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out in the balance sheets of Forge India Private Limited or the profit and loss account statements of Forge India Private Limited will be deemed to have been written off fully, and permanently extinguished and no adverse orders passed in the said matters should apply to Forge India Private Limited or the Resolution Applicants. Upon approval of this Resolution Plan, all new inquiries, investigations, notices, suits, claims, disputes, litigations, arbitrations or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against Forge India Private Limited and/ or its new management in relation to any period prior to the effective date.</p>	<p>No Authority.</p> <p>To be granted by NCLT</p>	<p>Relief granted as per the provisions of 32A (1) of IBC 2016.</p>
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5	All Government Authorities shall provide appropriate time to the Resolution Applicant to assess the status of necessary business permits so that the Corporate Debtor is compliant with the terms of Such Business permits and Applicable Law and any lapse does not attract any investigations or proceedings or actions in relation to such non-compliances w.r.t respective Business Permits. The Government shall permit the Resolution Applicants to continue to operate the business of the Corporate Debtor as carried out prior to the Insolvency Commencement Date.	State Government of Himachal Pradesh and State Government of Madhya Pradesh	This is for the State Government to consider keeping in view the objects of IBC 2016.
6	Authorities (including the RBI) to grant any relief, concession or dispensation as may be required for implementation of the transactions contemplated under the Plan in accordance with its terms and conditions, and to waive the Non-Compliances of the Corporate Debtor prior to the Effective Date.	No Authority. To be granted by NCLT	This is for the RBI to consider as per its own regulatory framework keeping in view the clean slate principle under the provisions of IBC 2016.
7	Carry Forward losses – For the purposes of Section 79 read with Section 2(18) of the Income tax Act, 1961, the change in the shareholding of the Corporate Debtor pursuant to this Resolution Plan approved by the NCLT shall not result to lapse of any brought forward losses of the Corporate Debtor, and NCLT would accord its approval to the Resolution Plan under the Code after affording a reasonable opportunity of being heard to the jurisdictional principal commissioner or commissioner of Income tax.	Income Tax Department	This is for the Income Tax Department to consider as per the provisions of Income Tax Act.

8	Upon approval of the Resolution Plan by the NCLT, all non-compliances, dues, breaches and defaults of Forge India Private Limited for the period prior to the Effective Date (including but not limited to those relating to tax and material litigations, on-going investigations and/or statutory obligations as mentioned in IM, shall be deemed to be waived by the concerned Central Govt / all State Governments / Semi-Govt. Authorities, including but not limited to ROC, Pollution board, Income Tax, TDS, GST, VAT, Sales Tax, Environment Clearance, Electricity Board/ Authority, Sub Registrar, gram panchayat, etc.	NCLT, Chandigarh u/s Section 32A and other provisions of IBC, 2016	Relief granted as per the provisions of 32A (1) of IBC 2016.
9	Waiver/extinguishment of any tax, duty, cess or surcharge or any levy, by whatever name called, and legal liability pertaining for the period prior to the Effective Date under any state laws or central laws such as any kind of existing and/or future litigation/ assessment/ scrutiny/ contingency.	Govt. of India, State Government of Himachal Pradesh and State Government of Madhya Pradesh	Relief granted as per the provisions of 32A (1) of IBC 2016.
10	Immunity shall be deemed to have been granted to Forge India Private Limited and Resolution Applicants and its directors and employees from all proceedings/prosecutions and penalties under all Applicable Laws for any noncompliance for the period prior to the Effective Date and no interest/penal implications and / or prosecution shall arise due to such noncompliance /default /breach prior to the Effective Date. This includes, without limitation, waiver/extinguishment of penalties / interests on account of staggered payment of statutory liabilities of the	No Authority. To be granted by NCLT	Relief granted as per the provisions of 32A (1) of IBC 2016.

	workmen/employees of Forge India Private Limited in accordance with the terms of this Resolution Plan.		
11	The approval of this Plan by the Hon'ble NCLT shall be deemed to have given all approvals required under the applicable laws in India including Companies Act,2013 etc. and also waived all the procedural requirements and treated as complied with as per applicable laws in India for the time being in force. This means that the Resolution Applicant shall not be required to obtain any specific approvals from Regulatory Authorities which are otherwise required on approval of Resolution Plan by Hon'ble NCLT and all approvals from Regulatory Authorities shall be deemed given for complying any condition provided in the Resolution Plan. The primary objective of the Resolution Applicants is to acquire the complete shareholding of and control over the business and operations of the Corporate Debtor.	The Registrar of Companies, Minister of Corporate Affairs	It is for the ROC to consider.

12	<p>The Resolution Professional issued a notice inviting all potential claimants to submit their proofs of claims. This was published in the newspapers in accordance with the applicable law. The said Resolution Plan is being proposed in order revive the stressed corporate debtor entity by way of rearranging / restructuring assets and liabilities of the Corporate Debtor and in the best interest of stake holders of the Corporate Debtor to the extent possible. With this objective, the Resolution Applicants assumes that all the creditors of the Corporate Debtor that have any claims against the Corporate Debtor have filed their claims and the verifiable claims have been admitted by the Interim Resolution Professional/Resolution Professional and disclosed in the IM and its supporting documents. Accordingly, the Resolution Applicants and the Corporate Debtor shall have no responsibility or liability in respect of any claims against the Corporate Debtor for the period prior to the Effective Date other than any payment to be made under this Resolution Plan and all Claims along with any related legal proceedings, including criminal proceedings, and other penal proceedings, shall stand irrevocably and unconditionally abated, settled, and extinguished in perpetuity.</p>	<p>No Authority.</p> <p>To be granted by NCLT</p>	<p>Relief is granted in terms of the judgement of Hon'ble Supreme Court in case of <i>Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors.</i> 2021 SCC Online SC 313.</p>
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31. On a perusal of the reliefs etc., sought above, it is seen that the same are claimed under the general reliefs as per the provisions of IBC, under the ratios of various judicial pronouncements, and under powers pertaining to different government authorities/departments. As regards the aforementioned claims under

the IBC, it is clarified that this Adjudicating Authority has powers to decide the reliefs claimed which are directly relatable to the Resolution Process and not over those pertaining to extraneous issues. Regarding the reliefs/waivers pertaining to the domain of various departments/governmental authorities, it is further clarified that this Adjudicating Authority has no power to sanction these waivers, etc., and the Successful Resolution Applicants are at liberty to approach the competent authorities/courts/legal forums/office(s) Government or Semi-Government/State or Central Government for appropriate relief(s) sought in the plan. Approval of the Resolution Plan does not mean automatic waivers.

32. It is directed that any relief sought in the resolution plan, where the contract/agreement/understanding/proceedings/actions/notice etc., is not specifically identified or is for future and contingent liability, is at this moment not acceded to.

33. For the implementation of the plan following names have been proposed as the members of the Monitoring Committee:

Name (s) of the proposed member (s) of implementation and monitoring committee	Brief description of the proposed member(s) of the I&M Committee
Mr. Mohit Chawla	Monitoring Agent
Capt Alok Sharma	Resolution Applicant
Name of one representative to be named by the financial creditor Canara Bank	Representative of Canara Bank
Name of one representative to be named by the financial creditor SIDBI	Representative of SIDBI

34. On hearing the submissions made by the learned counsel for the Resolution Professional and perusing the records, we find that the Resolution Plan, along with

the addendum, has been approved on the terms both financial and others as detailed therein.

35. As per the CoC, the Resolution Plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.

36. On perusal of the documents on record, we are satisfied that the Resolution Plan, including the addendum thereto, are in accordance with Sections 30 and 31 of the Code and complies with Regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

37. Therefore, subject to the observations made in this order, we hereby accord our approval to the Resolution Plan.

38. It is further directed that the Resolution Applicant, on taking control of the corporate debtor, shall ensure compliance under all applicable laws for the time being in force. As far as the question of granting time to comply with the statutory obligations or seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under Section 31(4) of the Code.

38.1 The Resolution Plan as approved shall be binding on the corporate debtor and its employees, members, and creditors, including the Central Government, State Government, or 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 owned, guarantors and other stakeholders involved in the resolution plan.

38.2 The secured financial creditors will immediately, after approval of the plan, grant approval to sell the asset/unit located in Pithampur, Madhya Pradesh, as proposed in the plan and allow the transfer of the asset/unit. Further, the realisation from the sale of assets shall be distributed to the secured financial creditor.

38.3 The Moratorium imposed under Section 14 shall cease to have effect from the date of this order.

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

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

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

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

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

40. The Resolution Professional shall file a copy of this order with the concerned Registrar of Companies, inter alia, for updating the status of the corporate debtor.

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

42. The application bearing IA No. 1455 of 2022 in the main Company Petition, i.e., CP (IB) No. 588/Chd/HP/2019, shall stand allowed and disposed of accordingly.

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

Sd/-

(Subrata Kumar Dash)
Member (Technical)

August 04, 2023
PB/JGS

Sd/-

(Harnam Singh Thakur)
Member (Judicial)