



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – II, CHENNAI**

IA(IBC)/Plan/10/2024

In

CP/IB/172/2023

*(filed under Section 30(6) and 31(1) of the Insolvency & Bankruptcy Code, 2016 read with
Regulation 39(4) of Insolvency & Bankruptcy Board of India Regulations, 2016)*

*(In the matter of **Infiniti Metal Products India Limited**)*

MUMMANENI VAZRA LAXMI

Resolution Professional of Infiniti Metal Products India Limited

IBBI/IPA-001/IP-P00919/2017-2018/11526

*Flat No: 503, Sri Aditya Land AMrk, Somajiguda,
Hyderabad TG-500082.*

... Applicant/Resolution Professional

In the matter of

M/S. MSA VENTURES PRIVATE LIMITED

... Financial Creditor

-Versus-

M/S. INFINITI METAL PRODUCTS INDIA LIMITED

... Corporate Debtor

Order Pronounced on 28th March 2025

CORAM

SHRI JYOTI KUMAR TRIPATI, MEMBER (Judicial)

SHRI RAVICHANDRAN RAMASAMY, MEMBER (Technical)

Present:

For Applicant : Mummaneni Vazra Laxmi (RP)

ORDER

1. IA(IBC)/10 (CHE)/2024 is an application moved on 28.11.2024 by the Resolution Professional of the Corporate Debtor Viz., *Infiniti Metal Products India Limited* under Section 30(6) & 31(1) of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as ("**the Code**") read with Regulation



39(4) of the Insolvency & Bankruptcy Board of India Regulations, 2016 seeking reliefs as follows:

- a) *To approve the resolution plan submitted by Rajshree Jewellers to resolve the corporate Insolvency of the Corporate Debtor M/s. Infiniti Metal Products India Limited which has been approved by CoC with 100% voting rights under Section 31(1) of IBC, 2016*
- b) *To pass an order for discharge or provide immunity from all the liabilities/disputes/proceedings/penalties/suits/attachments/cases whether Civil or criminal filed against the corporate debtor whether accounted or unaccounted, known or unknown, crystallized or not on payment of the agreed consideration by the Resolution Applicant.*
- c) *To pass an order approving the waiver/ concessions/ grants requested by the resolution applicant*

2. ABOUT THE CORPORATE DEBTOR

The Corporate Debtor Viz., Infiniti Metal Products India Limited was incorporated on 16.10.1998 under Companies Act, 1956 as Endeavour Exim Private Limited and has subsequently changed its name as Endeavour Fabrics Private Limited, Endeavour Fabrics Limited and to Infiniti Metal Products India Limited. The Company was engaged in Trading, manufacturing Iron and Steel and the executive summary of the Corporate Debtor is as hereunder,

| | |
|-------------------------------------|---------------------------------------|
| Name of the Corporate Debtor | Infiniti Metal Products India Limited |
| CIN | U17110TN1998PLC095175 |
| Date of Incorporation | 16.10.1998 |

3. CORPORATE INSOLVENCY RESOLUTION PROCESS OF INFINITI METAL PRODUCTS INDIA LIMITED

The Corporate Insolvency Resolution Process in respect of the Corporate Debtor viz., Infiniti Metal Products India Private Limited was



initiated by this Adjudicating Authority vide its order dated 03.05.2024 based on an application moved by MSA Ventures Private Limited, in the capacity of a Financial Creditor under Section 7 of the code in CP/IBC/172(CHE)/2023, and *Mummaneni Vazra Laxmi* was appointed as the '*Interim Resolution Professional*'. Thereafter Interim Resolution Professional was appointed as the Resolution Professional.

The key dates and events during the Corporate Insolvency Resolution Process period are tabulated as hereunder,

| S.NO. | DATE | EVENTS |
|-------|------------|---|
| 1. | 07.05.2024 | Public Announcement regarding initiation of Corporate Insolvency Resolution Process. |
| 2. | 28.05.2024 | The Committee of Creditors was constituted by the IRP based on the claims received. |
| 3. | 03.06.2024 | <i>1st CoC Meeting</i> – Resolved to appoint IRP <i>Mrs. Mummaneni Vazra Laxmi</i> as RP. |
| 4. | 06.06.2024 | <i>Mummaneni Vazra Laxmi</i> as the RP vide |
| 5. | 19.06.2024 | Appointment of Registered Valuers. |
| 6. | 05.07.2024 | Form G (Expression of Interest) was Issued. |
| 7. | 15.08.2024 | Date of Invitation of Resolution Plan |
| 8. | 14.09.2024 | Prospective Resolution Applicants submitted their Resolution Plan. |
| 9. | 24.10.2024 | CoC in its 7 th CoC meeting approved for extension of CIRP Period for 30 days and to vote on the Resolution Plans received |
| 10. | 30.10.2024 | Expiry of 180 days of the Corporate |



| | | |
|-----|------------|--|
| | | Insolvency Resolution Process Period and A Resolution Plan submitted by M/s. Rajshree Jewellers was approved by the CoC |
| 11. | 12.11.2024 | 30 days extension of Corporate Insolvency Resolution Process period was allowed by this Adjudicating Authority in IA/2166/2024 |
| 12. | 18.11.2024 | Resolution Applicant submitted the Performance Security to the tune of Rs. 74 Lakhs. |
| 13. | 28.11.2024 | The Resolution Plan submitted by the SRA was filed before this Adjudicating Authority for approval. |
| 14. | 30.11.2024 | Date of Expiry of extended period of Corporate Insolvency Resolution Process |

4. DELIBERATION OF THE COC ON THE FEASIBILITY OF THE PLAN

During the 8th CoC Meeting held on 30.10.2024 deliberations were made by the members of the CoC on the Resolution Plan submitted by the Resolution Applicant and decision was made to vote on the same. Accordingly, the Resolution Plan was approved unanimously during the e-voting. The resolution is as hereunder,

“RESOLVED THAT pursuant to section 30(4) of the Code read with regulation 39(3) & 39(3B) of the IBBI Regulations, 2016, the committee of creditors hereby approves the resolution plan submitted by M/s. Rajshree Jewellers in the matter of Corporate Insolvency Resolution Process of M/s. Infiniti Metal Products India Limited”.



5. DETAILS OF THE SUCCESSFUL RESOLUTION APPLICANT

| NAME | CATEGORY | ELIGIBILITY OF RA |
|--------------------|------------------|--|
| Rajshree Jewellers | Partnership firm | Eligible – An Affidavit & Declaration to that effect is submitted. |

It is submitted that the Successful Resolution Applicant (herein after referred as SRA) is a partnership Firm and the Promoters of the firm are Sri Sanjay Kumar Agarwal, Sri Rajesh Kumar Agarwal and Sri Sudhir Kumar Agarwal. The Successful Resolution Applicant is involved in the business of manufacturing of Gold studded Jewellery. Further the nature of business of this partnership i.e., SRA, is to sell, Purchase, Convert, Manufacture etc., of Gold and Gold Ornaments, Diamonds and Diamonds Ornaments, Silver and Silver Ornaments, and other form of jewellery including Precious Stones etc.

6. SOURCE OF FUND

- This Tribunal had sought certain clarifications from the applicant and in response a compliance memo is submitted by the Resolution applicant vide dated 28.02.2025 at page no: 171 of the memo filed by the applicant the applicant has submitted net worth certificate of the Resolution applicant as on 31.03.2024. The certificate issued by the Auditor states that Rs.10,66,53,292/- (Rupees Ten Crore Sixty-Six Lakhs Fifty-Three Thousand Two Hundred and Ninety-Two Only) is the net worth of the Resolution applicant.



- On perusal of application, it is seen that a performance security deposit to the tune of Rs.74 Lakhs was received by the RP by way of RTGS on 18.11.2024.
- On perusal of chapter 10 of the Resolution Plan submitted, it is submitted that RA shall apportion the funds required for the plan from its own resources.
- It is submitted that the Resolution Applicant is having sufficient means to make the entire payment of the Resolution Plan amount from its own funds and has proposed a fresh capital infusion at Rs.100 Lakhs towards the capital expenditure & working capital needs by means of equity, unsecured loans/ debts.
- The Resolution Applicant has submitted the Audited Financial Statements for FY-2021-2022, 2022-2023 & 2023-2024 and the Turn over and the Net worth of the Resolution Applicant for the last three financial years are as follows:

| S.No | Financial Indicator/FY | 2021-2022 (Audited) | 2022-2023 (Audited) | 2023-2024 (Audited) |
|------|--------------------------------|---------------------|---------------------|---------------------|
| 1. | Revenue including other income | 6,042.38 | 10,728.56 | 20,637.96 |
| 2. | PBDIT | 141.18 | 277.80 | 379.65 |
| 3. | PAT | 130.75 | 78.47 | 98.00 |
| 4. | TOL | 937.58 | 1,234.27 | 2,306.21 |
| 5. | TNW | 434.64 | 333.30 | 1,066.45 |
| 6. | TOL/TNW | 2.16 | 3.70 | 2.16 |



7. SALIENT FEATURES OF THE RESOLUTION PLAN

- *The Resolution Plan sets forth to acquire the assets of the Corporate Debtor, land holdings, and aims to maximize the value through strategic development or sale by way of financial and operational restructuring of the business, The PRA proposes to address the reasons that led to causes of default, and is intended to focus on restoring of business operations as self-sustaining enterprise by taking over the Corporate debtor.*
- *The PRA proposes to revive the Corporate Debtor by diversifying the activity to its own jewellery manufacturing business.*
- *The PRA has proposed in the resolution plan for payment of various stakeholders inclusive of operational creditor and secured financial creditor, the proposed resolution plan has reserved certain amount for the CIRP costs.*
- *The PRA has proposed to pay the plan value within the 30 days from the approval of the resolution plan of this Adjudicating authority.*
- *The resolution plan submitted by the PRA details on the comprehensive business structure and strategy to take over the corporate debtor by reconstituting the board, appointment of key managerial persons and aims at continuing the business of the Corporate Debtor as a going concern.*

8. PAY-OUT TO STAKEHOLDERS AS PROPOSED IN THE PLAN

(Rs. IN LACS)

| S.NO | PARTICULARS | AMOUNT CLAIMED | AMOUNT ADMITTED | AMOUNT PROPOSED FOR SETTLEMENT | % OF CLAIMS ADMITTED | WITHIN 30 DAYS (UPFRONT) |
|------|---|----------------|-----------------|--------------------------------|----------------------|--------------------------|
| 1. | Secured Financial Creditors | 6,540.65 | 6,540.65 | 700 | 10.70% | 700 |
| 2. | Unsecured Financial Creditors | NIL | NIL | NIL | 0.00% | NIL |
| 3. | Operational Creditors(Government Dues) | 41068.39 | 13133.94 | 12.32 | 0.09% | 12.32 |
| 4. | Operational Creditors (other than workmen and employee and Government Dues) | 23952.27 | 11376.12 | 10.68 | 0.09% | 10.68 |
| 5. | Other Creditors (other than Financial) | NIL | NIL | NIL | 0.00% | NIL |



| | | | | | | |
|---|--|--------------------------------|------------------|---------------|---------------|---------------|
| | Creditors and Operational Creditors) | | | | | |
| Sub-Total | | 71,561.31 | 31,050.71 | 723.00 | 2.33% | 723.00 |
| 6. | CIRP Cost | The estimate cost is Rs.15Lacs | | 15.00 | 100.00% | 15.00 |
| Total Plan Value | | | | 738.00 | 738.00 | |
| 7. | Fresh Funds towards working capital and capital expenditure | | | 100.00 | | |
| Total outlay under the Resolution Plan | | | | 838.00 | | |

* The CIRP Cost is estimated Rs.15.00Lakhs as per the Information Memorandum dated 04.10.2024 accordingly the same is provided in this Resolution Plan, if any overrun shall be borne by the RA.

9. IMPLEMENTATION & MONITORING COMMITTEE (IMC)

- Implementation & Monitoring Committee shall be constituted to monitor the implementation of the Plan.
- The Monitoring Committee shall comprise of
 1. *One Representative of the financial creditors (CoC) (other than related party)*
 2. *One Representative of the Resolution Applicant and*
 3. *Resolution Professional*
- The IMC i.e., Implementation and Monitoring Committee shall monitor the implementation of the Resolution Plan till the total resolution debt is paid.
- The Monitoring Committee shall be responsible for monitoring the implementation and execution of the Plan on or from the effective date till the constitution of new board of directors of the Corporate Debtor, the operations of the Corporate Debtor will be monitored by the supervisory committee/ Monitoring committee who will be carrying out the day to day functions of the Corporate Debtor.



- The Monitoring Committee shall be dissolved from the date of payment of entire amount to the claimants as stated in the plan.
- The Monitoring Committee shall further be responsible for the distribution of the proceeds received from the Resolution Applicant under the Plan. For the said purpose, the Chairman of the Monitoring Committee shall be paid a fee of Rs.1,00,000/- (Rupees One Lakh Only) plus applicable GST per month along with out-of-pocket expenses on actuals from the date of approval of the Resolution Plan to till the period Monitoring Committee dissolves.

10. MANAGEMENT OF THE CORPORATE DEBTOR

- *The resolution applicant proposes to Reconstitute the board of directors and management of the company, The resolution applicant proposes to reconstitute the management of the company with professional managers having the relevant industry expertise to be included in the following organizational levels On and from the effective date till the constitution of the new Board of Directors, the operations of the Corporate Debtor will be monitored by the Monitoring Committee who will be carrying out the day-to-day functions of the Corporate Debtor. The Resolution applicant proposes to infuse persons from industry expertise within the Pharma industry for successful functioning of the corporate debtor.*

11. MANDATORY COMPLIANCE UNDER IBC & REGULATIONS

From the averments made in the application as well as on perusal of the Form H filed by the Resolution Professional, the matters in respect of procedural aspects, to have been duly complied with and for which the



Resolution Professional has issued a certificate and therefore it is not necessary for this Authority to go into the same. However, this Authority is duty bound to examine the Resolution Plan within the contours of Section 30 (2) of the IBC, 2016. A Comprehensive Tabular column with respect to the Mandatory compliance under the IBC and the Compliance made under the Resolution Plan is as hereunder,

| PROVISIONS | MANDATORY COMPLIANCE UNDER IBC,2016 | COMPLIANCE UNDER RESOLUTION PLAN |
|---------------------------------|--|---|
| S. 30(1) of IBC, 2016 | Resolution Applicant to submit an affidavit stating that he is eligible under Sec.29A of the Code, 2016 | Resolution Applicant filed an Undertaking at page 203-211 of the application |
| S.30(2)(a) of IBC, 2016 | Payment of Insolvency and Resolution cost in the manner specified by the Board | Chapter VII, VIII Sub Clause B of the Resolution Plan provides for the payment of CIRP costs in priority. |
| S.30(2)(b) of IBC, 2016 | Payment of debts of Operational Creditors in such manner as may be specified by the Board, which shall not be less than the amount to be paid to the Operational Creditors in the event of a liquidation of the Corporate Debtor under Sec. 53 | Chapter VIII of the Resolution Plan provides for the discharge of Operational Creditor claims. |
| S. 30(2)(c) of IBC, 2016 | Management of the affairs of the Corporate Debtor after approval of the Resolution Plan. | Chapter VII of the Resolution Plan provides for Management and control of the operations of the Corporate Debtor. |
| S.30(2)(d) of IBC, 2016 | Implementation and Supervision of the Resolution Plan. | Chapter VII (ii) of the Plan provides for implementation & supervision of the plan |
| S. 30(2)(e) of IBC, 2016 | The plan does not contravene any of the provisions of the law for the time being in force. | Chapter XV of the plan expresses that the plan does not contravene any provisions of the law for the time being in force. |



| | | |
|-----------------------------|---|--|
| S.30(4) of IBC, 2016 | Committee of Creditors approve the Resolution Plan by not less than 66% of the voting share of Financial Creditors, after considering its feasibility, viability and such other requirement as specified by the Board | The CoC, in its 8 th meeting, has unanimously approved the Resolution Plan. |
| Regulation 38(1) | The amount due to the Operational Creditor under Resolution Plan shall be given priority in payment over Financial Creditor. | Chapter VIII of the Resolution Plan. |
| Regulation 38(1A) | A Resolution Plan shall include statements as to how it has dealt with the interest of all stakeholders, including Financial Creditors and Operational Creditors of the Corporate Debtor. | Chapter VIII of the Resolution Plan. |
| 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. | Chapter XV of the Resolution plan |
| Regulation 38(2) | a) term of the plan and its implementation schedule | Chapter VII (i) of the Resolution Plan. |
| | b) management and control of the business of the Corporate Debtor during its term; | Chapter VII of the Resolution Plan. |
| | c) adequate means for supervising its implementation | Chapter VII (ii) of the Resolution Plan. |
| Regulation 38(3) | a) it address the cause of default; | Chapter V of the Resolution Plan. |
| | b) it is feasible and viable | Chapter V of the Resolution Plan. |
| | c) it has provisions for effective implementation | Chapter VII of the Resolution Plan. |
| | d) it has provisions for approval required and the timeline for the same; and | Chapter XII of the Resolution Plan. |
| | e) The resolution applicant has the capability to implement the Resolution Plan. | Chapter X of the Resolution Plan |



12. JUDICIAL PRONOUNCEMENTS OF THE HON'BLE SUPREME COURT IN RELATION TO APPROVAL OF A RESOLUTION PLAN

12.1 In so far as the approval of the Resolution Plan is concerned, this Authority is not sitting in appeal against the decision of the Committee of Creditors and this Authority is duty bound to follow the Judgment of the Hon'ble Supreme Court in the matter of **K. Sashidhar –Vs– Indian Overseas Bank (2019) 12 SCC 150**, decided on 05.02.2019 wherein in para 19 and 62 it is held as under;

“19.....In the present case, however, our focus must be on the dispensation governing the process of approval or rejection of resolution plan by the CoC. The CoC is called upon to consider the resolution plan under Section 30(4) of the I&B Code after it is verified and vetted by the resolution professional as being compliant with all the statutory requirements specified in Section 30(2).

62.In the present case, however, we are concerned with the provisions of I&B Code dealing with the resolution process. The dispensation provided in the I&B Code is entirely different. In terms of Section 30 of the I&B Code, the decision is taken collectively after due negotiations between the financial creditors who are constituents of the CoC and they express their opinion on the proposed resolution plan in the form of votes, as per their voting share. In the meeting of the CoC, the proposed resolution plan is placed for discussion and after full interaction in the presence of all concerned and the Resolution Professional, the constituents of the CoC finally proceed to exercise their option (business/commercial decision) to approve or not to approve the proposed resolution plan. In such a case, non-recording of reasons would not per-se vitiate the collective decision of the financial creditors. The legislature has not envisaged challenge to the “commercial/business decision” of the financial creditors taken collectively or for that matter their individual opinion, as the case may be, on this count.”

12.2 Further the Hon'ble Supreme Court in the matter of **K. Sashidhar v. Indian Overseas Bank and Ors. (2019) 12 SCC 150** decided on 05.02.2019 has lucidly delineated the scope and interference of the



Adjudicating Authority in the process of approval of the Resolution Plan and held as under;

“55. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan “as approved” by the requisite per cent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.”

58. Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with Section 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the grounds specified in Section 61(3) of the I&B Code, which is limited to matters “other than” enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I&B Code and not to act as a court of equity or exercise plenary powers.”

(emphasis supplied)



12.3 The Hon'ble Supreme Court of India in the matter of **Committee of Creditors of Essar Steels –Vs– Satish Kumar Gupta & Ors. in Civil Appeal No. 8766 – 67 of 2019** decided on 15.11.2019 at para 42 has held as under;

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

12.4 Also the Hon'ble Supreme Court of India in the matter of **Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta and Ors. (2020) 8 SCC 531** decided on 15.11.2019 after referring to the decision in *K. Sashidhar (supra)* has held as under;

“73. There is no doubt whatsoever that the ultimate discretion of what to pay and how much to pay each class or sub-class of creditors is with the Committee of Creditors, but, the decision of such Committee must reflect the fact that it has taken into account maximizing the value of the assets of the corporate debtor and the fact that it has adequately balanced the interests of all stakeholders including operational creditors. This being the case, judicial review of the Adjudicating Authority that the resolution plan as approved by the Committee of Creditors has met the requirements referred to in Section 30(2) would include judicial review that is mentioned in Section 30(2)(e), as the provisions of the Code are also provisions of law for the time being in force. Thus, while the Adjudicating Authority cannot interfere on merits with the commercial decision taken by the Committee of Creditors, the limited judicial review available is to see that the Committee of Creditors has taken into account the fact that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; and that the interests of all stakeholders including operational creditors has been taken care of. If the Adjudicating Authority finds, on a given set of facts, that the aforesaid parameters have not been kept in view, it may send a resolution plan back to the Committee of Creditors to re-submit such plan after satisfying the aforesaid parameters. The reasons given by the Committee of Creditors while approving a resolution plan may thus be looked at by the Adjudicating Authority only from this point of view, and once it is satisfied that the Committee of Creditors has paid attention to these key features, it must then pass the resolution plan, other things being equal.”



(emphasis supplied)

12.5 The Hon'ble Supreme Court in its recent decision in **Jaypee Kensington Boulevard Apartments Welfare Association & Ors. – Vs- NBCC (India) Ltd. & Ors** in *Civil Appeal no. 3395 of 2020* decided 24.03.2021 has held as under;

76. *The expositions aforesaid make it clear that the decision as to whether corporate debtor should continue as a going concern or should be liquidated is essentially a business decision; and in the scheme of IBC, this decision has been left to the Committee of Creditors, comprising of the financial creditors. Differently put, in regard to the insolvency resolution, the decision as to whether a particular resolution plan is to be accepted or not is ultimately in the hands of the Committee of Creditors; and even in such a decision-making process, a resolution plan cannot be taken as approved if the same is not approved by votes of at least 66% of the voting share of financial creditors. Thus, broadly put, a resolution plan is approved only when the collective commercial wisdom of the financial creditors, having at least 2/3rd majority of voting share in the Committee of Creditors, stands in its favour.*

77. *In the scheme of IBC, where approval of resolution plan is exclusively in the domain of the commercial wisdom of CoC, the scope of judicial review is correspondingly circumscribed by the provisions contained in Section 31 as regards approval of the Adjudicating Authority and in Section 32 read with Section 61 as regards the scope of appeal against the order of approval.*

77.1. *Such limitations on judicial review have been duly underscored by this Court in the decisions above-referred, where it has been laid down in explicit terms that the powers of the Adjudicating Authority dealing with the resolution plan do not extend to examine the correctness or otherwise of the commercial wisdom exercised by the CoC. The limited judicial review available to Adjudicating Authority lies within the four corners of Section 30(2) of the Code, which would essentially be to examine that the resolution plan does not contravene any of the provisions of law for the time being in force, it conforms to such other requirements as may be specified by the Board, and it provides for: (a) payment of insolvency resolution process costs in priority; (b) payment of debts of operational creditors; (c) payment of debts of dissenting financial creditors; (d) for management of affairs of corporate debtor after approval of the resolution plan; and (e) implementation and supervision of the resolution plan.*

77.2. *The limitations on the scope of judicial review are reinforced by the limited ground provided for an appeal against an order approving a resolution plan, namely, if the plan is in contravention of the provisions of any law for the time being in force; or there has been material irregularity in exercise of the*



powers by the resolution professional during the corporate insolvency resolution period; or the debts owed to the operational creditors have not been provided for; or the insolvency resolution process costs have not been provided for repayment in priority; or the resolution plan does not comply with any other criteria specified by the Board

77.6.1. The assessment about maximization of the value of assets, in the scheme of the Code, would always be subjective in nature and the question, as to whether a particular resolution plan and its propositions are leading to maximization of value of assets or not, would be the matter of enquiry and assessment of the Committee of Creditors alone. When the Committee of Creditors takes the decision in its commercial wisdom and by the requisite majority; and there is no valid reason in law to question the decision so taken by the Committee of Creditors, the adjudicatory process, whether by the Adjudicating Authority or the Appellate Authority, cannot enter into any quantitative analysis to adjudge as to whether the prescription of the resolution plan results in maximization of the value of assets or not. The generalised submissions and objections made in relation to this aspect of value maximisation do not, by themselves, make out a case of interference in the decision taken by the Committee of Creditors in its commercial wisdom

78. To put in a nutshell, the Adjudicating Authority has limited jurisdiction in the matter of approval of a resolution plan, which is well defined and circumscribed by Sections 30(2) and 31 of the Code read with the parameters delineated by this Court in the decisions above referred. The jurisdiction of the Appellate Authority is also circumscribed by the limited grounds of appeal provided in Section 61 of the Code. In the adjudicatory process concerning a resolution plan under IBC, there is no scope for interference with the commercial aspects of the decision of the CoC; and there is no scope for substituting any commercial term of the resolution plan approved by the CoC. Within its limited jurisdiction, if the Adjudicating Authority or the Appellate Authority, as the case may be, would find any shortcoming in the resolution plan vis-à-vis the specified parameters, it would only send the resolution plan back to the Committee of Creditors, for re-submission after satisfying the parameters delineated by Code and exposted by this Court.

12.6 The Hon'ble Supreme Court in its recent decision in Paschimanchal Vidyut Vitran Nigam Ltd. Verus Raman Ispat Private Limited & Ors. In Civil Appeal no. 7976 of 2029 decided 17.07.2023 has held as under;

49. Rainbow Papers (Supra) did not notice the 'waterfall mechanism' under Section 53 – the provision had not been adverted to or extracted in the Judgement. Furthermore, Rainbow Papers (Supra) was in the context of a resolution process and



not during liquidation. Section 53, as held earlier, enacts the waterfall mechanism providing for the hierarchy or priority of claims of various classes of creditors. The careful design of Section 53, locates amounts payable to secured creditors and workmen at the second place, after the costs & expenses of the liquidator payable during the liquidation proceedings. However, the dues payable to the government are placed much below those of secured creditors and even unsecured creditors. This design was either not brought to the notice of the Court in Rainbow Papers (supra) or was missed altogether. In any event, the Judgment has not taken note of the provisions of the IBC which treat the dues payable to secured creditors at a higher footing than dues payable to central or state Government.

(emphasis supplied)

12.7 Thus, from the catena of judgments rendered by the Hon'ble Supreme Court on the scope of approval of the Resolution Plan, it is crystal clear that only limited judicial review is available for the Adjudicating Authority under Section 30(2) and Section 31 of IBC, 2016 and this Adjudicating Authority cannot venture into the commercial aspects of the decisions taken by the Committee of Creditors.

13. RELIEF & CONCESSIONS:

The Resolution Applicant has sought for various waivers and Concessions in Clause 9 of the Resolution Plan, which are as follows,

| S.No | RELIEF/ CONCESSIONS SOUGHT FOR | ORDERS THEREON |
|------|---|---|
| 1. | In terms of section 32 A of IBC code, the liability of a corporate debtor for an offence committed, if any, prior to the commencement of the corporate insolvency resolution process shall cease and the corporate debtor shall not be prosecuted for such an offence from the date the resolution plan approved by the Adjudicating Authority under section 31 in view of the present resolution plan proposes change in the management as well as control | Granted as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss Asset reconstruction and subject to other applicable laws |



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| | <p>of the corporate debtor.</p> <p>If a prosecution had been instituted during the corporate insolvency resolution process against corporate debtor, it shall stand discharged from the date of approval of the resolution plan. No action shall be taken against the property of the corporate debtor in relation to an offence committed prior to the commencement of the corporate insolvency resolution process of the corporate debtor, where such property is covered under a resolution plan approved by the AA under section 31.</p> <p>An action against the property of the corporate debtor in relation to an offence shall include the attachment, seizure, retention or confiscation of such property under such law as may be applicable to the corporate debtor.</p> | |
| 2. | <p>The RP to be directed to handover all records, premises/factories/documents to Resolution Applicant to finalise the further line of action, including updating books of accounts required for starting of the operation upon making the upfront payment. The Resolution Applicant shall have access to all the records/ premises/ factories/ documents through Resolution Professional to finalize the further line of action required for starting of the operation, RA not be made liable for any non-maintenance/improper maintenance of books of accounts or any other records till Effective date.</p> | Granted |
| 3. | <p>To pass an order directing that in accordance with Section 238 of the Code, any action undertaken pursuant to the Resolution Plan by the Resolution Applicant will not require compliance with requirements under any other laws. Accordingly, the process stipulated under the Code for implementation of a resolution plan is a final and binding process on all stakeholders (including any</p> | Appropriate authorities to consider keeping in view the object of IBC, 2016. |



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| | Governmental Authorities); | |
| 4. | All creditors of the Corporate Debtor to withdraw all legal proceedings commenced against the Corporate Debtor in relation to Claims, including all criminal proceedings, proceedings under Section 138 of the Negotiable Instruments Act, 1881, if any, as well as proceedings under SARFAESI and RDDBFI, after full and final payment made to the Financial Creditors as per Resolution Plan. However, it is clarified that all the liabilities, personal guarantee, corporate guarantee provided by the erstwhile promoters/directors/ guarantors of the Corporate Debtor shall be in subsistence and financial creditors shall have the right to proceed against the erstwhile promoters/directors/ guarantors which shall not include corporate debtor. | Granted, subject to the provisions of IBC, 2016 and other Applicable laws |
| 5. | Any right of subrogation, reimbursement, recompense, under any corporate guarantee, letters of comfort or similar instruments of debt or any obligation provided by any promoter, affiliate or Related Party of the Company shall stand extinguished and become null and void as of the NCLT approval date, on and from the date of Upfront Payment | Granted against the Corporate Debtor, subject to the provisions of IBC, 2016 |
| 6. | Any and all claims or demand in connection with or against the corporate debtor including any demand for any losses or damages or in connection with any third party claims or any investigations by any governmental bodies, or authorities such as the Central Bureau of Investigation, Serious Fraud Investigation Office, Enforcement Directorate or any other Government agency by or to any other stakeholder including any other actual or potential creditor if any whether under applicable law, equity or contract whether admitted or not due or contingent, crystalized or un-crystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether civil or criminal in | Granted, subject to the provisions of IBC, 2016 |



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| | <p>relation to any period prior to the effective date or arising on account of the acquisition of control by the Resolution Applicant over the corporate debtor pursuant to this resolution plan shall be settled at NIL value. Neither the Corporate Debtor nor the Resolution Applicant will be subject to any investigations or be liable for any claims, demand, obligations, penalties etc arising out of any proceedings prior the effective date or that may be initiated or instituted after the effective date on account of any transaction entered into or decisions or actions taken by such existing promoters and existing shareholders, directors or other personnel of the corporate debtor.</p> | |
| 7. | <p>The liabilities which occurs by way of any order, judgments, decisions passed by any competent authority in respect of any application, petition, complaint filed by any person in the matter of transactions entered by company prior to Resolution Plan NCLT approval date shall be borne by the previous management, promoters, their officer in default or any other person related to them and no criminal action shall be taken against Resolution Applicant, and the Company in relation to any breach of law committed by previous management or promoters and other persons related to them.</p> | <p>Granted as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss Asset reconstruction and subject to other applicable laws</p> |
| 8. | <p>The physical possession of company's immovable properties or any other land together with other premises, shed, building, civil works, plant & machinery, equipment's, etc., along with intangible assets, licenses, permissions and other assets with absolute control and management of the Company shall be handed over to the Resolution applicant or their nominated persons immediately on payment of initial amount within 15 days of Effective date.</p> | <p>Granted, subject to the provisions of IBC, 2016</p> |
| 9. | <p>The Resolution Applicant, or the Corporate Debtor shall not be liable to pay any Taxes (direct or indirect) whatsoever arising (directly</p> | <p>Granted as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss</p> |



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| | <p>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 unassessed, by the relevant Government and Statutory Authority shall be deemed to have been extinguished and written-off on the Hon'ble NCLT Approval Date.</p> | Asset reconstruction and subject to other applicable laws |
| | <p>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 and government proceedings shall be deemed to be extinguished and written-off</p> | Granted for the Corporate Debtor prior to the effective date subject to the provisions of IBC,2016 |
| 10. | <p>Clean title on movable and immoveable property: All rights, titles and benefits relating to the movable and immovable properties of the Corporate Debtor after receipt of full Resolution Plan Amount by Financial Creditors as per Resolution Plan shall be vested in the Corporate Debtor free of any title defects or Encumbrances.</p> | Granted as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss Asset reconstruction and subject to other applicable laws and as prescribed in the Plan. |
| 11. | <p>All margin money/ fixed deposit with lien (if any) provided by the Company or any Encumbrances of similar nature, or margin assurances, Encumbrances or liens that exist by operation of Applicable Law, along with any similar contractual comforts provided by the Company prior to the Effective Date, shall be released immediately on the Effective Date and shall revert to the Company. Further, any claim arising from any such deposit or collateral, whether set out herein or not, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, secured or unsecured, disputed or undisputed, whether or not set out in the Information</p> | Granted subject to the provisions of IBC, 2016, and other applicable laws |



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| | <p>Memorandum, the Data Room, the balance sheets of the Company or the profit and loss account statements of the Company, till the Effective Date, will be written off in full and shall be, and be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company or the Resolution Applicants shall at no point of time be, directly or Indirectly, held responsible or liable in relation thereto. All title deeds and other documents held by any Creditor or third party (as trustee or otherwise) in relation to the same shall be Immediately released in fit and proper condition to the Company on the Effective Date. Original deeds are misplaced.</p> | |
| 12. | <p>From the date of Upfront Payment by the Resolution Applicant to the Financial Creditor, status of accounts of the Corporate Debtor shall stand regularized and their asset classification shall be "standard" for the purposes of all RBI Applicable Laws and the name of the Corporate Debtor shall be removed from the list of defaulters/black list of RBI/NHB. The same will be classified as per RBI guidelines only.</p> | <p>Appropriate authorities to consider keeping in view the object of IBC, 2016</p> |
| 13. | <p>Licenses, Consents and approvals: The resolution applicant shall pursuant to the resolution plan approved under sub section (1) of section 31 of 1 & B code, obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub section (1) of within such period as provided for in such law, whichever is later.</p> | <p>Appropriate authorities to consider keeping in view the object of IBC, 2016</p> |
| 14. | <p>The Resolution Applicant has also considered that by virtue of the order of the Adjudicating Authority approving this Resolution Plan and since the Resolution Applicant would acquire the Company on a 'going concern' basis, all consents, licenses, approvals, rights, entitlements, benefits including Power</p> | <p>Appropriate authorities to consider keeping in view the object of IBC, 2016</p> |



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| | <p>purchase agreement (PPA) and privileges whether under law, contract, lease or license, granted in favour of the Company or to which the Company is entitled or accustomed to shall, notwithstanding any provision to the contrary in their terms and notwithstanding that they may have already lapsed or expired due to any non-compliance or efflux of time, be deemed to continue without disruption for the benefit of the Company and the Resolution Applicant for a period of 12 months from the NCLT Approval Date or until the period mentioned in such Business Licenses, whichever is later.</p> | |
| 15. | <p>At the time renewal of licenses, approvals, consents, permissions attached to the company, all the fees, cost or penalty pertaining to the period prior to Insolvency commencement date shall be waived off and the Resolution Applicant shall not be liable to pay any old fees/cost/penalty whether due or not. The power connected load to be provided by electricity department without any existing charges, penalties, fines, dues etc. upon payment of amount as provided in the resolution plan.</p> | <p>Granted as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss Asset reconstruction and subject to other applicable laws</p> |
| 16. | <p>All domain names, servers, being currently used by the Company to the extent not owned shall continue to be available for use by the Company for a period of 3 months from the NCLT Approval Date.</p> | <p>Granted</p> |
| 17. | <p>The Ministry of Corporate Affairs/ROC shall not charge any penalty for filings not done during the period before approval of resolution plan and exempt the Resolution Applicant/corporate debtor/SPV, from levy of stamp duty and fees, if any applicable in relation to this Resolution Plan and its implementation.</p> | <p>Appropriate authorities to consider keeping in view the object of IBC, 2016</p> |
| 18. | <p>All relevant Governmental Authorities to grant relief from payment of stamp duty and applicable fees (including fees payable to the</p> | <p>Appropriate authorities to consider keeping in view the object of IBC, 2016</p> |



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| | jurisdictional Registrar of Companies) for the successful implementation of the Plan (including for the capital reduction, issuance of shares). | |
| 19. | On and from the Effective Date, the Resolution Applicant shall have the right to replace the existing statutory auditors of the Company and appoint new auditors as deemed fit by the Resolution Applicant. The existing internal auditor, company secretary, Cost Accountant, advocates etc., shall stand terminated / deemed resigned and new professionals shall be appointed. | Granted subject to the provisions of IBC, 2016, Companies Act and other applicable laws |
| 20. | For all cases, claims etc., filed by any person or competent authority, pertaining to period prior to Insolvency commencement date, the Corporate Debtor/Resolution Applicant shall not be held responsible. No such prior cases, claims, etc., shall stand valid after approval of plan from NCLT. Further, since no historical data of any kind is provided to the Resolution Applicant, no liabilities of such prior claims, cases etc., shall be on the Resolution Applicant w.e.t. NCLT Approval date. | Granted as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss Asset reconstruction and subject to other applicable laws |
| 21. | All Governmental Authorities to waive the Non-Compliances of the Corporate Debtor prior to the NCLT Approval Date including without limiting to failure to obtain any approval from the Government Authorities with respect to change in control of the Corporate Debtor as per the terms of the Plan. | Granted subject to the provisions of IBC, 2016, and other applicable laws |
| 22. | All Government authorities, local authorities, electricity boards etc are requested to waive the non-compliance of the already existing contracts and dues of the company. Further any deposits with the authorities shall be adjusted, accounted for and considered for licenses, permits and connections. | Granted as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss Asset reconstruction and subject to other applicable laws |
| 23. | A time of one year from NCLT approval shall be provided for filing of pending GST returns, TDS returns, IT returns, ESI returns, PF returns, ROC, SEBI returns or any other | Appropriate authorities to consider keeping in view the object of IBC, 2016 |



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| | statutory returns without any penalties, interest, fees, charges etc. Filing of financial papers either may be waived or may be permitted without any penalty, interest, fees, charges etc. Similarly, IT dept also to allow filing of belated IT returns without any penalty, interest, fees, charges etc. | |
| 24. | If any investigations or proceedings if initiated in relation to the period prior to the period NCLT order shall be dismissed and shall not be proceeded against. Further any proceedings which were kept in abeyance in view of insolvency process or otherwise shall not be revived post the order of NCLT. | Granted as against the Corporate Debtor as per Ghanashyam Mishra and Sons Ltd -Vs- Edelweiss Asset reconstruction and subject to other applicable laws |
| 25. | In the event of delays in approval/implementation of the resolution plan due to litigations against the Resolution Plan by any stakeholder the RA reserves the right to modify and/or withdraw the resolution plan without any liability towards the Resolution Applicant. | Not Granted |
| 26. | <p>A prayer is made to Hon'ble NCLT for allowing a right of recovery from the existing receivables standing in the books of account as on the date of CIRP and approval of the resolution plan. Further, any deposit/retention money paid by the corporate debtor or any Bank guarantee to any regulatory authorities or in respect of any govt, contract shall stand valid and in date of its maturity, the right of the same shall be provided to the successful resolution applicant.</p> <p>Further, any recovery from any refund of income tax, GST or any other statutory authority shall assigned to the successful resolution applicant after approval of this resolution plan and shall not be adjusted against any previous demand or claim by the income tax, GST or any other statutory authority.</p> <p>For all or any contract or work order, the authority shall not levy any penalty or</p> | Granted subject to the provisions of IBC, 2016, and other applicable laws |



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| | liquidity damage due any delay in work in progress by the corporate debtor on account of the insolvency and bankruptcy process or for any previous period and the same shall be relaxed and waived off and the burden of the same shall not be transfer to the successful resolution applicant on approval of this resolution plan by the Hon'ble NCLT | |
| 27. | Relief under IT Act: Prayer is made to Hon'ble NCLT for waiver of Income Tax/MAT or any other statutory liability on account of implementation of resolution plan in view of corporate debtor is proposed to be acquired below the book value of assets as per provisional financials as on 03-05-2024. | CBDT authorities to consider keeping in view the object of IBC, 2016 |
| 28. | Further, the Waiver of principal Loan amount/and/or waiver of any other creditors as well waiver of Interest as appearing in the books of accounts of the Corporate Debtor as on the date of NCLT order and written back in the books of account following NCLT order shall not be taxed as perquisite or benefits under section 28(iv) and cessation of liability under section 41(1) or any other relevant sections/rules/regulations of the Income Tax Act. | Appropriate authorities to consider keeping in view the object of IBC, 2016 |
| 29. | Any assets in financial statement (including fixed assets, loans and advances, deposit, current assets, non-current assets or any other assets of any nature) of the corporate debtor which is considered as not recoverable/realizable and written off shall be allowed as expense under the companies act as well as Income-tax Act for the purpose of both for minimum alternative tax (MAT) and Corporate Income tax | Appropriate authorities to consider keeping in view the object of IBC, 2016 |
| 30. | Brought forward losses and unabsorbed depreciation under Income Tax including any business losses shall be allowed to be carried forward for set off against the taxable profits of future years in spite of non-filing of returns/delayed filling of If returns and change | Appropriate authorities to consider keeping in view the object of IBC, 2016 |



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| | shareholding under section 79 of Income Tax Act. | |
| 31. | As per section 115JB of the Income-tax Act a company whose application has been admitted shall be entitled to reduce the loss brought forward (excluding unabsorbed depreciation) and unabsorbed depreciation for the purposes of computing book profit under section 115JB Accordingly the aggregate amount of unabsorbed depreciation and loss brought forward (excluding unabsorbed depreciation) shall be allowed to be reduced from the book profit | Appropriate authorities to consider keeping in view the object of IBC, 2016 |
| 32. | Section 56(2)(x)(c) of IT act in respect of transfer of any asset of the CD should not be made applicable. The requirement of obtaining a no objection certificate under section 281 of Income tax Act, 1961 of Income tax Act also shall not be made applicable. | Appropriate authorities to consider keeping in view the object of IBC, 2016 |
| 33. | The approval of this Plan by the NCLT shall be deemed to have waived all the procedural requirements in terms of Section 66 and Section 42 of the Companies Act, 2013 and the NCLT (Procedure for Reduction of Share Capital) Rules, 2016 for reduction of share capital and issuance of equity shares to Resolution Applicant. | Granted subject to the provisions of IBC, 2016, Companies Act and other applicable laws |
| 34. | All Government and non-government dues, secured dues unsecured dues, statutory dues; dues to Income tax, tax deducted /collected at source, GST, excise duty, custom duty. Registrar of company, due to revenue authority, employee dues, Power/Electricity dues, various statutory cases, provident fund/Employee state insurance/ any other contributions to employee fund, gratuity or any other due by whatever name called of corporate debtor shall be paid as per financial proposal. No liability for any dues shall lie on the corporate debtor apart from amount under this resolution plan even if claim is received or not claim approved or not. Any attachment by | Granted as per plan and subject to the provisions of IBC, 2016, and other applicable laws |



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| | <p>GST authorities shall cease to be affected. Any demand under section 84 of CGST Act, or any other provision or any recovery measure shall be ceased and there shall be no liability/due til vesting date apart from amount provided under resolution plan.</p> | |
| 35. | <p>No liability or any dues or any demand under VAT/Sales Tax for any year preceding to the approval of this resolution plan shall not claim from the successful resolution applicant and any claim or attachment by VAT/sales Tax authorities shall cease to be affected immediately.</p> | <p>Granted subject to the provisions of IBC, 2016, and other applicable laws</p> |
| 36. | <p>Without prejudice to the generality of the above, upon approval of the Resolution Plan by the Adjudicating Authority, the Ministry of Environment, Forest and Climate Change, The Central Pollution Control Board, the Telangana State Pollution Control Board, the Central Pollution Control Board, Inspector/Chief Inspector of Factories, Controller of Explosives, Chief Inspector of Boilers, Forest and Reserve Bank of India, Ministry of Company Affairs and all other Governmental Authorities concerned shall waive all Non-Compliances by the Corporate Debtor under Applicable Law prior to the Effective Date.</p> | <p>Granted subject to the approval of the appropriate authority</p> |
| 37. | <p>The Resolution Plan proposed herein has been prepared considering all the relevant provisions of the Code and the Request for Resolution Plans ("RFRP"), However, pursuant to the RFRP, In the event that the Resolution Professional or the CoC or their advisors are of the view that this Resolution Plan does not comply with any of the provisions of the Code or the RFRP, then of the request of the Resolution Professional or CoC, the Resolution Applicant shall remedy the deficiencies in the Resolution Plan (Including, without limitation, the supporting documents and submissions in the Resolution Plan) and submit a revised Resolution Plan, that is compliant with the</p> | <p>Granted subject to approval of the Appropriate Authorities</p> |



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| | provisions of the Code and the RFRP, for the consideration of the CoC. | |
| 38. | The status of the company under CIBIL, CRICIL and other rating agencies shall be cured for all defaults, cases, write offs up to the Effective date. | Granted subject to the approval of the appropriate authority |
| 39. | The resolution plan shall be binding on the corporate debtor and its employees, member, creditors, guarantors and other stake holders involved in the resolution plan. | Granted |
| 40. | The Resolution Applicant and the Corporate Debtor shall be entitled to share a certified copy of this Resolution Plan and the order of the NCLT approving this Resolution Plan with third parties, including Governmental authorities wherever needed. | Granted |

14. The Applicant has filed Form -H in accordance with the IBBI (CIRP Regulations, 2016) along with this Application and the same is placed along with the application. Further, it is observed from Form-H that the amount proposed in the plan is lesser than the Liquidation Value of the Corporate Debtor. The fair value and the Liquidation Value as mentioned in Form-H is as hereunder,

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| 1. | <i>Fair Value</i> | Rs. 11,65,07,374 |
| 2. | <i>Liquidation Value</i> | Rs. 9,12,71,645 |
| 3. | <i>Plan Value</i> | Rs. 7,38,00,000 |

However, upon considering the requisite approval of the CoC, this

Adjudicating Authority accepts the proposed resolution Plan. On perusal



of the plan it is seen that the resolution plan was approved by the CoC unanimously and Further, The Hon'ble Supreme Court in the case of *Maharashtra Seamless Limited versus Padmanabhan venkatesh & ors* case has observed that there is no necessity that the plan value should match with the liquidation value. The relevant extract of the decision is reproduced below:

"26. No provision in the Code or Regulations has been brought to our notice under which the bid of any Resolution Applicant has to match liquidation value arrived at in the manner provided in Clause 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This point has been dealt with in the case of Essar Steel.

28.The Court ought to cede ground to the commercial wisdom of the creditors rather than assess the resolution plan on the basis of quantitative analysis. Such is the scheme of the Code. Section 31(1) of the Code lays down in clear terms that for final approval of a resolution plan, the Adjudicating Authority has to be satisfied that the requirement of sub-section (2) of Section 30 of the Code has been complied with".

15. It is seen from the Form- H that there are no avoidance application filed/pending against the corporate debtor, and further, it seen from the RFRP that if any the proceeds received from the PUFEE Transactions even after the approval of the Resolution plan shall belong to CoC.

16. It is seen that the resolution plan has been approved with 75.08% voting share. As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. By



and large, all the compliances have been made by the RP and the Resolution Applicant for making the plan effective after approval by this Authority. On perusal of the documents on record, we are satisfied that the Resolution Plan is in accordance with Section 30 & 31 of the IBC and also in compliance with regulations 38 & 39 of the IBBI (CIRP) Regulations, 2016.

17. In the light of the aforesaid, it is hereby ordered that the payment to the members of the Monitoring Committee shall be made by the Corporate Debtor on such terms and conditions agreed between the parties for the entire period of implementation as mentioned in this resolution plan.
18. In case of non-compliance/non-implementation/ failure during implementation of this order or withdrawal of the Resolution Plan by the Successful Resolution Applicant, the RP shall forfeit the EMD/Performance Guarantee or any further amount paid as per the terms of the resolution plan without any recourse to this Authority. Subject to the observations made in this Order, the Resolution Plan Valuing Rs.7,38,00,000/- along with the addendum to the Resolution Plan is hereby **APPROVED** by this Adjudicating Authority. The Resolution Plan shall form part of this Order. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so



that the revival of the Debtor Company shall come into force with immediate effect. The Moratorium Imposed under section 14 shall cease to have effect from the date of this Order.

19. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for its record and also return to the Resolution Applicant. The Resolution Professional is further directed to hand over all records/premises/factories/documents to the Resolution Applicant to finalize the further line of action required for starting the operation of the Corporate Debtor under the control of the Resolution Applicant.
20. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance.
21. Liberty is granted for moving any Application if required in connection with the implementation of this Resolution Plan.
22. A copy of this Order be submitted to the Office of the concerned Registrar of Companies.
23. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order.



24. **IA/IBC(PLAN)/10/CHE/2024** stands **disposed of** accordingly.
25. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps.
26. File be consigned to the record room.

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RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

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JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)

Sangeetha LRA