

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

**IA No. 655/2021
In
CP (IB) No. 57/Chd/Chd/2019
(Admitted Matter)**

**Under Section 31 of IBC, 2016,
Read with Regulation 39 of
IBBI Regulations 2016**

In the matter of:

Jai Bhawani Steel Industries

....Operational Creditor

Vs.

M/s. EEE and CEE Pressings Pvt. Ltd.

...Corporate Debtor

And in the matter of:-

IA No. 655/2021

Sachit Soni (Resolution Professional)
Of M/s. EEE and CEE Pressings Pvt. Ltd.
Having its registered office at
SCO 2935-36, Level-I, Sector-22C,
Chandigarh-160022

....Applicant

Vs.

Ajay Chhabra (Representative of Resolution Applicant)

Consortium of Individuals

Having its registered office at
House No. 123, Sector 6

Panchkula, Haryana, Pin-134112

...Resolution Applicant/ Respondent No. 1

Committee of Creditors of

M/s. EEE & CEE Pressings Private Limited

...Respondent No. 2

Order delivered on: 17.01.2024

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

PRESENT:

For the Petitioner : Mr. Pulkit Goyal, Advocate

Per: Subrata Kumar Dash, Member (Technical)

Harnam Singh Thakur, Member (Judicial)

ORDER

The present application has been filed by Mr. Sachit Soni, Resolution Professional of M/s. EEE and CEE Pressings Private Limited, under Section 31 (1) of the Insolvency and Bankruptcy Code, 2016 (**'the Code'**) for approval of the resolution plan in respect of the M/s. EEE and CEE Pressings Private Limited (**"the corporate debtor"**). The Applicant-Resolution Professional filed the present application on 16.11.2021 for approval of the resolution plan, which was approved with a 100% voting share of the Committee of Creditors (**COC**), in its 7th meeting which was held on 26.10.2021.

2. The application under section 9 of Insolvency and Bankruptcy Code, 2016 was duly admitted vide order dated 19.02.2021 and Mr. Rakesh Kumar Singhala was appointed as Interim Resolution Professional (hereinafter referred to as "IRP") of the Corporate Debtor. The IRP made a public announcement on 23.02.2021. A committee of creditors was constituted on 12.03.2020 after collating all the claims submitted. The CoC was however reconstituted on 27-03-2021, 31-03-2021, 29-04-2021, 07-08-2021

and 04-09-2021. Thereafter, a committee of creditors was constituted with only 1 financial creditor with a voting share of 100%.

3. The first meeting of the committee of creditors was held on 19.03.2021 wherein it was disclosed that they have already recovered their dues from the Corporate Debtor, personal and corporate guarantor and are thus having nil dues.

4. During the second meeting of the Committee of Creditors, the Committee resolved to replace the IRP with a new Resolution Professional Mr. Sachit Soni with 97.22% voting share having registration No. IBBI/IPA- 001/IP-P01413/2018-2019/12335. Further, the CoC resolved to approve the fees and expenses of IRP and the notice period for calling a meeting of CoC was reduced from 5 days to 2 days under Regulation 19(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

5. The IRP called for the 3rd meeting of the COC on 22.04.2021. Thereafter, Mr. Sachit Soni was duly appointed as a Resolution Professional in the matter of M/ s Eee & Cee Pressings Pvt. Ltd. vide order dated 26.04.2021 of this Adjudicating Authority.

6. The Resolution Professional called for the 4th meeting of the COC on 04.05.2021. Thereafter the invitation of expression of interest (Form G) was published on 05.05.2021 and pursuant to the receipt of EOIs, the Provisional List of Eligible Resolution Applicants was issued on 10.06.2021. The applicant issued IM, RFRP and Evaluation Matrix to the PRA's on 15.06.2021 and the Final List of Prospective Resolution Applicants was circulated to the CoC members on 21.06.2021. The last day of submission of the Resolution Plan was 15.07.2021. Then it was extended to

25.07.2021 and then to 31.07.2021, thereafter to 17.08.2021 upon a request received from PRA's.

7. The Resolution Professional called for the 5th meeting of the CoC on 12.08.2021 and Sixth Meeting of CoC on 08.09.2021 in order to discuss the Resolution Plan submitted by Mr. Ajay Chahbra, Mr. Parminder Bansal, Dr. Sarika Bansal and Mrs. Kavita Bansal. The Resolution Professional convened another meeting of the CoC, which was the last meeting of Coe on 26.10.2021, in order to discuss the revised Resolution Plan submitted by Mr. Ajay Chahbra, Mr. Parminder Bansal, Dr. Sarika Bansal and Mrs. Kavita Bansal. The major point of discussion of seventh CoC meeting was discussion on the Resolution Plan since the last plan submitted by the Resolution Applicant was non-compliant as per the provisions of IBC, 2016. The RP then placed before the CoC the brief details of the Plan. RP informed the CoC that the Resolution Applicant has increased the total plan amount to Rs. 1.82 Crores, out of which Rs. 22.28 Lacs is for the payment of IRP cost and Rs. 1.59 Crores is allocated towards the payment to the Operational Creditors. Further, the Resolution Applicant proposed to pay Rs. 82.00 Lacs as upfront amount including Rs. 46.40 Lacs (including Rs. 10.00 Lacs already paid) as EMD and Performance Security as mentioned in the Request for Resolution Plan (RFRP) and The amount of Rs. 35.60 Lacs will be paid within 30 days from the date of approval of Resolution Plan by the Adjudicating Authority. The balance Rs.100.00 Lacs shall be paid within 180 days from the date of approval of the Resolution plan by the Adjudicating Authority. As per the Resolution Plan submitted by the Resolution Applicant, it has proposed to bring in the aforesaid amount Rs. 50.00 Lacs as share capital and Rs. 1.32 Crores as Unsecured Loan in the Corporate Debtor.

The share capital shall be held by all the co-resolution applicants in equal proportion. It was resolved that the plan presented by the consortium was ratified and approved with 78.66% votes in favour of the plan.

8. It is submitted that the successful resolution applicant has submitted the performance security as per sub-regulation {4A) of Regulation 36B on 08.11.2021.

9. The proof of amount transferred in lieu of the performance security has been filed vide Dairy No. 01389/2 dated 28.07.2022.

10. The valuation report is submitted as under:-

Sr. No.	Name of Valuer	Fair value	Liquidation Value
1	Amarjit Kumar Sharma & Avinav Sapra	1,46,03,190	86,78,490
2	Gtech Valures Pvt. Ltd.	1,47,29,000	86,58,000

The minimum liquidation value available to the OC is Rs.86,68,245/- as in this case there is no Secured Creditor. However, there are few workmen and employees in the case who have filed their claims who have priority of the payment if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53. Accordingly, the RA has taken care of the minimum liquidation available to the classes of OC as provided under sub-section (1) of section 53.

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

Particulars	Date of Meeting	CoC	Main Agenda of discussion	Important decisions ratified
1st CoC Meeting	19.03.2021		Appointment of RP	No important decision taken
2nd CoC Meeting	01.04.2021		Appointment of RP	The CoC replaced the IRP with Mr. Sachit Soni (IBBI/IPA-001/IP-P01413/2018-2019/12335) as RP of the CD
3rd CoC Meeting	22.04.2021		The matter of records/information requested from the Directors were taken up in the meeting. Discussion were held for the resources to meet the CIRP cost including salaries of the workers for the month of March 2021	No important decision taken
4th CoC Meeting	04.05.2021		<p>a. Matter for the resources to meet the CIRP cost including salaries of the workers for 15 days for the month of March 2021</p> <p>b. The Eligibility criteria, Evaluation Matrix, EMD and Performance Guarantee for the prospective Resolution Applicants were discussed in the meeting</p>	<p>The CoC approved the Eligibility criteria for the prospective Resolution Applicants and also approved the Evaluation Matrix, EMD and terms relating to Performance Guarantee.</p> <p>The CoC also ratify and approved the appointment of the valuers along with their fees</p>
5th CoC Meeting	12.08.2021		a. The Appointment of a transaction auditor was discussed in the meeting.	a. A new statutory auditor was appointed with the approval of CoC.

		<p>b. The replacement of Statutory Auditor was discussed with the CoC wherein the RP suggested the appointment of a new statutory auditor</p> <p>b. Resources to meet the CIRP Expenses was discussed with the CoC.</p> <p>c. As the 180 days of the CIRP period were ending, the Rp discussed with the CoC the extension of CIRP period by 90 days</p>	<p>b. CoC approved the extension of the CIRP period by 90 days.</p> <p>c. The CoC approved the appointment of Transaction Auditor.</p>
6th CoC Meeting	08.09.2021	The one Resolution Plan received was placed before the CoC and discussions were held with the Resolution Applicant	Resolution Applicant was advised to include a detailed project report on the revival of the business in the Resolution Plan
7th CoC Meeting	26.10.2021	<p>a. The revised resolution plan was discussed and voted upon by the CoC through e-voting</p> <p>b. The findings of the Transaction Audit Report were also discussed with the CoC</p> <p>c. The provisions of Regulations 39B, 39C & 39D of IBBI CIRP Regulations, 2016 were also discussed in the meeting</p>	a. The CoC approved the Resolution Plan submitted.

08 th CoC Meeting	13.02.2023	a. On the directions of the Adjudicating Authority, the matter regarding the person responsible for pursuing the applications filed for PUFEE transactions and meeting the expenses for such applications were discussed in the meeting	The CoC resolved to approve that it shall be responsible to pursue the applications filed for the PUFEE transactions and it will meet the cost other than the fees already approved by the CoC earlier. It was also decided that one of the CoC member SS Traders shall coordinate with the legal counsel on behalf of the CoC.
------------------------------	------------	---	---

12. An Extension of 90 days was granted by this Adjudicating Authority vide order dated 15.12.2021.

13. The resolution professional by an affidavit vide Diary No. 01993/2 dt. 21.10.2022 and refiled vide Dairy No. 01993/3 dt. 26.10.2022, had averred that the applicant is eligible under Section 29A of IBC, 2016. Further, it is deposed that the resolution plan in was submitted by a consortium of 4 individual's i.e. Ajay Chhabra, Sarika Chhabra, Parminder Bansal & Kavita Bansal. Out of these two individuals i.e. Mr. Ajay Chhabra & Dr. Sarika Chhabra are the promoters/Directors of the corporate debtor and are eligible to submit the resolution plan in view of the provision of section 240A of IBC, 2016 as the corporate debtor is an MSME firm as per the definition provided under the MSME Development Act,2006. Moreover, it is worthwhile to mention that the corporate debtor was a going concern and was 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.

14. 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>The Resolution Applicant has separately submitted Affidavit declaring his eligibility under section 29A of the Code</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 6 & 13.1.1 The CIRP Cost has been independently estimated by the Resolution Applicant to be up to Rs. 22,28,387/-. In the event, the CIRP Costs is lower than Rs. 22,28,387/-, the excess amount shall be added to the payment being made to the Operational Creditors & if CIRP Costs is more than Rs. 22,28,387/- then any additional amount of CIRP costs shall brought in by the RA.</p> <p>The amount of CIRP Cost shall be paid in priority to the payment of other debts of the Corporate Debtor</p>

<p>(b) provides for the payment of the debts of operational creditors in such manner as may be specified by the Board which shall not be less than:</p> <p>(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or</p> <p>(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53; Whichever is higher, and provides for the payment of the debts of financial creditors, who do not vote in favour of the resolution plan, in such a manner as may be specified by the board, which shall not be less than the amount to be paid to such creditors in accordance with the sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.</p>	<p>Clause 6 & 13.1.2- The RA has proposed payment of Rs. 1.60 Crores to the Operational Creditors. The amount due to Operational Creditors will be given priority in payment over financial creditors.</p> <p>The Liquidation value of the Corporate Debtor is Rs. 86.68 Lakhs. There are no financial creditors in the CD. The RA has proposed to pay Rs. 1.60 Crores to the Operational Creditors which is much more than the liquidation value to the Creditors.</p>
<p>(c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;</p>	<p>The Resolution Plan provides for the management of affairs of the Corporate Debtor after the approval of the Resolution plan at Clause 7</p>
<p>(d) the implementation and supervision of the resolution plan;</p>	<p>The Resolution Plan provides for implementation and supervision of the resolution plan at Clause 11</p>
<p>(e) does not contravene any of the provisions of the law for the time being in force;</p>	<p>The RA has given the declaration at Clause 10.7.1 of the Resolution plan</p>
<p>(f) Conforms to such other requirements as may be specified by the Board.</p>	<p>The Resolution Plan conforms to such other requirements as specified by the board as applicable on the date of approval of Resolution Plan by the CoC</p>

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

<p>Regulation 37(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p>	<p>Compliance under Resolution Plan</p>
<p><i>(a) transfer of all or part of the assets of the corporate debt to one or more persons;</i></p>	<p>No transfer proposed</p>
<p><i>(b) sale of all or part of the assets whether subject to any security interest or not;</i></p>	<p>No sale proposed</p>
<p><i>(ba) Restructuring of the Corporate Debtor, by the way of merger, amalgamation and demerger.</i></p>	<p>No Restructuring of the Corporate Debtor, by the way of merger, amalgamation and demerger proposed</p>
<p><i>(c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;</i></p>	<p>Under Clause 10.8 the RA has proposed that after the plan approval date all the Existing Shareholders holding of the Equity Shares of the Corporate Debtor as set out in Information Memorandum shall stand fully extinguished as a part of this Resolution Plan. As Per Clause 3(vi) upon implementation of this Resolution Plan, Resolution Applicants will hold total paid up Equity Share capital of the Restructured Corporate Debtor.</p>

<i>(ca) cancellation or delisting of any shares of the corporate debtor, if Applicable</i>	Under Clause 10.8 the RA has proposed that after the plan approval date all the Existing Shareholders holding of the Equity Shares of the Corporate Debtor as set out in Information Memorandum shall stand fully extinguished as a part of this Resolution Plan.
<i>(d) satisfaction or modification of any security interest;</i>	Not Applicable as there is no security interest
<i>(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;</i>	Not provided
<i>(f) reduction in the amount payable to the creditors;</i>	Yes. The RA has only proposed to pay an amount of Rs.1.60 Crores to the creditors against their admitted dues of Rs. 18.38 Crores.
<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 provided as there are no Financial Creditors.
<i>(h) amendment of the constitutional documents of the corporate debtor</i>	No amendment of the constitutional documents of the Corporate Debtor are proposed.
<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 provided
<i>(j) change in portfolio of goods or services produced or rendered by the corporate debtor</i>	No change proposed
<i>(k) change in technology used by the corporate debtor and</i>	No change in technology proposed

<p><i>(l) obtaining necessary approvals from the Central and State Governments and other authorities;</i></p>	<p>Provided under Clause 8 of the Resolution Plan where in the RA has sought relief from the Hon'ble NCLT to give or issue necessary directions, instructions to all relevant Governmental Authorities to continue to make available the Licenses and Permissions to the Corporate Debtor and waiver from obtaining any approval or no-objection, and the business may continue being carried out as being carried out prior to the Insolvency Commencement Date.</p>
--	---

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 Regulation 38(1)(a)- <i>The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors</i></p> <p>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>Provided under Clause 13.1.2</p> <p>Not Applicable as there are no Financial Creditors.</p> <p>Provided under Clause 13.1.6</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</p>	<p>Statement given at Clause 10.7</p>

implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.	
Regulation 38(2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Compliance under Resolution Plan	
a. <i>The term of the plan and its implementation schedule;</i>	
<i>(b) The management and control of the business of the corporate debtor during its term;</i>	The Resolution Plan provides for the management of affairs of the Corporate Debtor after the approval of the Resolution plan at Clause 7
<i>(c) Adequate means for supervising its implementation;</i>	The Resolution Plan provides for implementation and supervision of the resolution plan at Clause 11
<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 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: Provided that this clause shall not 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>	The CoC in the 08th meeting held on 13.02.2023 has decided that CoC shall be responsible to pursue the applications filed for the PUFÉ transactions and it will meet the cost other than the fees already approved by the CoC earlier. It was also decided that one of the CoC member SS Traders shall coordinate with the legal counsel on behalf of the CoC.
Regulation 38(3) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations,2017 Compliance under Resolution Plan	

<p>a. <i>It addresses the cause of default</i></p>	<p>The RA has provided a detailed project report at Clause 18 of the Resolution Plan wherein it has addressed the cause of default</p>
<p>2. <i>It is feasible and viable</i></p>	<p>The statement has been provided in Clause 14 of the Resolution Plan.</p>
<p>(c) <i>It has provisions for its effective implementation</i></p>	<p>The provisions for the effective implementation are given under Clause 11.</p>
<p>(d) <i>It has provisions for approvals required and the timeline for the same</i></p>	<p>Given under clause 8 of the Resolution Plan</p>
<p>(e) <i>The resolution applicant has the capability to implement the resolution plan.</i></p>	<p>The statement has been provided in Clause 14 of the Resolution Plan.</p>
<p>Regulation 39 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person Regulations, 2016</p>	<p>Compliance under Resolution Plan</p>

<p>Regulation 39(1)-</p> <p><i>A prospective resolution applicant in the final list may submit resolution plan or plans prepared in accordance with Code and these regulations to the resolution professional electronically within the time given in the request for resolution plans under regulation 36B along with:</i></p> <p><i>a. an affidavit stating that it is eligible under section 29A to submit resolution plan;</i> <i>b. deleted by amendment</i></p> <p><i>b. an undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code.</i></p> <p>Regulation 39(1A)</p> <p><i>A resolution plan which does not comply with the provision of sub-regulation (1) shall be rejected.</i></p> <p>Regulation 39(2)</p> <p><i>The resolution professional shall submit to the committee all resolution plans which requirements comply of the with the Code and regulations made there under along with the details of following transactions, if any, observed, found or determined by him:-</i></p> <p><i>(a) preferential transactions under section 43;</i> <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>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>Provided separately with the Resolution Plan</p> <p>Not Applicable</p> <p>Provided separately by the RA with the Resolution Plan</p> <p>Not Applicable</p> <p>Submitted in the 07th CoC meeting held on 26.10.2021</p> <p>Compiled by the CoC in the 07th meeting held on 26.10.2021</p>
---	---

--	--

15. The matter was relisted on 08.12.2023 as the payment shown to different classes of Operational Creditors in the convenience performa filed by Diary No. 03189/10 dated 27.10.2023 and the figures for the same class of Operational Creditors reflected in the Form H filed with the application were not matching. Prima facie, it indicated that the distribution of payments has undergone a change and for the same revised Form-H was required to be filed. The compliance of the same has been made Dairy No. 01389/13 dated 03.01.2024 by filing revised Form H wherein the details of Resolution Plan/Payment Schedule are stated as under:

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:-

Sr. No.	Category of Stakeholder	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan	Amount Provided to the Amount Claimed (%)

1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	Nil	Nil	--	--
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	Nil	Nil	--	--
		(ii) who voted in favour of the resolution plan	Nil	Nil	--	-
		Total[(a) + (b)]	Nil	Nil	--	--
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	Nil	Nil	--	--
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	Nil	Nil	--	--
		(ii) who voted in favour of the resolution plan				
		Total[(a) + (b)]	Nil	Nil	--	--

3	Operational Creditors	(a) Related Party of Corporate Debtor	Nil	Nil	--	--
		(b) Other than (a) above:				
		(i)Government	1.09	1.09	0.47	43.14%
		(ii)Workmen & Employees	0.56	0.37	0.21	54.72%
		(iii)Operational Creditors (Other than Workmen and Employees and Government Dues)	4.25	2.63	0.92	35.02%
	Total[(a) + (b)]	5.90	4.09	1.60	39.12%	
4	Other debts and dues	(i) other creditors (other than financial creditors and operational Creditors)	34.07	14.28	Nil	--
	Grand Total		39.97	18.37	1.60	8.69%

16. The 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	79.33*	79.33*	--	--
2.	Secured Financial Creditor	--	--	--	--
3.	Unsecured Financial Creditor	--	--	--	--
4.	Operational Creditor for Goods & Services	109.13	92.00	--	--
5.	Operational Creditor Government Dues (Customs)	--	--	--	--
6.	Operational Creditor Government Dues (Tax)**	109.13**	47.08**	--	--
7.	Operational Creditor Employees & Workers	37.71	20.63		
8.	Funds for stabilization of Business and Working Capital	--	95.00	As and when required	

**The CIRP cost is calculated upto October 2023. The RA has proposed to pay the CIRP cost on actual basis as on the Plan approval date.*

*** Against the tax dues of Rs. 35.79 Lakhs, the RA has proposed an amount of Rs. 10.96 Lakh*

17. PUF Transactions filed by RP under Regulation 35A:-

Sections	Nature of allegation	Amount involved	Documents relied upon
Preferential (Section 43, 44)	The Unsecured loan holders who are related party should have received amount after the satisfaction of the claims as defined under Section 53 of the Code, whereas they have received payment before the payment of other claims	52.67 Lakhs	Audited Balance Sheets and Trial Balance
Preferential (Section 43, 44)	Preference was given to M/s Sonata Exports Ltd. (a related party) who is also a debtor of the CD, whereas payment to the other creditors was pending. Under Section 53 of the Code, preference was given to the related party.	45.49 Lakhs	Audited Balance Sheets and Trial Balance
Fraudulent (Section 66)	The investment of Rs. 494 Lakhs was made by the CD by taking loan from the Corporation Bank. However, the business purchase agreement dated 06.10.2016 with the partners of M/s Maja Unipac. Was executed by the Director of the CD in their name. After the sale of the said unit, the money was adjusted by the Directors against the amount outstanding from the CD to Directors and the amount realized by the bank by selling the assets of the Directors. The investment is still outstanding in the books of accounts of Corporate Debtor. The amount of Rs. 494 Lakhs has been diverted with an intent to defraud creditors of the CD	494 Lakhs	Audited Balance Sheets and Trial Balance

IA No. 655/2021

In

CP (IB) No. 57/Chd/Chd/2019

(Admitted Matter)

18. The resolution professional has appointed a forensic auditor, M/s Ashwani K Gupta & Associates. A separate application bearing IA no. 1025 of 2022 and IA no.1026 of 2022 has been filed before this Adjudicating Authority for avoidance transactions, a copy of the transaction audit report has been appended with the same. The 8th CoC meeting dated 13.02.2023, it was held in agenda 4 that CoC will pursue application for avoidance transactions after approval of resolution plan.

19. The Committee of Creditors approved in the 08th CoC Meeting held on 13.02.2023 that one of the CoC member SS Traders shall coordinate with the legal counsel on behalf of the CoC who shall pursue the avoidance transaction application and also meet the expenses incurred therein.

20. The affidavit by SRA is filed vide Dairy No.01389/6 dated 19.12.2022 for payment of PF and Gratuity dues up to the date of order of the NCLT approving the Resolution Plan in terms of the order of the Hon'ble NCLAT in the Case of **M/s Jet Airways India Ltd.; upheld by the Hon'ble Supreme Court in Civil Appeal No 407 of 2023 with Civil Appeal Nos 465-469 of 2023.**

21. It is submitted vide Dairy No. 01389/8 dated 28.02.2023 that the clause 3 (iv) of the Resolution Plan is reiterated and submitted as under:-

"The total CIRP Cost of Corporate Debtor till the effective date is not known to the Resolution Applicant. That's why Resolution Applicant assumed the CIRP Cost incurred or to be incurred till the Effective Date is Rs.22,28,387/-(Rupees Twenty Two Lacs Twenty Eight Thousand Three Hundred Eighty Seven Only). RA propose to pay CIRP cost on actual basis as contemplated by Resolution Professional. In the event, CIRP cost is more than Rs.22,28,387/- (Rupees Twenty Two Lacs Twenty Eight Thousand Three Hundred Eighty Seven Only) the RA proposes to pay such excess amount of CIRP cost on actual basis. In the

event, CIRP Cost is less than Rs.22,28,387/-(Rupees Twenty Two Lacs Twenty Eight Thousand Three Hundred Eighty Seven Only) same will be adjusted to the payment, of operational creditors in the ratio of their share in the total admitted claim"

22. The compliance affidavit has been filed by the Resolution Professional regarding repayment to the Excise and Taxation Department in terms of **Rainbow Papers** vide Dairy No. 01389/9 dated 09.03.2023 wherein it is stated that *"the above law would be applicable on the corporate debtor during the Liquidation Process as during the Liquidation process there is no differentiation between the secured and unsecured creditor as has been held by the Hon'ble Supreme court in the matter of **India Resurgence Arc Private Limited vs Amit Metaliks Ltd and others**. Moreover it is worth here to mention that the terms for payment and distribution of the same in a resolution plan cannot be dictated to the successful resolution applicant, after approval from the COC. Moreover, it is worth mentioning that the resolution plan submitted by the successful resolution applicant provides for payment of Rs. 10,16,327.13 (Rupees Ten Lakhs Sixteen Thousand Three Hundred Twenty Seven and Paise Thirteen Only) to the excise and taxation department which is 30.65% of their claim amount and the plan so submitted has also been approved by the Excise and Taxation Department being part of the COC. The payment to the excise and taxation department will be made in 180 days. The details of which are given at Clause 6 at page no. 493, Clause 12 page no. 507 and Annexure 2 at page no. 521 of the resolution plan. Therefore keeping in view the judgment of the rainbow papers the successful resolution applicant has provided a certain amount towards the excise and taxation department as mentioned above, and therefore has not ignored the dues towards the state authority.*

23. It is submitted vide Diary No. 01389/12 dated 01.11.2023 that there are no prior/pending offences against the corporate debtor.

24. It is submitted vide Diary No. 01389/5 dated 19.12.2022 that, *“provident fund department is demanding more money than the provision made in the Resolution Plan. I confirm and declare that I shall pay the demanded amount in protest with right to appeal with the appropriate authorities and get the NOC from the provident fund department”*.

25. The term of the Resolution Plan shall be as per Clause 11.3 of the plan and implementation of the plan shall be as per Clause 12 of the plan.

26. It is further mentioned that upon approval of this plan and on payment to all the stakeholders of the amounts as proposed in the Resolution Plan, all the secured financial creditor shall relinquish their charges from the corporate debtor's remaining properties existing as on the insolvency commencement date in terms of the decision of the Hon'ble Supreme Court in the case of ***Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors. 2021 SCC Online SC 313*** and the principle of clean slate under Insolvency and Bankruptcy Code, 2016.

27. 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:

Sl. No.	Nature of Approval	Name of Authority who will grant Approval	The observations as regards reliefs/concessions sought as below are:-
1.	Hon'ble NCLT be pleased to give or issue necessary directions, instructions to all relevant Governmental Authorities to continue to make available the Licenses and Permissions to the Corporate Debtor and waiver from obtaining any approval or no-objection, and the business may continue being carried out as being carried out prior to the Insolvency Commencement Date.	NCLT, Chandigarh	Allowed in terms of the provision of the IBC, 2016 to enable the Corporate Debtor to continue as a going concern.
2.	Hon'ble NCLT be pleased to give or issue necessary directions, instructions to all that prior approval of the counterparties of any contract, agreement, Licenses and Permissions shall not be required to be obtained for change in control/ ownership/ constitution of the Corporate Debtor.	NCLT, Chandigarh	Allowed in terms of the 'Clean Chit' policy laid down in IBC, 2016.

3.	<p>Hon'ble NCLT be pleased to give or issue necessary directions, instructions to all relevant Governmental Authorities to provide relief &/or concession to Corporate Debtor as mentioned below: -</p> <p>· To the Central Board of Direct Tax to give all benefits & relief to Corporate Debtor as admissible to all sick units in Income Tax Act along with exemption to obtain No Objection Certificate u/s 281 of Income Tax Act from Income Tax Authorities.</p>	Relevant Authority	<p>To approach the concerned authority for necessary relief who will consider the claim of the Corporate Debtor in the spirit of IBC, 2016. It is clarified that this Adjudicating Authority has no jurisdiction over the Income Tax matters.</p>
4.	<p>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 CD, 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.</p>	NCLT, Chandigarh	<p>The payments of settlement to parties will be abated as well as continuation of the legal proceedings instituted by them will be abated in terms of GSM.</p>

5.	The payment of Persons contemplated in this Resolution Plan shall be the CD's and RA's full and final performance and satisfaction of all its obligations to such Persons and all Claims (including, for the avoidance of doubt, any unverified portion of their Claims) of such Persons against the CD and Affiliates shall stand irrevocably and unconditionally settled and extinguished in perpetuity on the Effective Date.	NCLT, Chandigarh	Allowed in terms of the spirit of 'maximisation of value of the corporate debtor and clean slate principle of the decision in Ghanshyam Mishra
6.	The payment of Employees Provident Fund Organization dues contemplated in this Resolution Plan shall be the CD's and RA's full and final performance and satisfaction of all its obligations. The interest charged prior to two years from the insolvency commencement date and damages charged shall stand extinguished. If the court does not extinguish the remaining dues of the Corporate Debtor towards Employees Provident Fund Organization, the same shall be paid out of the amount proposed to be paid to Operational Creditors other than Workmen and Employees and Government Dues.		The payment of PF and Gratuity dues up to the date of order of the NCLT approving the Resolution Plan are to be in terms of the order of the Hon'ble NCLAT in the Case of M/s Jet Airways India Ltd.; <i>upheld by the Hon'ble Supreme Court in Civil Appeal No 407 of 2023 with Civil Appeal Nos 465-469 of 2023.</i>

7.	<p>The IRP 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 to revive the stressed corporate debtor entity by way of rearranging/ restructuring assets and liabilities of the CD and in the best interest of stakeholders of the CD to the extent possible. With this objective, the RA assumes that all the creditors of the CD that have any claims against the CD have filed their claims and the verifiable claims have been admitted by the IRP / RP and disclosed in the IM and its supporting documents. Accordingly, the RA and the CD shall have no responsibility or liability in respect of any claims against the CD along with its Promoters, Directors, Officers or any associates attributable to the prior period 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</p>	NCLT, Chandigarh	Allowed in terms of clean slate principle of the decision in Ghanshyam Mishra
----	--	------------------	---

IA No. 655/2021

In

CP (IB) No. 57/Chd/Chd/2019

(Admitted Matter)

	and unconditionally abated, settled, and extinguished in perpetuity.		
--	--	--	--

28. On a perusal of the reliefs etc., sought above, it is seen that those are claimed mainly on the ground that the same are essential for keeping the corporate debtor as a going concern. Many of the reliefs sought come within the jurisdiction of Government Authorities/Departments. As regards such claims, it is clarified that under the IBC 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. Thus, the reliefs/waivers pertaining to the domain of various Departments/Governmental Authorities, except for those allowed in the foregoing paragraphs specifically considering the need to keep the corporate debtor as a going concern, is beyond the powers of this Adjudicating Authority to sanction 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 granting the said relief(s).

29. 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.

30. For the implementation of the plan, the 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. Sachit Soni	Resolution Professional
Two Representatives of Resolution Applicants.	The Resolution Applicant shall propose the name of its representative after the approval of Resolution Plan
Two Representatives from the CoC	The CoC shall propose the name of its representative after the approval of Resolution Plan

31. After hearing the submissions made by the learned counsel for the Resolution Professional and perusing the records, we find that the Resolution Plan has been approved on the terms both financial and others as detailed therein.

32. 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.

33. On perusal of the documents on record, we are satisfied that the Resolution Plan, thereto, is 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.

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

35. 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.

35.1. 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 owed, guarantors and other stakeholders involved in the resolution plan.

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

35.3. 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.

35.4. 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.

35.5. 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.

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

36. 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.

37. 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.

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

39. The Resolution Plan is approved with the above-mentioned some observations and thus, the application bearing IA No. 655 of 2021 in the main Company Petition, i.e., CP (IB) No. 57/Chd/Chd/2019 is allowed and stands disposed of accordingly.

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

Sd/-

(Subrata Kumar Dash)
Member (Technical)

January 17, 2024

TBG/PKA

Sd/-

(Harnam Singh Thakur)
Member (Judicial)