



**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*(Exercising powers of Adjudicating Authority under  
The Insolvency and Bankruptcy Code, 2016)*

**I.A. NO. 222/2022**

in

**C.P. (IB) NO. 50/BB/2021**

Section 30(6) of the Insolvency & Bankruptcy Code, 2016 read with Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016) and Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

**IN THE MATTER OF:**

**VIJAYAA STEELS LIMITED**

Represented by its Resolution Professional,

**Mr. Hari Babu Thota**

Address: #41/1, 2<sup>nd</sup> Floor, 11<sup>th</sup> Cross

8<sup>th</sup> Main, 2<sup>nd</sup> Block,

Jayanagar, Bengaluru – 560011.

.... Resolution Professional/Applicant

**IN THE MAIN MATTER OF:**

**URBAN RESERVES (INDIA) PRIVATE LIMITED,**

No. 60, Adarsh Regent, 4<sup>th</sup> Floor,

100 ft. Kormangala Ring Road,

Domlur Extn., Bengaluru- 560041.

.... Petitioner/Financial Creditor

*Versus*

**VIJAYAA STEELS LIMITED,**

Chinnatimmana Palya (Subbayana Palya),

A Hosahalli Dakale, Kunigal Taluk,

Tumkur District- 572 130.

.... Respondent/Corporate Debtor

**Order delivered on: 15.12.2025**

**Coram:**

1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

**ORDER**

1. **Mr. Hari Babu Thota** (Resolution Professional of the Corporate Debtor) has filed this Application on 08.06.2022 under Section 30(6) read with Section 31 of the Insolvency

and Bankruptcy Code, 2016 and Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 seeking approval of the Resolution Plan of the Corporate Debtor submitted by ***Biyar Rubbers Private Limited*** (*Successful Resolution Applicant/SRA*), and approved by the Committee of Creditors in its 4<sup>th</sup> meeting held on 20.05.2022 with 100% voting share.

## 2. ABOUT THE CORPORATE DEBTOR

M/s. Vijayaa Steels Limited, Corporate Debtor was admitted to undergo Corporate Insolvency Resolution Process vide order dated 09.12.2021 in CP (IB) No. 50/BB/2021, filed under section 7 of IBC for a default amount of Rs.4,25,00,000/- and Rs.1,42,23,342/- is the outstanding amount of interest. **Mr. Hari Babu Thota** (IBBI/IPA-002/IP-N00084/2017-18/10225) was appointed as the Interim Resolution Professional. Subsequently vide order dated 18.04.2022 passed in I.A. 17/2022, he was confirmed as the Resolution Professional of the Corporate Debtor. The Nominal Capital of the Respondent/Corporate Debtor is Rs.10,00,00,000 and Paid-up Capital is Rs.7,82,19,500.

<b>Name of the Company</b>	<b>M/s. VIJAYA STEELS PRIVATE LIMITED</b>
CIN	CIN: U85110KA1972PLC002224
Date of Incorporation	31.07.1972

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

S. No.	Date	Particulars
1.	09.12.2021	Corporate Debtor admitted into CIRP and appointment of IRP.
2.	15.12.2021	Paper Publication for Public announcement in Form A.
3.	07.01.2022	<i>1<sup>st</sup> CoC Meeting</i> - Applicant was confirmed as RP of the Corporate Debtor by the CoC.
4.	12.01.2022	Registered Valuers appointed by the Applicant after the approval of the CoC.
5.	15.02.2022	Paper Publication issuing Form G for expression of Interest.
6.	19.03.2022	List of Prospective Resolution Applicant (PRAs) prepared
7.	18.04.2022	Applicant was confirmed as RP of the Corporate Debtor by the Adjudicating Authority.
8.	12.03.2022	Request for Resolution Plan issued
9.	14.04.2022	Last date for submission of Resolution Plan by PRAs and Resolution Plan was submitted by SRA.

	10.05.2022	
10.	20.05.2022	4 <sup>th</sup> Meeting of CoC- wherein Resolution Plan was placed before the CoC.
11.	20.05.2022	Date of Approval of Resolution Plan <i>submitted by Biyar Rubbers Private Limited with 100% majority.</i>
12.	03.06.2022	Filed for extension of CIRP from 07.06.2022 to 27.06.2022.
13.	07.06.2022	Date of Filing of resolution plan with AA and expiry of 180 days of CIRP.
14.	12.07.2022	CIRP extended till 27.06.2022.

### 3. APPOINTMENT OF REGISTERED VALUERS:

Registered Valuers were appointed on 12.01.2022, the valuation reports are attached as **Exhibit-1** in Compliance Memo dated 27.11.2025. The Fair Value and Liquidation value of the Corporate Debtor is as follows:

(In INR)	Registered Valuer 1 ( <i>Inampudi Bindu Madhavi</i> )	Registered Valuer 2 ( <i>M V Sudarshan</i> )	Average Value
<b>Fair Value</b>	9,000	10,000	9,500
<b>Liquidation Value</b>	0	0	0

### 4. DETAILS OF THE SUCCESSFUL RESOLUTION APPLICANT

M/s Biyar Rubbers Private Limited is a one of the reputed manufactures and exporters of Precured Tread Rubber, Conventional Tread Rubber, Cushion Gum, Outer Curing Envelopes and other Tyre Retreading Materials, in India. The manufacturing facility started in 1982 and has a state-of-the-art production unit, with in-house R & D facilities. **SRA is an ISO 9001:2015 Certified Company.** The product range includes: Precured Tread Rubber, Mold Cure Tread Rubber, Cushion/Bonding Gum, Cushion Strips, Gum Chords, Black Vulcanising Cement, Curing Envelopes and Customized Rubber Compound. The financials of the SRA have been attached as *Annexure 2* to the Resolution Plan.

The Resolution Applicant meets the criteria provided by the CoC and is also eligible under Section 29A of the Code, affidavit regarding the same and the due diligence report under Regulation 36A (8) have been attached to the memo dated 25.11.2025 at Pg no. 19 and 101 respectively, confirming the eligibility of the SRA.

### 5. FEASIBILITY AND VIABILITY OF THE PLAN:

The net worth of the SRA is Rs. 1,11,28,194/- as on 19.11.2025, the net worth certificate has been attached on Pg no. 61 of the memo dated 25.11.2025. Further, Financial Statement has also been attached up to 31.03.2024.

Further, as per memo dated 03.12.2025, the SRA has explained that as the CD has been non-operational for several years and currently possesses no tangible assets, RA has proposed to merge the CD with itself, allowing the RA to consolidate the financials of both entities. The merger structure enables a seamless integration of the CD's corporate identity into the RA's active business framework ensuring continuity, administrative convenience and operational stability. The Resolution Applicant proposes to infuse Rs. 1.50 crore as a settlement amount towards all claims admitted against the Corporate Debtor. This ensures a clear and qualified financial outlay, which is fully backed by the RA's existing and operational business.

Since the Corporate Debtor will not resume independent operations, and the merged entity will rely solely on the proven and functioning operations of the Resolution Applicant, the future business risk remains low as evidenced in the projected statements. (Projected financials of the merged entity is available at Pg. No. 147 to 149 of the I.A. 222/2022.)

The Resolution Plan is feasible, as it involves a clear financial commitment by the Resolution Applicant, no requirement for revival of non-operational assets and efficient integration through merger.

#### **6. SOURCE OF FUNDS AND PERFORMANCE BANK GUARANTEE:**

- **Source of Funds:** The net worth of the SRA is Rs. 1,11,28,194/- as on 19.11.2025, the net worth certificate has been attached on Pg no. 61 of the memo dated 25.11.2025.
- **Performance Bank Guarantee:** Rs. 5,00,000 was received along with EoI which is adjusted in the Performance Security. Further, Rs. 20,00,000 was received along with the Resolution Plan which is also adjusted in Performance Security and Rs. 25,00,000 was received upon approval of the Resolution Plan by the CoC. Copy of latest Fixed Deposit Certificate is enclosed as *Annexure-2*.

#### **7. MERGER & CAPITAL RESTRUCTURING**

The Resolution Applicant herein proposes merger of Corporate Debtor with itself i.e.; Vijayaa Steels Limited shall be merged into Biyar Rubbers Private Limited and thus consolidating the accounts of the two companies. Thereafter, the books shall be

consolidated and Biyar Rubbers Private Limited shall remain as the merged entity. In the process, the paid-up share capital of Vijayaa Steels Limited shall be cancelled and the Authorised Share Capital of the Corporate Debtor shall be merged with the Authorised Share Capital of the Resolution Applicant and accordingly the Authorised Share Capital of the Resolution Applicant shall increase by Rs. 10,00,00,000/- (Rupees Ten Crores). There being no assets in the Balance Sheet of the Corporate Debtor, the TRADEMARK and LOGO not renewed and other assets, if any discovered shall merged with Resolution Applicant and the liabilities to the extent of takeover in this Resolution Plan shall stand settled. The carried forward losses shall be utilized by the merged entity.

#### 8. IMPLEMENTATION AND MONITORING

The resolution applicant shall form monitoring committee which shall act as supervisor for monitoring of the implementation of resolution plan for a period of 30 days from the date of approval of the NCLT order. The monitoring committee shall comprise the following:

- a. Resolution Professional a.k.a Monitoring Agent
- b. One member from the Committee of Creditor
- c. One representative of the Resolution Applicant.

The term of the Plan for its implementation is as follows:

Particulars	Timeline
Approval of Resolution Plan by Hon'ble NCLT, Bengaluru Bench	X
Upfront Cash Payment	X+ 30 days

#### 9. AVOIDANCE TRANSACTIONS, PENDING LITIGATION & IBBI FEE:

- **PUFE Transaction:** As per Para 12 of the Form H, the following Preferential, Undervalued, Fraudulent and Extortionate transactions are pending:

Sl. No.	Type of Transaction	Amount (Rs.)	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority
1.	Preferential Transactions u/s 43	24,99,76,164	20.05.2022 (I.A. No. 205 of 2022)	Pending before the Adjudicating Authority
2.	Undervalued transactions u/s 45	1,11,13,000	20.05.2022 (I.A. No. 204 of 2022)	Pending before the Adjudicating Authority
3.	Extortionate Credit transaction	NA	NA	NA

	u/s 50			
4.	Fraudulent Transactions u/s 66	NA	NA	NA
5.	Combination of PUFEE Transactions	26,10,89,164	20.05.2022 I.A. No. 204 & 205 of 2022	Pending before the Adjudicating Authority
	<b>Total</b>	<b>26,10,89,164</b>		

The Resolution Applicant confirmed that the proceeds out of the PUFEE applications shall be as per the decision of the CoC in its 6<sup>th</sup> meeting held on 25.03.2023 wherein it was decided that the proceeds shall be distributed as per section 53 of the Code. Further, it has been confirmed that the proceedings regarding these two applications may be carried out by the Resolution Professional or any other personal as authorized by the Committee of Creditors, post approval of the Resolution Plan. The supporting documents have been submitted vide compliance Memo filed on 31.03.2023.

- **IBBI Fees:** The Applicant at para 11 of the Form-H has stated that amount of Regulatory fee payable (0.25%) to the Board under Regulation 31A is **Rs. 33,750/-** and the same is reproduced below:

Class of Creditors	Amount Recoverable under the Resolution Plan (A)	0.25% of A
Secured Financial Creditors	Rs. 1,30,00,000/-	Rs. 32,500/-
Operational Creditors	Rs. 4,98,700/-	Rs.1,246.75/-
Government Dues	Rs. 1,300/-	Rs. 3.25/-
Total		Rs. 33,750/-

- **Pending Litigation:** Affidavit listing down the pending litigation against the Corporate Debtor has been filed on pg. no. 22 of the Compliance memo dated 31.03.2023.

10. Heard *Sh. Chandramouli Prabhakar, Advocate*, learned counsel for the RP and carefully perused the pleadings on record.

11. On 27.02.2023, following order was passed:

**“IA Nos. 222 of 2022:**

.....

3. *Ld. Counsel for the RP is directed to file (1) Affidavit regarding the avoidance transactions as to how the proceeds will be distributed among various stakeholders of Corporate Debtor in the event of its realization (2) Affidavit regarding pending litigations, if any, against the Corporate Debtor (3) Affidavit regarding Regulation 31A of IBBI CIRP Regulations, 2016 (4)*

**I.A. No. 222/2022 in CP (IB) 50/BB/2021**

*Affidavit regarding whether the claims of the Statutory Authorities/PF/Gratuity Dues if included in the Plan are in line with the recent Judgments of Rainbow Papers Ltd. and Jet Aircraft Maintenance Engineers Welfare Association, within two weeks.*

*4. List the case on 31.03.2023.”*

**12.** On 26.11.2025, following order was passed:

.....

*2. On perusal of the records, it is noticed that the following clarifications and documents are required with regard to the Resolution Plan:*

*a. Valuation Report*

*b. Feasibility and Viability of the Plan*

*c. Cause of default not addressed.*

*3. A Compliance Memo dated 25.11.2025 has been filed, wherein the Balance Sheets up to FY 2023–24 have been placed on record, which reflect losses. Furthermore, as per the Net-worth Certificate, the net worth of the Successful Resolution Applicant as on 19.11.2025 is Rs. 1,11,28,194/-, whereas the plan value proposed is Rs. 1,50,00,000/-. In view thereof, the source of funds for meeting the plan obligations require clarification.*

*In view of the above, the Resolution Professional is directed to furnish the above-mentioned documents and clarifications within a period of one week. Order Reserved in I.A No.222/2022.”*

**13.** In compliance to the aforementioned orders, the Applicant has filed memo dated 30.03.2023 and 27.11.2025 which are taken on record.

#### **SALIENT FEATURES OF THE RESOLUTION PLAN:**

**14.** Post commencement of CIRP, CoC was constituted by the RP. The details of the creditors, the distribution of voting share among them and the position of voting for the Resolution Plan is as under (**Para 6** of Form H):

Sl.	Name of Creditor	Voting Share (%)	Voting Resolution (Voted/Dissented/Abstained)	for Plan for/
1.	Urban Reserves India Private Limited	100	Voted for	

**15.** The details of stakeholders and the amounts provided for them under the Resolution Plan is given in **Para 7B** of Form H, given below:

*(Amount In Rupees)*

Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed (In Rs.)	Amount Admitted (In Rs.)	Realizable Amount under the Plan (In Rs.)	Amount Provided to amount claimed (%)	

<b>Secured Financial Creditors</b>					
Creditors not having a right to vote under sub-section (2) of section 21	Nil	Nil	Nil	Nil	Nil
Dissenting	Nil	Nil	Nil	Nil	Nil
Assenting	5,67,23,342	5,67,23,342	1,30,00,000	23%	Upfront Cash payment within 30 days from approval of Resolution Plan
<b>Unsecured Financial Creditors</b>					
Creditors not having a right to vote under sub-section (2) of section 21	Nil	Nil	Nil	Nil	Nil
- Dissenting	Nil	Nil	Nil	Nil	Nil
- Assenting	Nil	Nil	Nil	Nil	Nil
<b>Operational Creditors</b>					
(i) Government	6,50,235	6,50,235	1300	0.2%	Upfront Cash payment within 30 days from approval of Resolution Plan
(ii) Workmen - PF dues - Other dues	Nil	Nil	Nil	Nil	
(iii) Employees - PF dues - Other dues	Nil	Nil	Nil	Nil	
(iv) Other Operational creditors					
a. Related Party of Corporate Debtor	14,20,95,860	10,11,15,268	2,06,307	0.2%	
b. Other Operational Creditor	14,81,66,454	14,33,07,545	2,92,392	0.2%	
<b>Other Debts and Dues (CIRP Cost)</b>	-	-	15,00,000	100%	Upfront Cash payment within 30 days from approval of Resolution Plan
<b>Shareholders</b>	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>34,76,35,89</b>	<b>30,17,96,39</b>	<b>1,50,00,000</b>	<b>5%</b>	

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\*The payment to the Secured Financial Creditors is subject to payment of CIRP cost on actual basis.

**16. The compliance of the Resolution Plan as per Form H is hereunder:**

Section of Code/ Regulation No.	Requirement with respect to Resolution Plan	Compliance Y/N	Relevant Clause
25(2)(h)	The Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD	Yes	The Resolution Applicant meets the criteria approved by the CoC
Section 29A	The Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority.	Yes	The Resolution Applicant has submitted an undertaking under Sec 29A confirming its eligibility to submit the Resolution Plan
Section 30(1)	The Resolution Applicant has submitted an affidavit stating that it is eligible as per Code	Yes	The affidavit under Section 29A submitted by the Resolution Applicant has been enclosed to I.A. No. 222 of 2022 in pg. no. 167 to 175
Section 30(2)	The Resolution Plan-	Yes	Para VI-VII (Page 114 to 115)
	(a) provides for the payment of insolvency resolution process costs.	Yes	Para VI-IX (Page 114 to 117)
	(b) provides for the payment of the operational creditors.	Yes	Para XII ( <b>not applicable</b> )
	(c) provides for payment to the financial creditors who did not vote in favour of the resolution plan	Yes	Para XII (Pg no. 124)
	(d) provides for the management of the affairs of the Corporate Debtor.	Yes	Para XII (Pg. no. 126)
	(e) provides for the implementation and supervision of the Resolution Plan.	Yes	The Resolution Plan does not contravene provisions of the law for the time being in force.
Section 30(4)	The Resolution Plan	Yes	Annexure-3 at Pg. no. 62 to 81.
	(a) is feasible and viable, according to the CoC	Yes	
	(b) has been approved by the CoC with 66% voting share	Yes	
Section 31(1)	The Resolution Plan has provisions for its effective implementation plan, according to the	Yes	Annexure-3 at Pg. no. 62 to 81.

	CoC		
Regulation 38 (1)	The amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors	Yes	Para VI and XII (Pg no. 114 and 123)
Regulation 38(1A)	The resolution plan includes a statement as to how it has dealt with the interests of all stakeholders	Yes	Para IX (Pg no.116)
Regulation 38(1B)	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If Applicable the Resolution Applicant has submitted the statement giving details of such non-implementation	Yes	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to failure of implementation of any resolution plan approved under the Code.
Regulation 38(2)	The Resolution Plan provides:		
	(a) the term of the plan and its implementation schedule	Yes	Para XII-2
	(b) for the management and control of the business of the Corporate Debtor during its term	Yes	Para XII-3
	(c) Adequate means for supervising its implementation	Yes	Para XII-5 (Pg no. 123 to 126)
Regulation 38(3)	The resolution plan demonstrates that –		
	(a) it addresses the cause of default	Yes	Para XI (Pg no. 123)
	(b) it is feasible and viable	Yes	
	(c) it has provisions for its effective implementation	Yes	Para XII-2 (Pg no. 123)
	(d) it has provisions for approvals required and the timeline for the same	Yes	Para XIII (Pg. no. 127)
(e) the resolution applicant has the capability to implement the resolution plan	Yes	Annexure 1 of the Resolution Plan	
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Yes	I.A. No. 204 and 205 of 2022
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Yes	The performance security of Rs. 50,00,000/-was received as follows: i. Rs. 5,00,000 was received along with EoI which is adjusted in the Performance Security. ii. Rs. 20,00,000 was received along with the Resolution Plan which is adjusted in the Performance Security. iii. Rs. 25,00,000 was received upon

			approval of the Resolution Plan by the Co. Copy of latest Fixed Deposit Certificate is enclosed as Annexure-2.
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17. At this juncture it is necessary to refer to Section 30(2) of IBC which is as follows:

*“30. Submission of Resolution Plan:*

*.....*

*(2) The resolution professional shall examine each Resolution Plan received by him to confirm that each Resolution Plan-*

*(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the 3[payment] of other debts of the corporate debtor;*

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

*i. amount to be paid to such creditors in the event of liquidation of the corporate debtor under section 53; or*

*ii. the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with the order of priority in sub-section (1) of Section 53, whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the Resolution Plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the Corporate Debtor.*

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

*Explanation 2. – For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-*

*(i) where a Resolution Plan has not been approved or rejected by the Adjudicating Authority;*

*(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or*

*(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a Resolution Plan;*

*(c) provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan;*

*(d) The implementation and supervision of the Resolution Plan;*

*(e) does not contravene any of the provisions of the law for the time being in force*

*(f) conforms to such other requirements as may be specified by the Board.”*

## **18. REGULATORY COMPLIANCES:**

The compliances of Section 30(2) of the Code are given in Annexure to Form-H (supra). The same are being further examined as under:

- a) **Section 30(2)(a):** As per the Code, CIRP Costs at actuals shall be made in priority over other debts of the Corporate Debtor. The Resolution Plan proposes for payment of CIRP Cost on actuals. The Plan Proposes for payment of Rs. 15,00,000/- post merger and over & above the proposed payment, if any, shall be deducted from the amount payable to Secured Financial Creditors.
- b) **Section 30(2)(b):** As per Section 30(2)(b) of IBC Code, 2016 payment of debts of Operational Creditors should be in such a 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 liquidation of Corporate Debtor under Section 53. The Resolution Plan provides for payment to the operational creditors in the Para VII at Page No. 115 of the Resolution Plan and the details of payment by the Resolution Applicant towards the claims of operational creditors is as follows.

S. No.	Operational Creditor	Principal amount admitted (in Rs.)	Settlement amount proposed (in Rs.)	Repayment Period
1.	Government	6,50,235	1,300	Upfront Cash Payment within 30 days from approval of Resolution Plan.
2.	Workmen -PF Dues -Other dues	NA	NA	
4.	Employees -PF dues -Other dues	NA	NA	
3.	Other Operational creditors			
	a. Related Party of Corporate Debtor	10,11,15,268	2,06,307	
	b. Other Operational Creditor	14,33,07,545	2,92,392	

It is further clarified that in terms of Regulation 38(1) of the CIRP Regulations, all amounts due to the operational creditors under the Plan shall be given priority in payment over the Financial Creditors and there are no dissenting financial creditors as the only Financial Creditors voted in favour of the resolution plan submitted by the SRA for the Corporate Debtor.

- c) **Section 30(2)(c):** Not Applicable as there is only one CoC member financial creditor, who has approved the resolution plan with 100% voting share.
- d) **Section 30(2)(d):** Para XII of the plan discusses the Management, it states that the existing directors shall vacate their office of directorship from the date of

approval of resolution plan by the Adjudicating Authority and the Corporate Debtor shall be managed by the following directors of the Resolution Applicant, which shall be effective from the date of approval of resolution plan by the adjudicating authority:

- *Nischith Bhaskar Shetty*, Director of Resolution Applicant
- *Adith Bhaskar Shetty*, Director of Resolution Applicant

The resolution applicant shall form monitoring committee which shall act as supervisor for monitoring of the implementation of resolution plan for a period of 30 days from the date of approval of the NCLT order. The monitoring committee shall comprise of the following:

- Resolution Professional a.k.a Monitoring Agent
- One member from the Committee of Creditor
- One representative of the Resolution Applicant

Mr. Hari Babu Thota is proposed to be appointed as the Monitoring Agent, on terms as agreed between the Resolution Applicant and the said insolvency professional and the CoC. The Monitoring Agent shall exercise all powers as were available to the Resolution Professional for the sole purpose of giving effect to the terms of the approved Resolution Plan. The term of office of the Monitoring Agent shall be with effect from the date of receipt of NCLT order to 30 days from then, unless extended by the Resolution Applicant for such period, and on such terms, as may mutually agreed. The Monitoring Agent shall, in all actions, be guided by the advice & instructions of the Monitoring Committee.

e) **Section 30(2)(e): Indicative Timeline:**

S. No	Activity	Indicative Timeline
1.	Approval of Resolution Plan	T
2.	Formation and appointment of the Monitoring Committee.	T+7
3.	Infusion of Upfront Amount of Rs. 1,50,00,00	T+ 30

- f) **Section 30(2)(f):** The Resolution Applicant in the Annexure to Form H, at page no. 100 confirms that the Resolution Plan is not in contravention of any of the provisions of the applicable laws for the time being in force and that the contents of the Plan are true & correct.

- g) **Regulation 36B (4A)** - Rs. 5,00,000 was received along with EoI which is adjusted in the Performance Security. Further, Rs. 20,00,000 was received along with the Resolution Plan which is also adjusted in the Performance Security and Rs. 25,00,000 was received upon approval of the Resolution Plan by the CoC. Copy of latest Fixed Deposit Certificate is enclosed as **Annexure-2**.
- h) It is submitted that the Resolution Plan complied with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency process for Corporate Persons) Regulations, 2016 which are as follows:
- 1) **Regulation 38(1)**: The Plan, is in compliance with Regulation 38(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 the amount due to the operational creditors under the Resolution Plan has been given priority in payment over financial creditors.
  - 2) **Regulation 38(1A)**: Clause IX at Pg no.116 of the plan states that the Resolution Applicant has considered the interest of all the stakeholders and has accordingly proposed to make payment to the stakeholders in the following manner:

Application of Funds	Admitted Amount (in Rs.)	Amount proposed (in Rs.)	Remarks
CIRP Costs	-	Rs. 15,00,000	The CIRP Cost shall be paid in full post-merger
Secured Financial Creditors	Rs. 5,67,23,342	Rs. 1,30,00,000	The claims of Financial Creditors shall be settled up to 23% of their claims, post-merger.
Unsecured Financial Creditors	N.A.	N.A.	
Operational Creditor	Rs. 24,44,22,813	Rs. 4,98,700	The claims of Operational Creditors shall be settled up to 0.20% of their claims, post-merger
Employees	N.A.	N.A.	The Corporate Debtor does not have any employees as on date of Resolution Plan and does not have any dues pending as per the Information Memorandum.
Statutory	Rs. 6,50,235	Rs. 1,300	The claims of statutory

dues			authorities shall be settled up to 0.20% of their claims, post – merger.
Shareholders	N.A.	N.A.	The shares of the Company shall be cancelled.
<b>Total</b>	<b>30,32,96,390</b>	<b>1,50,00,000</b>	

- 3) **Regulation 38(1B):** As mandated under Regulation 38(1B) of the CIRP Regulations, the Resolution Applicant confirms in that as on date the Resolution Applicant or any of its related parties has not failed to implement or contributed to the failure of implementation of any Resolution Plan approved under the code.
- 4) **Regulation 38(3)(a):** The cause of default has been addressed in memo dated 03.12.2025, wherein it is stated that the cause of default arises from non-payment of liabilities and prolonged non-operation and is fully addressed under the Resolution plan. The Resolution Applicant proposes to settle all admitted claims with a clear financial outlay of Rs. 1.50 crore, ensuring that outstanding obligations are fully discharged. As the CD has no tangible assets and will not resume independent operations, the merger with the SRA integrates the CD into a financially and operationally stable entity, leveraging the SRA’s ongoing business to generate sustainable cash flows. This structure eliminates the risk of recurrence of default, while ensuring legal, administrative and operational continuity, thereby comprehensively addressing the cause of default.
- 5) **Regulation 38(3)(b):** As per memo dated 03.12.2025, the SRA has explained that as the CD has been non-operational for several years and currently possesses no tangible assets, RA has proposed to merge the CD with itself, allowing the RA to consolidate the financials of both entities. The merger structure enables a seamless integration of the CD’s corporate identity into the RA’s active business framework ensuring continuity, administrative convenience and operational stability. Further, (Projected financials of the merged entity is available at Pg. No. 147 to 149 of the I.A. 222/2022.)

- 6) **Regulation 38(3)(c):** The repayment to various creditors will be completed within 30 days of plan approval.

S. No	Activity	Indicative Timeline
1.	Approval of Resolution Plan	T
2.	Formation and appointment of the Monitoring Committee.	T+7
3.	Infusion of Upfront Amount of Rs. 1,50,00,00	T+ 30

**Breakup of Upfront Cash Payment:**

Sl. No.	Details	Amount	Timeline
1.	Refundable deposit to be adjusted with Performance Security upon approval of this Resolution Plan by NCLT	Rs. 5,00,000	Along with Expression of Interest
2.	Earnest Money Deposit to be adjusted with Performance Security upon approval of this Resolution Plan by NCLT	Rs. 20,00,000	Along with this Resolution Plan
3.	Performance Security payable upon approval of this Resolution Plan by Committee of Creditors	Rs. 25,00,000	Upon approval of this Resolution Plan by Committee of Creditors
4.	Upfront Cash Payment	Rs. 1,00,00,000	Upon approval of this Resolution Plan by NCLT
	Total Consideration	Rs. 1,50,00,000	Within X+30 days

- 7) **Regulation 38(3)(d):** The time-line for approvals of Resolution Plan is stated in Para XIII of the Resolution Plan, on Pg no. 127. Further as per Para XV (A) on pg. 140 the implementation of the Resolution Plan may require approval from various authorities. The Monitoring Committee shall file, or cause to be filed, applications with various authorities as required for implementation of the Resolution Plan, in a form and manner agreed with the Resolution Applicant.
- 8) **Regulation 38(3)(e):** Annexure 1 of the Resolution Plan at Page 144 lays emphasis on the capability of the SRA to implement the Resolution Plan. Further, the SRA has also attached Projected financials for the merged entity for 5 years till FY 2029 on pg. no. 147 of the Plan.

- i) The Resolution Professional has certified that the Resolution Plan is not subject to any contingency in Para 16 of Form-H. Further, in Para 2 it is certified that the Resolution Plan complies with all the provisions of Insolvency and Bankruptcy Code, 2016 and the Regulations thereunder and also does not contravene any of the provisions of the law for the time being in force. Further, the SRA has submitted an affidavit under section 30(1) of the Code confirming its eligibility under Section 29A of the Code to submit the Resolution Plan. It is further certified that the Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved with 100% vote share after considering all the requirements specified by the CIRP Regulations.
- j) **Reliefs and Concessions:** In Para XIII, on page no. 127 of the Plan, the Resolution Applicant has urged for exemption of compliance in relation to Companies Act, 2013, Taxes (Direct & Indirect) & Stamp Duty as well as Specific Laws, other Government Approvals as applicable to the Corporate Debtor and any other amounts payable by the Corporate Debtor. The Prayer has been examined and it is observed that for such reliefs and exemptions, the Resolution Applicant will have to approach the respective Statutory Authorities for being decided and accorded as per the provisions of applicable laws and landmark judgements. Further, the approval of the Resolution Plan shall not by itself be construed as waiver of any statutory obligations/liabilities and any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of Supreme Court in *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited (Civil Appeal no. 8129 of 2019)*.
- k) Further, in this regard, liberty is given to the SRA and the Corporate Debtor to proceed with the prescribed procedure under Sections 230 to 232 of the Companies Act, 2013, in relation to the scheme of merger proposed as part of the Resolution Plan. It is observed that the Resolution Plan states that, upon approval of the Plan, the trademark of the Corporate Debtor shall stand automatically renewed. However, in this respect as well, the SRA/Resolution

Professional is directed to strictly adhere to and comply with the procedure prescribed under the Trademarks Act, 1999, for renewal or continuation of the said trademark.

**19. DECISION OF THE ADJUDICATING AUTHORITY:**

In the circumstances and for the aforesaid reasons, the incumbent application bearing **I.A. No. 222 of 2022 in CP (IB) 50/2021** is allowed and accordingly:

- i. **The Resolution Plan at Annexure 4, submitted by M/s. Biyar Rubbers Private Limited in respect of the Corporate Debtor, is hereby approved.**
- ii. The RP / Monitoring Committee is directed to keep the Applicant in I.A. Nos. 237 & 238 of 2022 duly informed and apprised of all developments concerning the implementation of the Resolution Plan.
- iii. The Resolution Plan so approved shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.
- iv. Under the provisions of section 31(3) of the Code, we also direct as under:
  - a. The moratorium imposed vide order dated 09.12.2021 in the main Company Petition ceases to operate from the date of this order.
  - b. The resolution professional shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the Board to be recorded/uploaded on its database.
- v. Further, the Resolution Professional is directed to handover the management, control and all the assets, documents/records in physical and/or digital form to the Successful Resolution Applicant immediately and the Resolution Professional stands discharged of his responsibilities of such position in this case.
- vi. It is clarified that this order shall not be construed as an order granting exemption from payment of stamp duty, taxes or charges, if any, payment due or required in accordance with law or in respect to any

permission/compliance with or anything specifically required under any law to be done/performed etc for the time being in force.

- vii. In case of non-compliance/non-implementation/failure in 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. The Resolution Applicant shall also be liable to further compensate for the delay, deprivation and diminishing prospects of CD in that event, as may be determined by this Authority.
- viii. The approved Resolution Plan shall be effective forthwith and the Monitoring Committee shall submit a report of implementation of Resolution Plan within 15 days after the plan payment period.

**-Sd-**

**RADHAKRISHNA SREEPADA**  
**MEMBER (TECHNICAL)**

**-Sd-**

**SUNIL KUMAR AGGARWAL**  
**MEMBER (JUDICIAL)**