

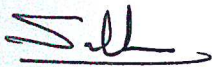
**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH**

**PRESENT: HON'BLE SHRI K. ANANTHA PADMANABHA SWAMY, MEMBER - JUDICIAL  
HON'BLE DR. BINOD KUMAR SINHA, MEMBER - TECHNICAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 28.01.2020 AT 10.30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA. No. 779/2019 in CP(IB)No. 344/9/HDB/2018
NAME OF THE COMPANY	Sri Ramanjaneya Ispat Private Limited
NAME OF THE OPERATIONAL CREDITOR	Hemang Resources Limited
NAME OF THE CORPORATE DEBTOR	Sri Ramanjaneya Ispat Private Limited
UNDER SECTION	Sec 9 of the IBC, 2016

**Counsel for Petitioner(s):**

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
Sachin Sharma (for Suryanaray) Adv for RP	Adv	9848765475	

**Counsel for Respondent(s):**

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

**ORDER**

IA No.779/2019

Order pronounced in open court. Resolution plan approved vide separate order.

  
**MEMBER TECHNICAL**

  
**MEMBER JUDICIAL**

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

IA No.779 of 2019  
In CP (IB) No.344/9/HDB/2018

**In the matter of:-  
M/s. SRI RAMANJANEYA ISPAT PRIVATE LIMITED**

Between:

Mr. V. Shankar  
Resolution Professional  
Sri Ramanjaneya Ispat Private Limited,  
(CIN: U27310TG2008PTC060371)  
Having registered office situated at  
Flat no-C4, Trendset Villas, Road No.3,  
Banjara hills, Hyderabad, Telangana 500034

**...Applicant**

And

Hemang Resources Limited,  
Plot no. 4, 6th Avenue, Harington Road,  
Chetpet, Chennai-600031, Tamilnadu

**....Petitioner/  
Operational Creditor**

Vs

Sri Ramanjaneya Ispat Private Limited,  
Flat no-C4, Trendset Villas, Road No.3,  
Banjara hills, Hyderabad, Telangana 500034

**....Corporate Debtor/  
Respondent**

**Date of Order: 28.01.2020**

**Coram: Shri K. Anantha Padmanabha Swamy, Member Judicial  
Dr. Binod Kumar Sinha, Member Technical**

**Counsels/Parties present:**

For the Applicant/RP:  
Y. Suryanarayana, Advocate

Per: K. Anantha Padmanabha Swamy, Member Judicial

**ORDER**

1. Under consideration is an interlocutory Application bearing IA No.779 of 2019 filed by the Resolution Professional (in short **RP**) in the matter of M/s. Sri Ramanjaneya Ispat Private Limited under section 30(6) and section 31 of the Insolvency and Bankruptcy Code, 2016, R/w Regulation 39(4) of the IBBI

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(Insolvency Resolution Process for Corporate Persons) Regulations 2016 read with rule 11 of the NCLT Rules, 2016, inter-alia praying as under:

- 1.1. To pass an order directing that in accordance with Section 31(1) of the Code, this Resolution Plan shall be binding on the Company together with its employees, members, Creditors (including any assignees and successors), guarantors and all other stakeholders affected by the Resolution Plan and that accordingly, the approval of such employees, members, Creditors, guarantors and other stakeholders (including any Governmental Authorities) shall not be separately required to be undertaken, whether before or after the Vesting Date, for implementation of various actions proposed to be taken pursuant to this Resolution Plan;
- 1.2. To pass an order directing that in addition to the extinguishment of liabilities of the Company in accordance with the provisions of the Resolution Plan, all inquiries, investigations or proceedings in relation to any and all claims or demands in connection with or against the Corporate Debtor, in relation to any period prior to the Vesting Date, and all the investigations, inquiries or show-cause, whether civil or criminal, in relation to any claims or demands in connection with or against the Corporate Debtor will abate and be written off in full and shall be, and be deemed to be, permanently extinguished as on the Vesting Date;
- 1.3. To pass an order confirming that this Resolution Plan for the Company has dealt with the interests of all the stakeholders in the Company, including the Financial Creditors (whether secured or unsecured, assenting or dissenting), Operational Creditors and all other stakeholders in accordance with the Code,
- 1.4. 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 or the Company will not require compliance with





requirements under any other laws. For the implementation of this Resolution Plan, and except as set out in the Resolution Plan, upon the Resolution Applicant ensuring compliance with the provisions of the Code, no further compliances, actions or consents will be required under other laws or regulations for undertaking the individual actions contemplated under the Resolution Plan.

- 1.5. To declare that the process of approval of resolution plan resolving the corporate insolvency of the corporate debtor under the I & B Code is a complete code in itself and that the order approving the Resolution plan by the Adjudicating Authority i.e. the NCLT acting under the Code shall be deemed as a single window clearance for all actions proposed to be undertaken by the Resolution Applicant pursuant to the approved resolution plan and accordingly further, the process stipulated under the Code for implementation of a resolution plan is a final and binding process on all stakeholders (including any Governmental Authorities);
- 1.6. To pass an order for constitution of Monitoring Committee in accordance with the Resolution Plan.
- 1.7. To pass an order directing that the Company shall, after the date of receipt of the certified copy of the order to be made herein or within such other period as may be permitted by the NCLT, cause a certified copy thereof to be filed electronically to the ROC, Hyderabad, for registration;
- 1.8. To pass an order declaring that neither the Resolution Applicant nor the Company shall be liable to pay any taxes whatsoever arising (directly or indirectly on such entity) as a result of the actions taken by the Company, the SPV or the Resolution Applicant to implement the Resolution Plan approved by the NCLT;
- 1.9. To pass an order that all contracts of employment or consultancy with, and any benefits, fees, commissions, perquisites or profits in lieu of or

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in addition to any salary or wages or any policy of providing such benefits, fees, commissions, perquisites or profits extended by the Company to the Existing Shareholders or their relatives shall be deemed to be terminated and extinguished on and from the NCLT Approval Date, and the Company will not have any further obligation to provide the same;

1.10. To pass an order under Section 31(3) of the Code that from the date of approval of the Resolution Plan by this Hon'ble Adjudicating Authority:

- a) The moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and
- b) That the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.

1.11. To pass orders in respect of such incidental, consequential and supplemental matters as are necessary to ensure that the Resolution Plan is fully and effectively carried out, including:

- (a) that liberty be reserved to the Company, Resolution Applicant and to all other persons interested in the Resolution Plan to apply to the NCLT for any direction(s) that may be necessary for the purpose of carrying out the Resolution Plan, from time to time;
- (b) that as time is the essence of the Code, and to preserve the value of the assets of the Company, speedy implementation of the Resolution Plan is of utmost importance, and therefore, all Governmental Authorities be required to take all necessary actions (if required) for the implementation of the Resolution Plan approved by the NCLT, without delay;
- (c) sanctioning the Resolution Plan submitted by the Resolution Applicant and making the Resolution Plan binding on the Company, all shareholders, Creditors, guarantors and all other

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stakeholders and persons, and ordering implementation of the Resolution Plan, without the requirement for any further act, deed, document or costs and

- (d) for such further or other order/s be made and/or directions be given as the NCLT may deem fit and proper in the facts and circumstances of the case and in the interests of justice

2. Brief facts as stated in the Application are as under:

2.1. That the present application has been filed by Mr.V.Shankar, Resolution Professional initially appointed as Interim Resolution Professional by this Adjudicating Authority vide its order dated 12<sup>th</sup> December 2018. In the meeting of Committee of Creditors (CoC) held on 11<sup>th</sup> January 2019, the Interim Resolution Professional was confirmed as the Resolution Professional by the CoC with 100% voting share.

2.2. That the RP on 20<sup>th</sup> June 2019 invited Expression of Interest from prospective Resolution Applicants to submit a Resolution Plan for the Insolvency Resolution of the Corporate Debtor. The last date for submission of EOI was 5<sup>th</sup> July 2019. The Request for Resolution Plan (RFRP) was revised on 22<sup>nd</sup> July 2019 along with evaluation matrix. Pursuant to the EOI, a total of 3 (three) Resolution Applicants submitted their bids as under:

- i. M/s. Terapanth Foods Limited and M/s. Rav's Steels Private Limited as a consortium/ Connected parties
- ii. M/s. SomaniIspat Private Limited
- iii. M/s. Radha Smelters Private Limited

2.3. That during 6<sup>th</sup> meeting of the Committee of Creditors held on 26.08.2019, the RP facilitated the opening of the sealed bids submitted by the three (3) Potential Resolution Applicants, in the presence of all the members of the CoC. The Resolution Plans were placed before the members of the CoC for consideration and evaluation. The liquidation values and fair values were also put forth before the CoC in compliance with Regulation 35(2) of the CIRP Regulations.

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2.4. That the Resolution Professional has issued Evaluation matrix in relation to the evaluation of the resolution plan as per Regulation 36A.

2.5. That after due deliberation in the light of qualitative as well as quantitative parameters, the CoC examined the viability and feasibility of the three Resolution Plans and resolved during their meeting on 31.08.2019, that the Resolution Plan submitted by the consortium of M/s. Terapanth Foods Ltd and M/s. Rav's Steels Pvt Ltd. was the most feasible plan considering the interest of the Corporate Debtor and all its stakeholders. The total votes cast were 100%. The minutes of CoC meeting held on 31.08.2019 have also been submitted as Annexure 8 to the present IA filed by the RP.

3. The latest list of creditors as stated by the RP is as under:

**Financial Creditors' Claims:**

S.No	Name of Financial Creditor	Amount (in Rs.)	Percentage
1	Sai Balaji Induction Furnaces Private Limited	₹3,41,88,684	13.06%
2	Amruth Foods	₹3,05,00,000	11.65%
3	Rav's Steels Private Limited	₹17,70,79,394	67.65%
4	Mr. Babulal Amarchand Singhvi	₹2,00,00,000	7.64%

**Operational Creditors' Claims:**

S.No	Name of Operational Creditors	Amounts (in Rs.)
1	Arka Carbon fuel Pvt Ltd	₹3885310
2	Swasthik Coal Corporation Pvt Ltd	₹21223904
3	Hemang resources	₹9248891
4	Magnifico Minerals Pvt Ltd	₹58800000

4. The Successful Resolution Applicants namely M/s. Terapanth Foods Limited and M/s. Rav's Steels Private Limited as a consortium/ Connected parties, are Companies incorporated in India.

5. The salient features of the Resolution Plan are as follows:

5.a) **FINANCIAL PROPOSAL:**

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- (i) The Resolution Applicant proposes to infuse the Financial Commitment (detailed in the Table A below) into the Corporate Debtor, directly or indirectly, through equity or through equity and / or debt. The break-up of the amount INR 34.5 Crores to be invested by the Resolution Applicant for various purposes are detailed as follows:

**Table A**

Particulars	Amounts (INR crores)
1. Financial creditors' dues.	₹17.75
2. Operational creditors' dues.	₹0.10
3. CIRP expenses	₹0.65
<b>Financial Commitment</b>	<b>₹18.5</b>

- (ii) **Upfront Financial Commitment:** It is submitted that the Resolution Applicant proposes that INR 18.5 Crores will be Upfront Financial Commitment which will include CIRP cost, Financial Creditors, Operational Creditors/ workmen employee admitted claim/ other creditors (Mandatory Payment Amounts).
- (iii) The amounts provided to various stakeholders under Resolution Plan are as below:

(Rs. in Crore)

S.No	Category of Stakeholder	Amount claimed	Amount Admitted	Amount provided under the Resolution Plan	Amount provided to the amount admitted %
<b>A</b>	<b>Financial Creditor</b>				
1	Sai Balaji Induction Furnaces Pvt Ltd	3.42	3.42	3.42	100%
2	Amruth Foods	3.38	3.05	3.05	100%
3	Babulal Amarchand Singhvi	2.00	2.00	2.00	100%
4	Rav's Steels Pvt Ltd	17.71	17.71	9.28	52%
<b>B</b>	<b>Operational Creditors**</b>				
1	Arka Carbon fuel Pvt Ltd	0.73	0.39	0.00	1.07%
2	Swasthik Coal Corporation Pvt Ltd	5.97	2.12	0.02	1.07%
3	Hemang resources	1.00	0.92	0.01	1.07%
4	Magnifico Minerals Pvt Ltd	5.95	5.88	0.06	1.07%

<b>C</b>	<b>Employee and Workmen Due</b>	0.16	0.00	-	-
<b>D</b>	<b>Other Creditors/Due/Claim</b>				
	<b>Electricity Charges</b>	0.22	0.00	-	-
	<b>Security Charges</b>	0.01	0.00	-	-
<b>E</b>	<b>Preference Shareholders/Existing Equity Share Holders</b>	-	-	-	-
	<b>Total</b>	<b>₹40.55</b>	<b>₹35.49</b>	<b>₹17.85</b>	<b>50%</b>

\*\*\* The Amount due to the operational creditors under this resolution plan shall be given priority in payment over financial creditors.

5.b) **CIRP COST:** The CIRP Cost will be paid within 30 days of the NCLT Approval Date.

5.c) **OUTSTANDING GOVERNMENT DUES, TAXES, ETC:**

All Government and Non-government dues, Secured dues, unsecured dues, statutory dues, dues to Income Tax, Tax Deducted / Collected at Source, Sales Tax of various states, Excise Duty, Custom Duty, Registrars of Company, Due to revenue authority, Employee dues, Power/Electricity Dues, various statutory cases, Provident fund/ Employee State Insurance/Any other contribution to employee fund, Gratuity, or any other due by whatever name called of SRIPL shall be paid as per financial proposal.

5.e) **PROPOSAL FOR EXISTING SHAREHOLDERS:**

The existing equity shares i.e. 70,00,000 Equity Shares (old) of Rs. 10/- each (Share capital of Rs. 7,00,00,000/-) shall be cancelled as per regulation 37(ca) of IBBI (Insolvency Resolution process for corporate person) Regulations.

SPV shall subscribe to Share Capital of Company i.e. Rs.2.00 Crores (20,00,000 New Shares @ Rs.10.00 each allotted at par) within 30 days of vesting date (i.e. date of receipt of final approved order of NCLT). New amended Memorandum of association and Article of association of the

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company shall be framed as decided by TPFL/RSPL/SPV. The amount will be utilized or payment of initial resolution plan contribution.

The shareholders' approval required for giving effect to this clause shall be deemed to be given as per explanation to clause 'e' of sub section (2) of section 30 of Insolvency and Bankruptcy Code 2016.

5.f) **TERM OF THE RESOLUTION PLAN AND IMPLEMENTATION**

**SCHEDULE:**

<b>Particulars</b>	<b>Time from vesting date (The vesting date is the date of approval of Resolution Plan by NCLT (Adjudicating Authority) under section 5(1) of Insolvency Bankruptcy Code 2016)</b>
Upfront cash payment (Initial/Down payment) Rs.18.50 Crores	Within 30 Days (Rs. 2.00 Crores equity and Rs.16.50 Crores as Unsecured Loan)
Payment for Insolvency Resolution Process Cost	Within 30 Days
Initial Payment to Financial /operational creditors*	Within 30 Days
Further Payment for refurbishment, repairs & maintenance, Deposits and start-up expenses (Rs.3.00 Crores)	Within 12 months
Working capital Margin Rs.13.00 Crores.	Within 12 months

\*The Operational Creditors shall be given priority in payment over financial creditors

5.g) **TREATMENT OF ONGOING LITIGATION AND VIOLATION:**

Upon approval of the Resolution Plan by the Adjudicating Authority, all Non-Compliances of the Corporate Debtor for the period prior to the Vesting Date (including but not limited to those relating to Tax), shall be deemed to be waived by all the Governmental Authorities. In relation to any non-compliance arising under any tax and duty benefit scheme (including, the Export Promotion Credit Guarantee Scheme), the relevant Government Authority (including, without limitation, the Director General of Foreign Trade) shall waive all such non-compliances by the Corporate Debtor without levying any fee, penalty or additional duty, and the Corporate Debtor shall be allowed sufficient time (and in any event not less than two years

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from the Vesting Date) to fulfill its obligation under such tax and duty benefit schemes (including, any export obligations contained therein). The Resolution Applicant shall be granted a waiver, from all actions, Proceedings or penalties and any applicable Law for any Non- compliances, for an additional period of 24 months starting from the day following the Vesting Date.

Any contingent liabilities, Litigation, Court cases, Income tax Search/Survey proceedings, Investigation, Non deduction/Delay deduction/Non Payment of tax deducted/collected at Source, Provident Fund cases, Employee State Insurance Cases, Excise Duty, Custom Duty Cases, Various States Sales tax cases, Non-compliance of Registrar of Company filling, Income Tax Filling, Sales tax/ Laws, Inspection, Tax assessments, etc. or any other proceeding pending agents "SRIPL" is deemed to be settled and none of this proceeding against shall be carried forward.

Proceeding for ROC Inspection, Non Compliance of various statutory provisions, and under various statutory provisions etc., shall be withdrawn & liability associated would be extinguished.

5.h) **INTEREST OF STAKEHOLDERS**

The revival of the Corporate Debtor as going concern, as envisaged under this plan, shall contribute significantly to the society and government by contributing significant direct and indirect employment and income generation opportunities in the region. The proposed resolution plan of the Resolution Applicant focuses on operational excellence, thereby achieving revival of the Corporate Debtor more particularly to preserve the economic value of the assets of the Corporate Debtor and to maintain and promote employment in the region and fresh stream of revenue for the exchequer.

5.i) **OTHER TERMS AND CONDITIONS**

- a) The RA shall not be liable for any statutory liabilities except as shown above, before the order of Hon'ble Adjudicating Authority approving the Resolution Plan.



- b) The RA's liability towards financial and operational creditors shall be restricted only to the extent specified in this Resolution Plan.
- c) The timelines envisaged under the Resolution Plan are based on best estimates by the RA and may vary due to causes such as Acts of God, adverse government action, riots, terrorist activities, labour unrest, unavailability of raw materials, inputs materials or human resources or any other event which is not under the control of RA.
- d) The Resolution Plan is based on limited information provided to RA under Information Memorandum, which being considered as the base document, and our Resolution Plan is based on Information Memorandum, which may vary or require amendment in case any information in the Information Memorandum varies or is found to be wrong.
- e) Binding Effect: The Resolution Plan once approved by Hon'ble Adjudicating Authority shall be binding on the Corporate Debtor, its members, its promoters, all holders of claims, Resolution Applicant and all other parties in interest and each of their respective successors and assigns in accordance with Section 31(1) and 238 of the Code.
- f) Validity: The Resolution Plan is valid until the expiry of the time for the corporate insolvency resolution process ('CIRP'), and unless the Resolution Plan is approved by the Hon'ble Adjudicating Authority, this proposal contained in this Resolution Plan shall expire on the expiry of the time for CIRP.
- g) All Government and Non-government dues, Secured dues, unsecured dues, statutory dues, dues to Income Tax, Tax Deducted / Collected at Source, Sales Tax of various states, Excise Duty, Custom Duty, Registrars of Company, Due to revenue authority, Employee dues, Power/Electricity Dues, various statutory cases, Provident fund/ Employee State Insurance / Any other contribution to employee fund, Gratuity, or any other due by whatever name called of SRIPL shall be

  
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paid as per financial proposal. No liability for any dues shall lie on the SRIPL apart from amount under this Financial Plan and Resolution Plan.

- h) The Resolution Plan does not contravene any of the provisions of the law for the time being in force and shall conform to such other requirements as may be specified by the Board under the Code and accepted by the Resolution Applicant.
- i) The physical possession of various company's land including land of 65.170 Acres situated at Nemkal and Hirdehal Village of Bommanahal Mandal or any other land together with other premises, shed, building, civil works, plant & machinery, equipment's, electrical, utilities, infrastructure created. Intangible assets 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 upfront amount.
- j) If the CoC/Resolution professional changes the parameters & weightages in evaluation matrix the same should be informed to resolution applicant & will be given an opportunity to revise the bid.
- k) All the existing directors are deemed to be resigned / terminated and new directors shall be appointed as approved by TPL/RSPV/SPV.
- l) The Resolution plan shall be binding on the corporate debtor and its employees, members, creditors including the central government, any state government, or any local authority, Stock Exchanges, SEBI, Revenue Departments, statutory authority or any other authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authority to whom statutory dues are owned, guarantors and other stakeholders involved in the resolution plan.
- m) Till vesting date any charge on the property under section 82 of GST Act or any other attachment on property under section 83 of GST Act shall

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cease to be effected. Any demand under section 84 of GST Act or any other provision or any recovery measure shall be ceased and there shall be no liability/due of CDPL till vesting date apart from the amount provided under financial proposal.

- n) Refer Financial plan of Resolution Applicant for infusion of fund, payment mechanism etc.
- o) Time of one year from approval of plan by Adjudicating Authority or as required under the respective law whichever is more shall be provided for obtaining all necessary approvals, licenses and permissions (Including but not limited to pollution / environment approvals) for running the plant.
- p) All assets in financial statement other than fixed assets of "SRIPL" shall be considered not recoverable and written off. Further all the liabilities in excess of amount considered payable under this resolution plan shall be written off.
- q) On initial payment, peaceful vacant possession shall be provided of the all properties including land of 65.170 Acres situated at Nemkal and Hirdehal Village of Bommanahal Mandal or any other land together with other premises, shed, building, civil works, plant & machinery, equipment's, electrical, utilities, infrastructure created. Intangible assets and other assets.
- r) All the assets of the Company including assets as mentioned in Section 36(3) of The Insolvency and Bankruptcy Code, 2016 shall continue to be absolutely owned, operated, possessed and under control of SRIPL managed by new promoter of TPL/RSPV/SPV.
- s) The existing equity shares i.e. 70,00,000 Equity Shares (old) of Rs. 10/- each (Share capital of Rs. 7,00,00,000/-) shall be cancelled as per regulation 37(ca) of IBBI (Insolvency Resolution process for corporate person) Regulations.

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SPV shall subscribe to Share Capital of Company i.e. Rs.2.00 Crores (20,00,000 New Shares @ Rs.10.00 each allotted at par) within 30 days of vesting date (i.e. date of receipt of final approved order of NCLT). New amended Memorandum of association and Article of association of the company shall be framed as decided by TPFL/RSPL/SPV. The amount will be utilized or payment of initial resolution plan contribution.

The shareholders' approval required for giving effect to this clause shall be deemed to be given as per explanation to clause 'e' of sub section (2) of section 30 of Insolvency and Bankruptcy Code 2016.

- t) After approval of resolution plan by the COC, the resolution professional should submit a monthly estimate of expenses for the next month and statement of expenses incurred for previous month to COC and resolution applicant for approval. Any major expenses are to be incurred after approval from COC and the resolution applicant only.
- u) On final payment, any existing breach of the terms of any debt of the SRIPL shall be cured or waived.
- v) Desired Reliefs And Concessions:- The Resolution Applicant requests the Adjudicating Authority for the reliefs and concessions set out below for the successful implementation of the Resolution -Plan.
- (i) The (i) Department of Registration and Stamps and Governmental Authorities of Telangana, Andhra Pradesh, and such other States and geographies where the Corporate Debtor or the Resolution Applicant carries on its business and operations or where its assets are located; and (ii) the Ministry of Corporate Affairs; shall exempt the Resolution Applicant and the Corporate Debtor, from the levy of stamp duty and fees, applicable in relation to this Resolution Plan and its implementation.
- (ii) The requirement of obtaining a no objection certificate under section 281 of Income tax Act, 1961 and provisions of taking over its predecessor's tax liability under section 170 of Income tax Act shall

  
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not be applicable. Further, the transaction shall not be treated as void under section 281 of the Income Tax Act, 1961 for any claims in respect of Tax or any other sum payable by the Corporate Debtor. Similarly any requirements to obtain waivers from any Tax Authorities including in terms of section 79 and Section 115B of Income Tax Act, 1961 is deemed to have been granted upon approval of this Resolution Plan on the Plan Approval Date.

- (iii) The Corporate Debtor and the Resolution Applicant shall be granted an exemption from all taxes, levies, fees, transfer charges, transfer premiums and surcharges that arise from or relate to implementation of the Resolution Plan, since payment of these amounts may make the Resolution Plan unviable. Foregoing reference to Taxes shall include the following:

<b>Transaction Cost</b>	<b>Relevant Governmental Authority</b>
Any transfer premiums or charges, change of ownership/control charges payable in connection with the implementation of this Resolution Plan and the consequent change in the ownership and control of the Corporate Debtor.	Includes but is not limited to: <ul style="list-style-type: none"><li>• Telangana state Industrial Infrastructure Corporation, Government of Telangana</li><li>• Telangana State Government</li><li>• Andhra Pradesh Industrial Infrastructure Corporation</li><li>• Andhra Pradesh State Government</li></ul>

- (iv) All actions undertaken pursuant to implementation of the Resolution Plan approved by the Adjudicating Authority shall be deemed to be exempt from any Tax and stamp duty.
- (v) Upon approval of the Resolution Plan by the Adjudicating Authority, all Non-Compliances of the Corporate Debtor for the period prior to the Vesting Date (including but not limited to those relating to Tax), shall be deemed to be waived by all the Governmental Authorities. In relation to any non-compliance arising under any tax and duty benefit scheme (including, the Export Promotion Credit Guarantee





Scheme), the relevant Government Authority (including, without limitation, the Director General of Foreign Trade) shall waive all such non-compliances by the Corporate Debtor without levying any fee, penalty or additional duty, and the Corporate Debtor shall be allowed sufficient time (and in any event not less than two years from the Vesting Date) to fulfil its obligation under such tax and duty benefit schemes (including, any export obligations contained therein). The Resolution Applicant shall be granted a waiver, from all actions, Proceedings or penalties and any applicable Law for any Non-compliances, for an additional period of 24 months starting from the day following the Vesting Date.

- (vi) Upon approval of the Resolution Plan, moratorium shall be deemed to have been granted to the Corporate Debtor from any actions/penalties under any laws for any non-compliance, which was existing on or prior to the Vesting Date and which shall continue for a period of 24 months after the Vesting Date.
- (vii) All previous agreement, contract, guarantee, undertaking, affidavit or any other document by whatever name called which is not in interest of company shall stand cancelled including corporate guarantee provided loan facility of subsidiary company etc.
- (viii) Any contingent liabilities, Litigation, Court cases, Income tax Search / Survey proceedings, Investigation, Non deduction/Delay deduction/Non Payment of tax deducted/collected at Source, Provident Fund cases, Employee State Insurance Cases, Excise Duty, Custom Duty Cases, Various States Sales tax cases, Non-compliance of Registrar of Company filling, Income Tax Filling, Sales tax/ Laws, Inspection, Tax assessments, etc. or any other proceeding pending against "SRIPL" is deemed to be settled and none of this proceeding against shall be carried forward.

*(Signature)*  
22/10/2020

*(Signature)*

- (ix) Proceeding for ROC Inspection, Non Compliance of various statutory provisions, and under various statutory provisions etc., shall be withdrawn & liability associated would be extinguished.
- (x) Any corporate guarantee provided by the company shall be deemed to be cancelled/terminated.
- (xi) Brought forward losses under Income Tax including any business losses shall be allowed to be carried forward for set off against the taxable profits of future year's in spite of non-filing of returns/delayed filing of IT returns and change in shareholding.
- (xii) 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 Ecology Department, Telangana, Reserve Bank of India, and all other Governmental Authorities concerned shall waive all Non-Compliances by the Corporate Debtor under Applicable Law prior to the Vesting Date (including but not limited to any Non Compliances under any Applicable Laws pertaining to anti-bribery and prevention of money laundering.
- (xiii) The brought forward losses as per books of accounts shall be carried forward and allowed to be set off against future book profit for MAT purpose.
- (xiv) A time of one year from vesting date shall be provided for filling of pending GST returns, TDS returns, IT returns, ESI returns, PF returns, ROC returns, ROC petitions, ROC applications, stock exchange returns, SEBI returns or any other statutory returns without any penalties, interest, fees, charges etc.

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- (xv) Working Capital Borrowings Fund requirement as referred in Financial Proposal shall be borrowed from various banks/FI's/NBFC/Others. First charge on the new current asset created after vesting date shall be ceded in favor of new banks/FI's/NBFC/Others.
- (xvi) Upon payment of the entire amount as per resolution plan, the charge on the all mortgage properties and all assets shall be released and the title deeds shall be handover to person authorize by TPL/RSPV/SPV. Bank/Financial creditors/Committee or creditors to issue No Dues Letter and shall release/ satisfy any charge created with the Central Registry / Registrar of Company with respect to all the properties.
- (xvii) All the existing approval, agreements (beneficial to company), No objections (beneficial to company), applications, permissions, licenses, certification, registration shall continue without any additional cost or charges. No old dues of Water, Power, Municipality, Gram Panchayat, Statutory Dues or any other charges shall be payable.
- (xviii) All the suits/applications filed against SRIPL of any nature pending in any court of law shall be withdrawn & liability associated would be extinguished. However the financial creditors shall be free to execute the personal guarantee, collateral security provided by the suspended directors or guarantors or any other person of the erstwhile management of the company.
- (xix) The Books of accounts of SRIPL till vesting date shall be handed over / provided to us resolution professional. The same shall be produced (if required) as provided to TPL/RSPV/SPV before any proceedings, tax authority, government, court, tribunal or any statutory or judicial authorities. The books of accounts shall be as provided to us by resolution professional and TPL/RSPV/SPV or

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new promoters / directors shall not be liable for any non-maintenance / in proper maintenance of books of accounts or any other records till vesting date.

- (xx) The existing Statutory, Internal Auditor, Company Secretary, Cost accountant, Advocate etc. shall stand terminated / deemed resigned and new auditor shall be appointed in EGM of the Company after approval of resolution proposal in NCLT and after Allotment of initial Subscription. Other professional / consultant shall be appointed as decided by TPL/RSPV.
- w) If after approval of plan by Adjudicating authority and payment made by the resolution applicant under this plan if the implementation of the plan is restricted by any higher tribunal/court then COC shall refund the entire amount paid by the Resolution Applicant with interest of 12% p.a.
- x) In case the resolution plan submitted is not approved by the Adjudicating Authority within one year the same shall stand withdrawn and no liability shall lie on the resolution applicant. Provide that the period of one year may be extended at option of the TPL/RSPV/ SPV.
- y) State government incentives for revival of sick unit are to be provided to the SRIPL. The following incentives shall be provided.
- SGST exemption for 12 months
  - Power reimbursement @ Rs 2.00 per unit of power consumed for 12 months
  - Interest reimbursement @ 5.00% for 12 months on loan from banks/ Financial Institutions
  - Stamp duty waiver for mortgage, hypothecation or other transactions for a period of 1years.
- z) The name of the company shall be changed to new name as decided by the TPL/RSPV/SPV and as approved by the Registrar of Companies. The shareholders' approval required for giving effect to this clause shall be

Adopt  
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deemed to be given as per explanation to clause 'e' of sub section (2) of section 30 of Insolvency and Bankruptcy Code 2016.

6. RP has also filed Form - H on 18.09.2019, which has been perused and taken on record.
7. RP filed an Affidavit on 30.09.2019, in relation to the compliance under Section 30(2)(b) of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the same has been perused and taken on record. The relevant portion of said Affidavit is as under:  
*"it is humbly submitted that the Resolution Plan submitted by the Resolution Applicant is in compliance with the Amended Provisions of The Insolvency and Bankruptcy Code (Amendment) Act, notified on 6th August, 2019"*
8. RP has filed a memo dated 04.10.2019, enclosing copy of the Performance Bank Guarantee dated 30.09.2019. The same has been perused and taken on record.
9. Heard Resolution Professional and perused the Resolution Plan and other documents submitted along with Application.
10. Section 30(2) of the Code as amended w.e.f. 06.08.2019 enjoins upon the resolution professional to examine each resolution plan received by him to confirm that such plan -

- 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;
- 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-
  - i. the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or
  - ii. the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section





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

- 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) Confirms to such other requirements as may be specified by the Board.

11. Section 30(4) of the Code as it stands at present after the amendment reads as follows: -

*“(4) The committee of creditors may approve a resolution plan by a vote of not less than sixty-six percent. of voting share of the financial creditors, after considering its feasibility and viability, the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified by the Board.”*

12. Section 30(6) of the Code enjoins the resolution professional to submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority. Section 31 of the Code deals with the approval of the resolution plan by the Adjudicating Authority, if it is satisfied that the resolution plan as approved by the committee of creditors under section 30(4) meets the requirements as referred to in section 30(2).

13. Thus, before approving the Resolution plan, it is the duty of the Adjudicating Authority that it should satisfy itself that the Resolution plan

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as approved by the COC meets the requirements as referred to in sub-section (2) of Section 30.

14. On perusal of the Resolution Plan, this Adjudicating Authority has observed that the Resolution plan placed for consideration provides for the following:

- a) Payment of CIRP Cost as specified U/s 30(2)(a) of IBC, 2016.
- b) Repayment of Debts of Operational Creditors as specified U/s 30(2)(b) of IBC, 2016.
- c) Provides for management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified U/s 30(2)(c) of IBC, 2016.
- d) The implementation and supervision of Resolution Plan shall be done by Insolvency Resolution Professional and by the COC as specified U/s 30(2)(d) of IBC, 2016.
- e) The RP has certified through affidavit that the Resolution Plan is not in contravention to any of the provisions of Law, for the time being in force, as specified U/s 30(2)(e) of IBC, 2016.
- f) The Resolution plan conforms to such other requirements specified by the Board.

15. In terms of Regulation 27 of CIRP Regulations, Liquidation value was ascertained through two registered valuers and the average Liquidation value is Rs. 672,65,227.50/-, and the Resolution Plan offers more than the average liquidation value.

16. The RP has complied with the code in terms of Section 30(2)(a) to 30(2)(f) and Regulations 38(1), 38(1)(a), 38(2)(a), 38(2)(b), 38(2)(c) & 38(3) of CIRP regulations.

17. The identity of the Resolution Applicants have been duly verified by the RP and affidavit as per section 30(1) of the Code has been obtained from the

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Resolution Applicants stating that they are not ineligible U/s 29A of the IB Code, 2016.

18.The Plan also provides for keeping the Company as a going concern and operate in its normal course of business upon implementation of Resolution Plan. There is no objection filed by any other person in this regard.

19.Copy of Form-H (Compliance Certificate) filed by the RP along with the Plan has been perused and considered. The RP *inter-alia* has certified as under:

- i. *The said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.*
- ii. *The Resolution Applicant M/s. Terapant Foods Limited and M/s. Rav's Steels Private Limited as consortium/connected parties has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.*
- iii. *The said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100% of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.*
- iv. *The voting was held in the meeting of the CoC on 31st August, 2019 where all the members of the CoC were present.*

*28/01/2020*

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20.The Resolution Plan includes a statement under regulation 38(1A) of the CIRP Regulations as to how it has dealt with the interest of the stake - holders in compliance with the Code and Regulations thereunder.

21.It is also evident that the Resolution Plan placed before this Adjudicating Authority, was approved by the Committee of Creditors in the CoC meeting held on 31.08.2019 with 100% votes cast in favour of Approval of Resolution Plan.

22.In ***K Sashidhar Vs. Indian Overseas Bank & Others***, decided on 05.02.2019 in Civil Appeal No.10673/2018 with CA Nos.10719/2018, 10971/ 2018 and SLP(C) No.29181/2018, the Hon'ble Supreme Court, noticing the provisions of section 30(4), held that if the CoC had approved the resolution plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the resolution professional to submit the same to the adjudicating authority (NCLT). On receipt of such a proposal, the adjudicating authority (NCLT) is required to satisfy itself that the resolution plan as approved by CoC meets the requirements specified in Section 30(2). No more and no less.

23.In the said judgment, in para 35, the Hon'ble Supreme Court held that the discretion of the adjudicating authority is circumscribed by Section 31 and is limited to scrutiny of the resolution plan "as approved" by the requisite percent 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.

24.In the recent judgement in *Essar Steel (Civil Appeal No.8766-67 of 2019)* the Hon'ble Apex Court clearly laid down that the Adjudicating Authority will not have power to modify the Resolution Plan as approved by the CoC in their Commercial Wisdom. In para 42 of the said judgment, Hon'ble Apex Court has observed as under:

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*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. Shashidhar** (supra).*

25. In view of the discussions in the foregoing paragraphs, the 'Resolution Plan' filed with the Application meets the requirements of Section 30(2) of the I&B Code, 2016 and Regulations 37, 38, 38(1A) and 39 (4) of IBBI (CIRP) Regulations, 2016. The 'Resolution Plan' is also not in contravention of any of the provisions of Section 29A. Hence, this Adjudicating Authority is satisfied that the Resolution Plan is in accordance with Law. Therefore, the 'Resolution Plan' annexed with Application bearing IA No. 779 of 2019 filed in CP(IB) No.. 344/9/HDB/2018 is hereby approved, which forms part of this Order and which shall be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan.

26. However, the Resolution Plan approved shall not construe any waiver to any statutory obligations/liabilities arising out of the approved Resolution Plan and same shall be dealt in accordance with the appropriate Authorities as per relevant Laws. We are of the considered view that if any waiver is sought in the Resolution Plan, the same shall be subject to approval by the concerned Authorities. The same view has also been held

ABT  
11/10/2019

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by Hon'ble Principal Bench, NCLT in the case of *Parveen Bansal Vs. Amit Spinning Industries Ltd.* in CA No.360 (PB) 2018 in CP No (IB) 131 (PB)/2017.

27. Accordingly, the MoA and AoA shall be amended and filed with the RoC for information and record as prescribed. While approving the 'Resolution Plan', as mentioned above, it is clarified that the Resolution Applicant shall pursuant to the Resolution Plan approved under Sub-Section (1) of Section 31 of the I&B Code, 2016, obtain all the necessary approvals as may be required under any law for the time being in force within the period as provided for in such law.

28. The approved 'Resolution Plan' shall become effective from the date of passing of this Order.

29. This Adjudicating Authority hereby directs the RP to supervise the implementation of the Resolution plan and file status of implementation of Resolution Plan before this Adjudicating Authority from time to time.

30. The order of moratorium passed by this Adjudicating Authority under Section 14 of the I&B Code, 2016 shall cease to have effect from the date of passing of this Order.

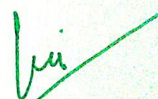
31. The Resolution Professional shall forward all record relating to the conduct of the CIRP and the 'Resolution Plan' to the IBBI along with Copy of this Order, so that the Board may record the same on its data-base.

32. The Resolution Professional shall forthwith send a copy of this Order to the participants and the Resolution Applicant.

33. Accordingly, IA No. 779 of 2019 is disposed of as allowed.

  
28.01.2020

**DR. BINOD KUMAR SINHA**  
Member Technical



**K. ANANTHA PADMANABHA SWAMY**  
Member Judicial