



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

**IA (IBC) (PLAN) No. 9 of 2024
in
CP(IB) No.337/Chd/Hry/2018
(Admitted)**

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

IN THE MATTER OF:

Suresh Kumar Rakesh Kumar

...Petitioner/Operational Creditor

vs.

Nav Jyoti Agro Foods Private Limited

...Corporate Debtor

And in the matter of IA No.9/2024:

Mahesh Chandra Purohit

Resolution Professional of: Nav Jyoti Agro Foods Private Limited

Office at:

105/101, Chhatrapati Marg, Vijay Path,

Mansarovar, Jaipur

Rajasthan- 302020

Registered Office of the Corporate Debtor is at:

3 KM Mile Stone, Karnal Kaithal Road,

Nissing, Haryana- 132024

CIN: U15122HR2011PTC043338

Order delivered on : 21.03.2025

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE MR. ASHISH VERMA, MEMBER (TECHNICAL)**



Present:-

For the Resolution Professional: Mr. Karanveer Jindal, Advocate

**Mr. Mahesh Chandra Purohit,
RP in person.**

For SRA: Mr. Viren Sharma, Advocate

For the Petitioner: None

**Per: Sh. Harnam Singh Thakur, Member (Judicial)
Sh. Ashish Verma, Member (Technical)**

ORDER

1. The present application has been filed by Mr. Mahesh Chandra Purohit, Resolution Professional (hereinafter referred to as the “**RP**”) under Sections 30(6) and 31(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**Code**” or the “**IBC**”), read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as the “**CIRP Regulations**”), seeking approval of the Resolution Plan in respect of Nav Jyoti Agro Foods Private Limited (hereinafter referred to as the “**Corporate Debtor**”).
2. The RP filed the present application on 29.08.2024 for approval of the Resolution Plan of Chandgi Ram Vipul Kumar through Mr. Sahil Singla (Partner) (hereinafter referred to as the “**Successful Resolution Applicant**” or “**SRA**” or “**RA**”), which was approved with a 100% voting share of the Committee of Creditors (hereinafter referred to as the “**COC**”) in its 11th meeting, which was held on 16.07.2024.



3. The Company Petition CP(IB) No.337/Chd/Hry/2018 under Section 9 of the IBC was filed by Suresh Kumar Rakesh Kumar (hereinafter referred to as the **“Operational Creditor”**), against the Corporate Debtor, which was admitted into the Corporate Insolvency Resolution Process (hereinafter referred to as the **“CIRP”**) vide order dated 06.02.2019.
4. Mr. Tarun Batra was appointed as the Insolvency Resolution Professional (hereinafter referred to as the **“IRP”**) vide order dated 12.02.2019.
5. As the amount of aggregate dues of the Operational Creditors was less than 10% of the debt, a CoC consisting of Punjab National Bank (hereinafter referred to as **“PNB”**), as a sole financial creditor was constituted, and the 1st meeting of the CoC was held on 11.03.2019.
6. PNB, filed a Company Application bearing CA No. 187/2019 seeking replacement of IRP and to appoint a Resolution Professional under the provisions of Section 22 of the Code and placed on record the resolution dated 11.03.2019, wherein vide item no. 13, the CoC with 100% voting share decided to replace the IRP and appoint Mr. Mahesh Chandra Purohit as the Resolution Professional(hereinafter referred to as the **“RP”**), which was allowed by this Adjudicating Authority vide order dated 26.03.2019.
7. In compliance with Section 29 of the Code, the Information Memorandum was prepared by the RP, and as per Regulation 36 of the CIRP Regulations, the Information Memorandum was made available to the members of the CoC subject to the receipt of a confidentiality undertaking.



8. The Invitation of Expression of Interest (hereinafter referred to as “**EoI**”) in Form G was issued on 28.04.2019 and was published in Financial Express (English) on 28.04.2019 and in Amar Ujala (Hindi) on 30.04.2019. The last date for submission of the resolution plan was fixed on 27.06.2019. A copy of the Form G is attached as **Annexure A-3**.
9. In response to the published Form G, the RP received 8 queries and 5 EOIs from the Prospective Resolution Applicants (hereinafter referred to as “**PRA**”).
10. In compliance with Regulation 36A(10) of the CIRP Regulations, 2016, the RP issued a provisional list of eligible PRAs within 10 days of the last date of submission of EOI, i.e., 23.05.2019, to the CoC and all PRAs. Out of the 5 EOIs received, 3 PRAs failed to submit the relevant documents.
11. In compliance with Regulation 36B(1) of the CIRP Regulations, 2016, the RP issued an Information Memorandum, evaluation matrix, and request for resolution plan on 28.05.2019 (within 5 days of the issue of the provisional list of prospective resolution applicants) to 2 of the PRAs.
12. One of the two PRAs, namely, Mr. Rajinder Kumar, the promoter/director of the Corporate Debtor, was considered ineligible under Section 29A of the Code. Though he claimed that he is eligible being a MSME and is exempted from the provisions of Section 29A in terms of Section 240A of the Code, but M/s H. Mittal & Co., Chartered Accountants, issued a certificate that the Corporate Debtor didn't fall under the definition of MSME, and hence, Mr. Rajinder Kumar was considered ineligible under Section 29A, and the said facts were also noted by



the CoC in its 4th meeting held on 11.07.2019 (minutes attached as **Annexure A-4**).

13. The RP issued the final list of PRAs on 07.06.2019, consisting of only 1 PRA, i.e., Sh. Ashok Bharti S/o Sh. Lakshmi Narayan, whose resolution plan was not considered as it was not compliant with the provisions of IBC.
14. The CoC, in its 5th meeting held on 30.07.2019, decided to make one more attempt of publishing Form G for the resolution of the Corporate Debtor and directed the RP to seek an extension of CIRP by a further period of 90 days, as the CIRP was expiring on 10.08.2019. A copy of the minutes of the 5th CoC meeting is attached as **Annexure A-5**.
15. Pursuant to the application filed by the RP, i.e., CA No. 579 of 2019, the period of 180 days of CIRP was further extended by 90 days w.e.f. 10.08.2019 by this Adjudicating Authority vide order dated 08.08.2019. Post this, the CIRP was to expire on 08.11.2019.
16. The 2nd EOI was issued in Form G on 05.08.2019 and was published in Financial Express (English) on 06.08.2019 and in Amar Ujala (Hindi) on 07.08.2019. The last date for submission of the Resolution Plan was fixed as 04.10.2019. A copy of the 2nd Form G is attached as **Annexure A-7**.
17. The RP received EOI from 3 PRAs along with the requisite documents and issued the provisional list of PRAs on 28.08.2019 and issued the request for the Resolution Plan along with the Information Memorandum and Evaluation Matrix on 04.09.2019 and the final list of PRAs on 14.09.2019 (attached as **Annexure A-8**).



18. The RP received Resolution Plans from 2 Resolution Applicants on 03.10.2019, namely,
 - a. Nav Jyoti Agro Foods Private Limited through Mr. Rajinder Kumar, Promoter Director, under the MSME category; and
 - b. Chandgi Ram Vipul Kumar through Mr. Sahil Singla (Partner).
19. The claim of the Promoter Director was reconsidered and got re-verified from the Chartered Accountants and was found partly acceptable, and accordingly, the Corporate Debtor was considered an MSME unit, and the Promoter Director was considered eligible for exemption under Section 29A of IBC.
20. The CoC discussed both resolution plans in its 6th meeting held on 14.10.2019 and suggested substantial improvements in the said plans in respect to financial aspects and waivers/security, etc.
21. The Resolution Applicants- SRA and the Corporate Debtor through Promoter Director submitted the improved plans on 23.10.2019 and 24.10.2019, respectively.
22. The CoC, in its 7th meeting held on 02.11.2019, rejected the improved plans with 100% voting and passed the resolution for liquidation of the Corporate Debtor. A copy of the minutes of the 7th CoC meeting is attached as **Annexure A-9**.
23. The RP filed CA No. 1107 of 2019 seeking liquidation of the Corporate Debtor, wherein this Adjudicating Authority, vide order dated 27.11.2019 issued notice to the Ex-Management of the Corporate Debtor as well as to the two Resolution Applicants. A copy of the order dated 27.11.2019 is attached as **Annexure A-10**.



24. The SRA filed an Interim Application bearing IA No. 113 of 2020 against the rejection of their resolution plan and sought consideration of their resolution plan and permission to submit a revised resolution plan. The said application is also pending adjudication.
25. During the hearing dated 13.05.2024, this Adjudicating Authority observed that the OTS offered by the Suspended Directors of the Corporate Debtor has been declined by the Bank. The same was communicated to the RP vide email dated 26.03.2024 but was not communicated to the Suspended Board of Directors. During the hearing, the Ld. Counsel for SRA also stated that they have filed a new application on 13.05.2024 to place on record the revised resolution plan and prayed that the CoC may be directed to reconsider the same. It was directed by the Adjudicating Authority that issues relating to OTS, its rejection, counter submission by the Suspended Board of Directors, and the new plan, will be placed before the CoC for a considered decision on whether they would like to pursue liquidation and also directed the RP to conduct the meeting of the CoC within 10 days and file the report within one week.
26. The RP convened the 8th meeting of the CoC in compliance with the aforementioned order, wherein the Bank duly informed the Suspended Board that the terms of the sanction of the OTS proposal approved by the Bank were not complied with by the Directors within the time period given and thus, the OTS Proposal stands failed.
27. The CoC considered the revised Resolution Plan of SRA in its 8th, 9th, 10th and finally approved it with 100% voting power in its 11th meeting held on



16.07.2024 as submitted with IA No. 1262 of 2024 along with additional Addendums and the consolidated addendum submitted on 16.07.2024. A copy of the minutes of the 11th CoC meeting is attached as **Annexure A-12** and a copy of the approved Resolution Plan is attached as **Annexure A-13**. Further, an affidavit under Section 29A of IBC along with a confidentiality undertaking submitted by the SRA is attached as **Annexure A-14**. The CoC, in its 11th meeting, also unanimously decided not to pursue the Liquidation Application.

28. The Compliance Certificate in Form H under Regulation 39(4) of the CIRP Regulations, 2016, is attached as **Annexure A-15**.

29. In terms of Regulation 36B (4A) of the CIRP Regulations 2016, requisite performance security has been furnished by the SRA, which is attached as **Annexure A-16**.

30. An affidavit by the RP stating that he has done due diligence on the claim of SRA regarding meeting the requirements of Section 29A of IBC is attached as **Annexure A-17**.

Salient Features of the Resolution Plan

31. The key features of the Revised Resolution Plan along with the Addendum to the Resolution Plan as submitted by the SRA:

- i. The Resolution Applicant is a Partnership Firm engaged in Paddy and Rice Trading in Assandh Mandi and is a registered Commission Agent with the Market Committee Assandh. The partners and their



family also have one Rice Milling unit in Assandh under the name and style of M/s Satbhog Overseas.

- ii. The implementation of the resolution plan for the Corporate Debtor is being led by Mr. Sahil Singla, who has over ten years of experience in Rice Trading and Procurement.
- iii. The Resolution Applicant has already made a tie-up with Assandh Mandi and nearby Mandi for the procurement of Paddy to run the unit.
- iv. The Resolution Applicant's turnaround plan is as under:
 - Improvement in Factory Building.
 - Installation of New state-of-the-art Machinery.
 - Re-use of the machinery available as per the IM shared by the Resolution Professional.
 - Leverage Brand Recall, market reputation and leadership, operational expertise, and customer relationships of Resolution Applicant to improve capacity utilization and increase sales volume;
 - Infusion of funds to meet the working capital requirements of the Company.

ADDENDUM DATED 16.07.2024

32. As per the consolidated addendum dated 16.07.2024 to the Resolution Plan:

- i. The Total improved Resolution Plan size is Rs.52.70 crores as under:



- a. CIRP cost of Rs.1.50 crore or as actual. The Resolution Applicant will make an upfront payment of the CIRP cost as actual and shall be part of the Upfront amount of Rs.6.00 crore.
 - b. Payment to the secured financial creditor of Rs.42.05 crore in 4 months from the effective date, i.e., date of approval of NCLT without any interest.
 - c. Further the resolution applicant proposes to pay Rs.0.10 crore to the Operational Creditor from the Upfront of Infusion of funds.
 - d. Though the RP has not reported any claim of statutory or Government Dues, yet the resolution applicant proposes to keep Rs.0.05 crore to the statutory authorities against any Government Dues as a contingent provision.
 - e. Rs. 1.00 crore towards the improvement of the building.
 - f. Rs. 3.00 crore towards repair and improvement of Plant and Machinery.
 - g. Rs. 5.00 crore for working capital requirements
- ii. The Possession of the assets of the Corporate Debtor, guarantors, and other mortgaged properties will be handed over to the Resolution Applicant after the full payment of the Resolution Plan, subsequent to necessary approval from NCLT.
 - iii. Sale Proceeds of Non-Core assets of the Corporate Debtor amounting to Rs.4.00 crores will be part of the last installment to Financial Creditors. Resolution Applicant will seek permission for the sale of non-core assets



when the amount of Rs. 4.00 crore is pending for payment to the Financial Creditor.

- iv. The amount will be available from the following sources:
 - a. Capital withdrawal from the M/s Satbhog Overseas and M/s Hari Bhog Agro Foods Firms of both the partners of the Resolution Applicant amounting to Rs. 9.00 crore.
 - b. From the sale of Non-core assets of the Corporate Debtors amounting to Rs. 4.00 crore.
 - c. An Unsecured loan from Mr. Subhash Goel amounting to Rs. 3.00 crore.
 - d. Balance amount will be taken from the secured loan from the Bank (in Principal approval submitted).
 - e. Any shortfall in the Resolution Plan amount shall be met by the Resolution Applicant from their own sources.
- v. The Upfront amount of Rs.6.00 crore within seven days from the effective date, i.e. date of approval of NCLT, and will implement the resolution plan within four months. Further, an EMD of Rs.0.50 Crore is already deposited with the Resolution Professional to be considered as part of the upfront amount.
- vi. Bank Guarantee of 22% of the Resolution Plan as a Performance Guarantee. Instead of depositing the Bank Guarantee, FDR of the amount equivalent to 22% of the Resolution Plan, i.e., Rs.11,59,40,000/- of PNB as a Performance Guarantee to the Financial Creditor. The amount of FDR



along with interest shall be adjusted by the financial creditor in the last installment payable to the financial creditor.

- vii. Rs.42.05 crore will be paid to the Financial Creditor. The bifurcation of the amount is as follows:
 - a. Against Corporate Debtors liability and assets amounting to Rs.20.75 Crore.
 - b. Against the Personal Guarantee and personal assets and personal liability of the Directors and Corporate Guarantors including the PUFÉ transaction benefits amounting to Rs.21.30 crore.
- viii. The Resolution Plan is unconditional and Clause 6.3 of the submitted Resolution Plan pertaining to assumptions is not being pressed upon. The possession of the assets of the corporate debtor as is, where is, where it is basis, and the assumption as submitted in the Resolution Plan is withdrawn.
- ix. The Resolution Applicant is financially capable of complying with the Terms and conditions of the Resolution Plan and the implementation of the Plan.
- x. The Resolution Applicant confirms that they are eligible to submit the present Resolution Plan and are not barred under Section 29A of the IBC.
- xi. The Resolution Applicant also confirms that neither the present Resolution Applicant nor any of its related party had failed to implement or contributed to the failure of the implementation of any other resolution plan.



- xii. The CoC can consider the formation of the monitoring committee for the implementation of the Resolution Plan at its discretion, consisting of a Resolution Professional as Chairman of the Monitoring Committee, One Representative of the Bank, and one Representative of the Resolution Applicant.
- xiii. The Financial Creditors will release all the Personal and Corporate Guarantees of the Directors and Guarantors and others, after receiving the full amount of the Resolution Plan.
- v. Payment as envisaged under the Resolution Plan:

Sr. No.	Particulars	Amount Rs. (In Crore)
1.	Amount payable to Financial Creditor	42.05
2.	CIRP Cost 1.50 crore or actual	Actual
3.	Amount payable to Operational Creditor	0.10
3)	Amount payable against Government Dues including GST and Income Tax	0.5
4)	Amount attributed towards repair and maintenance of infrastructure facility	1.00
5.	Amount required for New Plant and Machinery	3.00
6.	Amount required for Working Capital	5.00
	Total	52.70

- vi. Sources of Funds of the Resolution Applicant are as follows:

Sr. No.	Particulars	Amount Rs. (In Crore)
1.	Capital Brought by the partners of Chandgi Ram Vipul Kumar	9.00
2.	Unsecured Loan from Mr. Subash Goel	3.00



3.	Sale of Non-Core assets of the Corporate Debtor	4.00
4.	Secured Loan from Bank (In principal approval submitted).	31.40
5.	Any shortfall in Resolution Plan amount shall be met by the Resolution Applicant from their own sources.	

Statutory Compliance

33. In compliance with Section 30(2) of the IBC, 2016, the Resolution Professional has examined the Resolution Plan of the Successful Resolution Applicant and confirms that this Resolution Plan:

Section of the Code/ Regulation No.	Requirements with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes/No)
25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	11th CoC Minutes	YES
Section 29A	Whether the Resolution Applicant is eligible to submit the resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	Resolution Plan- Consolidated Addendum, Para 4 & 6.	YES
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Resolution Plan- Consolidated Addendum, Para 4 & 6.	YES
Section 30(2)	Whether the Resolution Plan- (a) Provides for the payment of insolvency resolution process	Resolution Plan- Consolidated Addendum, Para 7 (a) Consolidated Addendum, Para 7 (c).	YES YES



	<p>costs?</p> <p>(b) Provides for the payment to the operational creditors?</p> <p>(c) Provides for the payment to the financial creditors who did not vote in favour of the resolution plan?</p> <p>(d) Provides for the management of the affairs of the corporate debtor?</p> <p>(e) Provides for the implementation and supervision of the resolution plan?</p> <p>(f) Contravenes any of the provisions of the law for the time being in force?</p>	<p>NA</p> <p>Resolution Plan- Part I- Para 1</p> <p>Resolution Plan- Part I- Para 9</p> <p>NO</p>	<p>NA</p> <p>YES</p> <p>YES</p> <p>NO</p>
Section 30(4)	<p>Whether the Resolution Plan</p> <p>a) Is feasible and viable, according to the CoC?</p> <p>b) Has been approved by the CoC with 66% voting share?</p>	<p>11th CoC Minutes</p> <p>11th CoC Minutes Resolution Plan No.-1 (a)</p>	<p>YES</p> <p>YES</p>
Section 31(1)	<p>Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?</p>	<p>11th CoC Minutes Resolution Plan No.-1 (a)</p>	<p>YES</p>
Regulation 38(1)	<p>Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?</p>	<p>Resolution Plan- Part II- Para 8</p>	<p>YES</p>
Regulation 38(1A)	<p>Whether the Resolution Plan includes a statement as to how it dealt with the interests of all stakeholders</p>	<p>Resolution Plan- Part II- Para 10</p>	<p>YES</p>
Regulation	<p>i) Whether the Resolution</p>	<p>Resolution Plan- Part</p>	<p>NO</p>



38(1B)	<p>Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code.</p> <p>ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?</p>	<p>II- Para 1</p> <p>NA</p>	<p>NA</p>
Regulation 38(2)	<p>Whether the Resolution Plan provides:</p> <p>a) The term of the plan and its implementation schedule?</p> <p>b) For the management and control of the business of the corporate debtor during its term?</p> <p>c) Adequate means for supervising its implementation?</p>	<p>Resolution Plan- Consolidated Addendum, Para-12.</p> <p>Resolution Plan- Part II- Para 3</p> <p>Consolidated Addendum, Para-11.</p>	<p>YES</p> <p>YES</p> <p>YES</p>
Regulation 38(3)	<p>Whether the Resolution Plan demonstrates that-</p> <p>a) It addresses the cause of default?</p> <p>b) It is feasible and viable?</p> <p>c) It has provisions for its effective implementation?</p> <p>d) It has provisions for approvals required and the timeline for the same?</p> <p>e) The resolution applicant has the</p>	<p>Resolution Plan- Part I- Para 2 (a&b)</p> <p>Minutes of 11th CoC meeting</p> <p>Resolution Plan- Schedule 4</p> <p>Consolidated Addendum to Resolution Plan</p> <p>Resolution Plan- Part-III</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p>



	capacity to implement the resolution plan?		
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Minutes of 11th CoC meeting	YES
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of Regulation 36B.	22% of Plan Amount-FDR of Rs. 11.60 crores	YES

34. **Relief and Concessions:** The Reliefs and Concessions sought by the Resolution Applicant in Schedule 2 of the Resolution Plan are:

- i. The Central Board of Direct Taxes (“**CBDT**”) to allow benefit of carry forward losses under Section 79 as per Finance Bill 2019 and exempt the applicability of and payment of Taxes under Section 115JB of the Income Tax Act and applicability of and payment of any Taxes (including minimum alternate tax) under any provisions of the Income Tax Act which may arise as a result of the implementation of the Resolution Plan either on Resolution Applicant, SPV or the Company or any other Person who is likely to be impacted due to implementation of the Resolution Plan.
- ii. The CBDT to consider providing relief to the Company from all direct Tax litigations pending at different levels and provide waiver from all Tax dues including interest and penalty on such litigations.
- iii. The Central Board of Excise and Customs I respective value-added Tax/entry Tax authorities/director general of foreign trade to consider



providing relief to the Company from all litigations pending at different levels and provide waiver from tax dues including interest and penalty on such litigations.

- iv. The respective Government Agencies to consider providing relief from the applicability of and payment of Taxes under provisions of the Goods and Services Tax Act, 2017, which may arise as a result of the implementation of the Resolution Plan either on the Resolution Applicant or the Company or SPV or any other person who is likely to be impacted due to implementation of the Resolution Plan.
- v. All the related party contracts shall stand terminated without any right of recourse that any related party may have against the Company and any such right shall be deemed to have ceased, whether arising prior to or after the Effective Date;
- vi. All relevant Government Authorities to grant relief from payment of stamp duty, registration fees, and other applicable fees (including fees payable to the Registrar of Companies, Delhi & Haryana and the jurisdictional Registrar or Sub-Registrar of Assurances) for the successful implementation of the Plan (including any merger, increase in authorised share capital, capital reduction/cancellation and issuance and transfer of shares or debentures);
- vii. The Registrar of Companies, Delhi & Haryana, to take on record and implement the Plan, upon approval of the Plan by NCLT, without any further compliances;



- viii. The MCA and/or the NCLT to exempt compliance in respect of schemes of arrangement and reduction/cancellation of capital, as contemplated under the Plan;
- ix. All Governmental Authorities that have issued or granted any Business Permits to the Corporate Debtor to provide a reasonable time period after the Effective Date in order for the Resolution Applicant to assess the status of these Business Permits and ensure that the Corporate Debtor is compliant with the terms of such Business Permits and Applicable Law.
- x. All Governmental Authorities (including the RBI) to grant any relief, concession, or dispensation as may be required for implementation of the transactions contemplated under the Plan in accordance with its terms and conditions, and to waive the Non-Compliances of the Corporate Debtor prior to the Effective Date.
- xi. All creditors of the Corporate Debtor to withdraw all legal proceedings to the affect to exclude the Corporate Debtor from such proceedings, however same may continue against other accused in relation to Claims, including all criminal proceedings, proceedings under Section 138 of the Negotiable Instruments Act, 1881 and proceedings under SARFAESI and RDDBFI to exclude the debt recoverable from the Corporate Debtor and continued against other guarantors/mortgagors for the residual debt within 30(thirty) days of the Effective date; and
- xii. All Governmental Authorities to waive the Non-Compliance of the Corporate Debtor to the Effective Date.



35. Extinguishment of Claims/Entitlements: The SRA has sought the extinguishment of the following claims and entitlements under Schedule 3 of the Resolution Plan:

- i. Other than Persons receiving settlements under Financial Proposal of the Resolution Applicant, no other payments or settlements (of any kind) shall be made to any other Person in respect of Claims filed under the CIRP or otherwise and all Claims (including, for the avoidance of doubt, any unverified portion of their Claims) against the Corporate Debtor along with any related legal proceedings, including criminal proceedings, shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity on and with effect from the Effective date.
- ii. All Claims of any Person against the Corporate Debtor, in each case, which are not due as of the Insolvency Commencement Date but relate to the period prior to the Effective date, shall immediately, irrevocably and unconditionally stand extinguished, waived, withdrawn, and abated, in perpetuity on and with effect from the Effective date, and no Person shall have any further rights or claims against the Corporate Debtor in this regard;
- iii. All Claims that may be made against the Corporate Debtor in relation to any payments required to be made by the Corporate Debtor under Applicable Law, or in relation to any breach, contravention, or non-compliance of any Applicable Law whether or not such Claim was notified to or claimed against the Corporate Debtor at such time, and whether or



not such Governmental Authority was aware of such Claim at such time), shall immediately, irrevocably, and unconditionally stand abated, settled, and extinguished, on and from the Effective date. No Governmental Authority shall have any further rights or Claims against the Corporate Debtor, in respect of the period prior to the Effective date and/or in respect of the amounts written off.

- iv. The Resolution Applicant and the Corporate Debtor shall have no responsibility or liability in respect of any Claims against the Corporate Debtor attributable to the period prior to the Effective date other than any payments to be made under Part IV Financial Proposal of the Resolution Applicant of this Plan and all Claims along with any related legal proceedings, including criminal proceedings, shall stand irrevocably and unconditionally abated, settled, and extinguished in perpetuity.
- v. All proceedings, investigations, inquiries, etc. made, commenced, or initiated by any Person against the Corporate Debtor in relation to the period prior to the Effective date shall irrevocably and unconditionally stand abated, withdrawn, settled, and/or extinguished, and the Corporate Debtor and/or the Resolution Applicant shall have no liability or Claim in this regard.
- vi. Upon the approval of the Plan by the NCLT under Section 31 of the Code, all pending proceedings relating to the winding-up of the Corporate Debtor shall stand irrevocably and unconditionally abated in perpetuity, and all violation or breach of any agreement of the Corporate Debtor shall



stand condoned or waived, and such agreements shall be treated as if no violation or breach has ever been committed.

- vii. On and with effect from the Effective Date, the guarantors, indemnity providers, and like persons that have provided guarantees, indemnities, or like arrangements for and on behalf of the Corporate Debtor, Including in order to secure the Debt availed of by the Corporate Debtor, shall not be entitled to exercise or enforce any subrogation rights (or any similar rights) in respect of such arrangements, even where such rights have already been exercised. On and with effect from the Effective date, all rights and claims (whether contingent or otherwise) of whatsoever nature of every member of the Promoter Group against the Corporate Debtor (including subrogation or similar rights) shall stand irrevocably and unconditionally extinguished in perpetuity.
- viii. On and with effect from the Effective date, all the outstanding negotiable instruments issued by the Corporate Debtor or by any Person on behalf of the Corporate Debtor including demand promissory notes, post-dated cheques, and letters of credit (save and except for the financial indebtedness described at Clause 6.14 of this Plan), shall stand terminated and the Corporate Debtor's liability under such instruments shall stand extinguished.
- ix. Governmental Authorities shall not initiate any investigations, actions, or proceedings against the Resolution Applicant and the Corporate Debtor



in relation to any actions or omissions of the Resolution Professional which are not in compliance with Applicable Law.

- x. All Claims (whether contingent or crystallised and whether or not filed) of Governmental Authorities in relation to all Taxes (including any interest and penalty in relation thereto) which the Corporate Debtor was or may be liable to pay (including with respect to financial years under assessment), all deductions and all withholding Taxes on any payment, as required under Applicable Law and pertaining to the period prior to the Effective date shall stand extinguished on and with effect from the Effective date.
- xi. All liabilities (whether contingent or crystallized) in relation to any corporate guarantees, indemnities, and all other forms of credit support provided by the Corporate Debtor prior to the Effective date, and all contingent liabilities disclosed in the annual audited financial statements of the Corporate Debtor and liabilities which are not in notice of Corporate Debtor or not acknowledged by the Corporate Debtor, shall stand extinguished and discharged on and with effect from the Effective date.
- xii. Any and all rights and entitlements of the Central Government, the State Governments, any regulatory or local authority or body or any agency or instrumentality thereof, or any other party or entity (under any agreement lease, license, approval, consent, privilege or permission), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or



undisputed, present or future, whether or not set out in the Information Memorandum, in relation to any period prior to the Effective date, shall be deemed to be permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.

36. The Applicant RP submits that the successful Resolution Applicant has submitted an affidavit dated 25.05.2024 confirming its eligibility under Section 29A of the Code.

37. The Resolution Professional has annexed Form H under Regulation 39(4) of the CIRP Regulations to certify that the Resolution Plan as approved by the CoC meets all the requirements of the Code and its Regulations. The relevant extracts, as otherwise stated elsewhere in the order, are as follows:

FORM H

COMPLIANCE CERTIFICATE

(Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

- 1. I, Mahesh Chandra Purohit, an Insolvency Professional enrolled with ICSI IIP and registered with the Board with registration number IBBI/IPA-002/IP-N00690/2018-2019/12202, am the Resolution Professional for the corporate insolvency resolution process (CIRP) of Nav Jyoti Agro Foods Private Limited.*
- 2. The details of the CIRP are as under:*

<i>Sr. No.</i>	<i>Particulars</i>	<i>Description</i>
<i>1</i>	<i>Name of the CD</i>	<i>Nav Jyoti Agro Foods Private Limited</i>



2	<i>Date of initiation of CIRP</i>	12.02.2019
3	<i>Date of Appointment of IRP</i>	12.02.2019
4	<i>Date of Publication of Public Announcement</i>	14.02.2019
5	<i>Date of Constitution of CoC</i>	02.03.2019
6	<i>Date of First Meeting of CoC</i>	11.03.2019
7	<i>Date of Appointment of RP</i>	26.03.2019
8	<i>Date of Appointment of Registered Valuers</i>	31.03.2019
9	<i>Date of Issue of Invitation for EoI</i>	1 st EOI- 28.04.2019 2 nd EOI- 05.08.2019
10	<i>Date of Final List of Eligible Prospective Resolution Applicants</i>	1 st List- 07.06.2019 2 nd List- 14.09.2019
11	<i>Date of Invitation of Resolution Plan</i>	1 st - 28.05.2019 2 nd -04.09.2019
12	<i>Last Date of Submission of Resolution Plan</i>	1 st - 27.06.2019 2 nd - 04.10.2019
13	<i>Date of Approval of Resolution Plan by CoC</i>	16.07.2024
14	<i>Date of Filing of Resolution Plan with Adjudicating Authority</i>	
15	<i>Date of Expiry of 180 days of CIRP</i>	10.08.2019
16	<i>Date of Order extending the period of CIRP</i>	08.08.2019
17	<i>Date of Expiry of Extended Period of CIRP</i>	08.11.2019
18	<i>Fair Value</i>	Rs. 20,68,92,795
19	<i>Liquidation value</i>	Rs. 10,14,07,210
20	<i>Number of Meetings of CoC held</i>	11 (Eleven)



3. *I have examined the Resolution Plan received from Resolution Applicants M/s Chandgi Ram Vipul Kumar and approved by the Committee of Creditors (CoC) of Nav Jyoti Agro Foods Private Limited.*

4. *I hereby certify that-*

(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 Chandgi Ram Vipul Kumar 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 11th meeting of the CoC on 16.07.2024 where all the members of CoC were present.

5. *The list of financial creditors of the CD Nav Jyoti Agro Foods Private Limited being members of the CoC and Distribution of Voting share among them is as under:*

<i>Sr. No.</i>	<i>Name of Creditor</i>	<i>Voting Share (%)</i>	<i>Voting for Resolution Plan (Voted for/ Dissented/ Abstained)</i>
<i>1.</i>	<i>Punjab National Bank</i>	<i>100%</i>	<i>100%</i>



6. The Resolution Plan includes a statement under regulation 38(1A) of the CIRP Regulations as to how it has dealt with the interests of all stakeholders in compliance with the Code and regulations made thereunder.

6A. Minutes of the committee meeting relating to discussion and decisions about the resolution plan are attached with this certificate.

7. The amounts provided for the stakeholders under the Resolution Plan are as under:

(Amount in Rs. lakh)

SI No.	Category of Stakeholder	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount Provided to the Amount Claimed
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of Section 21	NIL	-NA-	-NA-	-NA-
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution plan	-NIL-	-NA-	-NA-	-NA-
		(ii) who voted in favour of the resolution plan	18277	18277	4205	23.00%



		<i>Total [(a) + (b)]</i>	18277	18277	4205	23.00%
2	<i>Unsecured Financial Creditors</i>	<i>(a) Creditors not having a right to vote under sub-section (2) of Section 21</i>	-NIL-	-NA-	-NA-	-NA-
		<i>(b) Other than (a) above:</i>	-NIL-	-NA-	-NA-	-NA-
		<i>(i) who did not vote in favour of the resolution plan</i>	-NA-	-NA-	-NA-	-NA-
		<i>(ii) who voted in favour of the resolution plan</i>	-NA-	-NA-	-NA-	-NA-
		<i>Total [(a) + (b)]</i>	NIL	-NA-	-NA-	-NA-
3	<i>Operational Creditors</i>	<i>(a) Related Party of Corporate Debtor</i>	NIL	-NA-	-NA-	-NA-



		(b) Other than (a) above:	237	237	10	4.22%
		(i) Government	-NIL-	-NA-	5	-NA-
		(ii) Workmen	-NIL-	-NA-	-NA-	-NA-
		(iii) Employees	-NIL-	-NA-	-NA-	-NA-
		(iv) ...	-NIL-	-NA-	-NA-	-NA-
		Total [(a) + (b)]	237	237	15*	4.22%
4	Other debts and dues		-NIL-	-NA-	-NA-	-NA-
Grand Total			18510	18510	4220	22.92%

*Rs. 5.00 lacs provided in the Resolution Plan for Govt. Departments as Contingency though no claim as on CIRP commencement data is received. Percentage of the Amount provided to Amount of Claimed is calculated accordingly.

8. The interests of existing shareholders have been altered by the Resolution Plan as under:

Sl. No.	Category of Shareholder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
1	Equity	1,30,07,334	NIL	100%	-NIL-
2	Preference	NIL	-NA-	-NA-	-NA-

9. The CIRP has been conducted as per the timeline indicated as under:



<i>Section of the Code/Regulation No.</i>	<i>Description of Activity</i>	<i>Latest Timeline under Regulation 40A</i>	<i>Actual Date</i>
<i>Section 16(1)</i>	<i>Commencement of CIRP and Appointment of RP</i>	<i>T</i>	<i>12.02.2019</i>
<i>Regulation 6(1)</i>	<i>Publication of Public Announcement</i>	<i>T+3</i>	<i>14.02.2019</i>
<i>Section 15(1)(c) Regulation 12(1)</i>	<i>Submission of Claims</i>	<i>T+14</i>	<i>25.02.2019</i>
<i>Regulation 13(1)</i>	<i>Verification of Claims</i>	<i>T+21</i>	<i>28.02.2019</i>
<i>Section 26(6A)/ Regulation 15A</i>	<i>Application for Appointment of Authorised Representative, if necessary</i>	<i>T+23</i>	<i>-NA-</i>
<i>Regulation 17(1)</i>	<i>Filing of Report Certifying Constitution of CoC</i>	<i>T+23</i>	<i>06.03.2019</i>
<i>Section 22(1)/ Regulation 17(2)</i>	<i>First Meeting of the CoC</i>	<i>T+30</i>	<i>11.03.2019</i>



<i>Regulation 35A</i>	<i>Determination of fraudulent and other transactions</i>	<i>T+115</i>	<i>07.10.2019</i>
<i>Regulation 27</i>	<i>Appointment of two Registered Valuers</i>	<i>T+47</i>	<i>31.03.2019</i>
<i>Regulation 36(1)</i>	<i>Submission of Information Memorandum to CoC</i>	<i>T+95</i>	<i>07.04.2019</i>
<i>Regulation 36A</i>	<i>Invitation of EoI</i>	<i>T+60</i>	<i>1st- 28.04.2019 2nd-05.08.2019</i>
	<i>Publication of Form G</i>	<i>T+60</i>	<i>1st- 28.04.2019 06.08.2019</i>
	<i>Provisional List of Resolution Applicants</i>	<i>T+85</i>	<i>1st- 28.05.2019 2nd-28.08.2019</i>
	<i>Final List of Resolution Applicants</i>	<i>T+100</i>	<i>1st- 07.06.2019 2nd-04.09.2019</i>
<i>Regulation 36B</i>	<i>Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants</i>	<i>T+105</i>	<i>1st- 28.05.2019 2nd-04.09.2019</i>



<i>Section 30(6)/ Regulation 39(4)</i>	<i>Submission of CoC approved Resolution Plan</i>	<i>T+165</i>	
<i>Section 31(1)</i>	<i>Approval of Resolution Plan</i>	<i>T=180</i>	

10. *The time frame proposed for obtaining relevant approvals is as under:*

<i>SI. No.</i>	<i>Nature of Approval</i>	<i>Name of Applicable Law</i>	<i>Name of Authority who will grant Approval</i>	<i>When to be obtained</i>
<i>1</i>	<i>Capital Reduction and Cancellation</i>	<i>Companies Act 2013</i>	<i>NCLT</i>	<i>With approval of Resolution Plan</i>

11. *The Resolution Plan is not subject to any contingency.*

12. *Following are the deviations/ non-compliance of the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made or circulars issued thereunder (If any deviation/ non-compliances were observed, please state the details and reasons for the same):*

<i>SI. No.</i>	<i>Deviation / Non-compliance observed</i>	<i>Section of the Code/ Regulation No./ Circular No.</i>	<i>Reasons</i>	<i>Whether rectified or not</i>
<i>1</i>	<i>Delay in determination of Fraudulent and Other Transactions</i>	<i>Regulation 35A</i>	<i>Delay in reply of observation of Txn Audit by Directors</i>	<i>IAs under Section 43 and 66 since Adjudicated. IA 909/2019 for Fraudulent Txns under Section 66 partly admitted for Rs.17.42 crores</i>



13. *The Resolution Plan is being filed 0 days before the expiry of the period of CIRP provided in Section 12 of the Code.*

14A. *Whether the resolution professional has, in accordance with Regulation 35A,-*

(a) *Applied to the Adjudicating Authority on or before the one hundred and thirty-fifth day of the insolvency commencement date: -NO-*

(b) *Filed Form CIRP 8 with the Board on or before the one hundred and fortieth day of the insolvency commencement date: -YES-*

14. *Details of Section 66 or avoidance application filed/pending:*

<i>Sr. No.</i>	<i>Type of Transaction</i>	<i>Date of Filing with Adjudicating Authority</i>	<i>Date of Order of the Adjudicating Authority</i>	<i>Brief of the Order</i>
1	<i>Preferential transactions under Section 43</i>	<i>07.10.2019</i>	<i>09.02.2023</i>	<i>Dismissed- as the transactions accounted for by CD but no outgo of funds from the CD</i>
2	<i>Undervalued transactions under Section 45</i>	<i>-NA-</i>	<i>-NA-</i>	<i>-NA-</i>
3	<i>Extortionate credit transactions under Section 50</i>	<i>-NA-</i>	<i>-NA-</i>	<i>-NA-</i>
4	<i>Fraudulent transactions under Section 66</i>	<i>07.10.2019</i>	<i>08.12.2023</i>	<i>Partly admitted for Rs.17.42 Crore, directed respondents to deposit the same with</i>



				Liquidator.
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15A. The Committee has approved a plan providing for contribution under Regulation 39B as under:

- a. Estimated liquidation cost: Rs. 30.00 Lacs
- b. Estimated liquid assets available: Rs. 80.00 Lacs
- c. Contributions required to be made: Rs.-NIL-
- d. Financial Creditor wise contribution is as under:

Sr. No.	Name of Financial Creditor	Amount to be contributed (Rs.)
1	PUNJAB NATIONAL BANK	-NIL- (However, CoC resolved to contribute 100% in case of need, if any shortfall during liquidation.)
Total		

15B. The Committee has approved a plan providing for contribution under Regulation 39B as under:

- a. Sale of corporate debtor as a going concern: -NO-
- b. Sale of business of corporate debtor as a going concern: -NO-

The details of the recommendation are available with the resolution professional.

15C. The committee has fixed in consultation with the resolution professional the fee payable to the liquidator during the liquidation period under Regulation 39D. -YES-

I Mahesh Chandra Purohit, hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom.

38. The term of the Plan and its implementation Schedule 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	150	150	NA	NA
2.	Secured Financial Creditor	4205	435	3770	NA
3.	Unsecured Financial Creditor	-NA-	NIL	NA	NA
4.	Operational Creditor for Goods & Services	10	10	NA	NA
5.	Operational Creditor Government Dues (Customs)	-NA-	-NA-	NA	-NA-
6.	Operational Creditor Government Dues (Tax)	5	5	NA	NA
7.	Operational Creditor Employees & Workers	-NA-	-NA-		
8.	Funds for stabilization of Business and Working Capital	900	0		

39. An Affidavit dated 14.02.2025 was filed by Reena Dhawan, CA on behalf of the Auditor, vide Diary No. 02549/5 in pursuance of directions given by this Adjudicating Authority vide order dated 04.02.2025 to answer two queries w.r.t.



The UDIN generation for tax audit and not for statutory audit and secondly, for explaining the payment of Electricity dues, TDS payable, and EPF dues, which were payable as of 31.03.2018 but have been shown as NIL on 31.03.2019. It is stated in the Affidavit that:

- i. As the Year 2019 was the first year of generation of UDIN and due to the non-availability of proper guidance, only one UDIN-19526010AAADC2744 was generated for both statutory and tax audit reports. Audit and UDIN generation were done in good faith, and no mala fide intention was there in the course of the audit and UDIN generation.
 - ii. As regards the statutory dues which were pending as on 31.03.2018 and shown as NIL as on 31.03.2019, it is stated that the Electricity dues and TDS payable are shown in the Balance Sheet as on 31.03.2018 of the Corporate Debtor amounting to Rs.22,64,594/- and Rs.1,54,342/- respectively, had been paid through Bank by the Corporate Debtor during FY 2018-19, and the EPF payable to the tune of Rs.22,683/- had been paid by Sh. Manoj Kumar (Ex-Director) of the Corporate Debtor during FY 2018-19 and a voucher has been submitted in this regard. The same has been checked through ledgers during the audit. Hence, all the aforesaid statutory dues stand NIL as of 31.03.2019.
40. The Resolution Applicant had filed an Additional Affidavit dated 30.12.2024, vide Diary No. 02594/3 wherein the reconciliation of assets



appearing in the Balance Sheet as on 31.03.2019 with the assets considered in the Valuation Reports, along with a copy of the Valuation Reports received from 2 registered Valuers appointed for Valuation, is attached as **Annexure A3-1 (Colly)** and Revised Reconciliation of Liabilities as appearing on the Balance Sheet as on 31.03.2019 with the claims received and admitted and that shown in the Resolution Plan is attached as **Annexure A3-2**. The reconciliation of liabilities is as follows:

Sr. No	Particulars	Amount reflected in the last Balance Sheet before CIRP of	Claims Received		Claims Admitted		Treatment in Resolution Plan	
			No.	Amt	No.	Amt.	Whether considered	Amount provided
1.	Secured Financial Creditors	177.22	1	182.77	1	182.77	Yes	42.05
2.	Unsecured Financial Creditors	-NIL-	-NIL-	-NIL-	-NA-	-NA-	Yes	-NIL-
3.	*Staff & Workmen	-NIL-	-NIL-	-NIL-	-NA-	-NA-	Yes	-NIL-
4.	Operational Creditors (Except related parties)	14.64	2	2.37	2	2.37	Yes	0.10
5.	Related Party (included Unsecured Financial Creditors & operational	0.29	-NIL-	-NIL-	NA	-NA-	Yes	-NIL-



	Creditors)							
6.	*Statutory Liabilities	0.05	- NIL-	-NIL-	NA	-NA-	Yes	0.05
7.	*Any other liability, including contingent liability	0.14	- NIL-	-NIL-	NA	-NA-	Yes	-NIL-
	Total Outside Liabilities	192.34	3	185.14	3	185.14		42.20
	Paid Up Share Capital	13		-NA-	NA	-NA-	-NA-	-NA-
	Reserves and Surplus	-102.54		-NA-	NA	-NA-	-NA-	-NA-
	TOTAL of All Liabilities as per ABS at 31.03.2019	102.8		185.14	3	185.14		42.20

41. The Resolution Applicant filed a Short Note dated 04.03.2025 vide Diary No. 02594/6 in pursuance of the order dated 18.02.2025 passed by this Adjudicating Authority directing the Resolution Applicant to place on record the relevant case laws to show that the PUFÉ Transactions Applications can be pursued by the Resolution Applicant and the amount realized will go exclusively to the Successful Resolution Applicant as approved by the CoC. It is stated in the Affidavit that:

- i. Clause (d) of Regulation 38(2) of the CIRP Regulations was inserted vide amendment dated 14.06.2022, wherein it has been envisaged



that the Resolution Plan shall mandatorily provide for the manner in which the proceedings in respect of avoidance transactions, if any, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed. Regulation 38(2)(d) of the CIRP Regulations is reproduced hereunder:

“(d) provides for the manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed.”

- ii. The Resolution Applicant, in compliance with the said Regulation, has provided in the Resolution Plan treatment for the avoidance applications and has stated that all expenses to pursue such avoidance applications shall be incurred by the Resolution Applicant and recovery, if any, shall be for the benefit of the Resolution Applicant. The Resolution Applicant has submitted a Resolution Plan (Rs. 52.70 Crores approx.) and has already passed on the benefit, if any, that shall be realized from the PUFÉ Applications to the creditors in view of the proposal under the Resolution Plan being much higher than the Liquidation Value.
- iii. The Resolution Applicant has referred to the judgments passed by the Ld. Coordinate Benches where the PUFÉ Applications are being pursued by the Resolution Applicant and the proceeds/recovery, if



any, are for the benefit of the Successful Resolution Applicant/New Corporate Debtor. The following judgments have been attached:

- a. ***Assets Care and Reconstruction Enterprise Limited vs. Khatema Fibres Limited***, NCLT Allahabad.
- b. ***Ambrane India Private Limited vs. MP Promoters Private Limited***, NCLT Delhi Bench-II.
- c. ***Kaldindi Venkateswara Raju vs. Hemarus Therapeutics Limited***, NCLT Hyderabad Bench-I.
- d. ***Canara Bank vs. Bulland Buildtech Private Limited***, NCLT New Delhi Bench-II.
- e. ***IL&FS Financial Services Limited vs. Emerald Lands (India) Private Limited***, New Delhi Bench-III.
- f. ***Citron Strategies Private Limited vs. Leading Hotels Limited***, New Delhi Bench-IV.

FINDINGS:

42. Heard the learned Counsels for the Resolution Applicant and the RP in the matter and perused the records.
43. The RP has filed a Compliance Certificate in Form-H along with the Plan. On perusal, the same is found to be in order.
44. In the matter of ***K Sashidhar v. Indian Overseas Bank & Others, (2019) 12 SCC 150***, the Hon'ble Supreme Court held that if the CoC had approved the Resolution Plan by the 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”). The excerpt from the judgment is reproduced herein below

“55. ...Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan “as approved” by the requisite per cent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code...”

45. This Bench observes in the present application that the CoC with the requisite majority has approved the Resolution Plan in the 11th CoC meeting with a 100% voting share. Hence, as per the CoC, the plan meets the requirements of being viable and feasible for reviving the Corporate Debtor. The Resolution Plan provides for a detailed implementation schedule with specific timelines and the



manner in which the management, control, and supervision of the Corporate debtor would lie.

46. The Applicant has complied with the requirement of the Code in terms of Section 25(2)(h), Section 30(1), 30(2)(a) to 30(2)(e), and Regulations 38(1), 38(1A), 38(2)(a), 38(2)(b), 38(2)(c), 38(2)(d) & 38(3)(a) to 38(3)(e), 38(1B) and 39(1), 39(1)(a), 39(1)(c), of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law.
47. The Bench also observes that the Resolution Plan of the SRA, provides for the following:
- i. Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
 - ii. Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
 - iii. For management of the affairs of the Corporate Debtor, after the approval of the Resolution Plan, as specified under Section 30(2)(c) of the Code.
 - iv. The implementation and supervision of the Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.
48. Having considered the submissions and judicial precedents in this relation, the Resolution Plan is effective for approval by this Bench.

Relief & Concessions and other stipulations in the Resolution Plan

49. The Resolution Plan is based on the averments that, by approving this Resolution Plan, the Adjudicating Authority shall approve the reliefs and concessions.



50. On a perusal of the waivers/reliefs/concessions, dispensations, other rights, and benefits sought in Schedule 2 and 3 of the Resolution Plan, it is seen that the same are claimed under the general reliefs as per the provisions of IBC. Some of the reliefs sought come within the jurisdiction of Government Authorities/Departments. As regards the aforementioned claims under the IBC, it is clarified that this Adjudicating Authority has powers to decide the reliefs claimed which are directly relatable to the Resolution Process and not over those pertaining to extraneous issues. Regarding the reliefs/waivers pertaining to the domain of various Departments/Governmental Authorities, it is further clarified that this Adjudicating Authority has no power to sanction these waivers, etc., and the Successful Resolution Applicants are at liberty to approach the competent authorities/courts/legal forums/office(s) Government or Semi-Government/State or Central Government for appropriate relief(s) sought in the plan. Approval of the Resolution Plan does not mean automatic waivers. The reliefs & concessions as prayed in the Resolution Plan shall be available in accordance with the principle laid down by the Hon'ble Supreme Court in the case of ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited*** and subject to the following observations:

- i. We have perused the reliefs, waivers, and concessions as sought in the application. It is evident that some of the reliefs, waivers, and concessions sought by the Resolution Applicant come within the ambit of the IBC and the Companies Act 2013, while many others fall under the power and jurisdiction of different government



authorities/departments. This Adjudicating Authority has the power to grant reliefs, waivers, and concessions only concerning the reliefs, waivers, and concessions that are directly with the IBC and the Companies Act (within the powers of the NCLT). The reliefs, waivers and concessions that pertain to other governmental authorities/departments may be dealt with by the respective competent authorities/forums/offices, Government or Semi-Government of the State or Central Government concerning the respective reliefs, waivers, and concessions whenever sought for. The competent authorities, including the Appellate Authorities, may consider granting such reliefs, waivers, and concessions keeping in view the spirit of the I&B Code, 2016 and the Companies Act, 2013.

- ii. It is almost trite and fairly well-settled that the Resolution Plan must be consistent with the existing law. The Resolution Applicant shall make necessary applications to the concerned regulatory or statutory authorities for the renewal of business permits and supply of essential services if required, and all necessary forms along with filing fees, etc. and such authority shall also consider the same keeping in mind the objectives of the Code, which is essentially resolving the insolvency of the Corporate Debtor.
- iii. In this context, we would rely upon the judgment in ***Embassy Property Developments Pvt. Ltd. vs. State of Karnataka reported at***



MANU/SC/1661/2019: (2020) 13 SCC 308, wherein, the Hon'ble Apex

Court has laid down that:

“39. If NCLT has been conferred with jurisdiction to decide all types of claims to property, of the corporate debtor, Section 18(f)(vi) would not have made the task of the interim resolution professional in taking control and custody of an asset over which the corporate debtor has ownership rights, subject to the determination of ownership by a court or other authority. In fact an asset owned by a third party, but which is in the possession of the corporate debtor under contractual arrangements, is specifically kept out of the definition of the term "assets" under the Explanation to Section 18. This assumes significance in view of the language used in Sections 18 and 25 in contrast to the language employed in Section 20. Section 18 speaks about the duties of the interim resolution professional and Section 25 speaks about the duties of resolution professional. These two provisions use the word "assets", while Section 20(1) uses the word "property" together with the word "value". Sections 18 and 25 do not use the expression "property". Another important aspect is that Under Section 25(2)(b) of IBC, 2016, the resolution professional is obliged to represent and act on behalf of the corporate debtor with third parties and exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial and arbitration proceedings. Section 25(1) and 25(2)(b) reads as follows:

25. Duties of resolution professional - (1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor. (2) For the purposes of Sub-section (1), the resolution professional shall undertake the following actions:

(a).....

*(b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial and arbitration proceedings. This shows that wherever the corporate debtor has to **exercise rights in judicial, quasi-judicial proceedings, the resolution professional cannot short-circuit the same and bring a claim before NCLT taking advantage***



of Section 60(5). 40. Therefore in the light of the statutory scheme as culled out from various provisions of the IBC, 2016 it is clear that wherever the corporate debtor has to exercise a right that falls outside the purview of the IBC, 2016 especially in the realm of the public law, they cannot, through the resolution professional, take a bypass and go before NCLT for the enforcement of such a right.”
(Emphasis Added)

- iv. The reliefs sought for subsisting contracts and agreements can be granted, and no blanket orders can be granted in the absence of the parties to the contracts and agreements.

On the Extinguishment of Claims:

- i. Concerning the waivers with regard to the extinguishment of claims which arose prior to the initiation of the CIR Process and which have not been claimed are granted in terms of the law laid down by the Hon'ble Apex Court in ***Ghanashyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited reported in MANU/SC/0273/2021: (2021)9SCC657: [2021]13SCR737*** that “*once a resolution plan is duly approved by the Adjudicating Authority Under Sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the Corporate Debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.*”
(Emphasis Added)
- v. Further, the relevant part of the ***Ghanshyam Mishra judgment (supra)*** in this regard is given below:

“61. All these details are required to be contained in the information memorandum so that the resolution applicant is



aware, as to what are the liabilities, that he may have to face and provide for a plan, which apart from satisfying a part of such liabilities would also ensure, that the Corporate Debtor is revived and made a running establishment. The legislative intent of making the resolution plan binding on all the stake holders after it gets the seal of approval from the Adjudicating Authority upon its satisfaction, that the resolution plan approved by CoC meets the requirement as referred to in Sub-section (2) of Section 30 is, that after the approval of the resolution plan, no surprise claims should be flung on the successful resolution applicant. The dominant purpose is, that he should start with fresh slate on the basis of the resolution plan approved.'

"62. This aspect has been aptly explained by this Court in the case of Committee of Creditors of Essar Steel India Limited through Authorised Signatory (supra).'

"107. For the same reason, the impugned NCLAT judgment [Standard Chartered Bank v. Satish Kumar Gupta] in holding that claims that may exist apart from those decided on merits by the resolution professional and by the Adjudicating Authority/Appellate Tribunal can now be decided by an appropriate forum in terms of Section 60(6) of the Code, also militates against the rationale of Section 31 of the Code. A successful resolution applicant cannot suddenly be faced with "undecided" claims after the resolution plan submitted by him has been accepted as this would amount to a hydra head popping up which would throw into uncertainty amounts payable by a prospective resolution applicant who would successfully take over the business of the corporate debtor. All claims must be submitted to and decided by the resolution professional so that a prospective resolution applicant knows exactly what has to be paid in order that it may then take over and run the business of the corporate debtor. This the successful resolution applicant does on a fresh slate, as has been pointed out by us hereinabove. For these reasons, NCLAT



judgment must also be set aside on this count.”
(Emphasis Added)

- vi. In this regard, we would also rely upon the judgment of the Hon’ble High Court of Rajasthan in the matter of ***EMC v. State of Rajasthan, Civil Writ Petition No. 6048/2020 with 6204/2020 reported in (2023) ibclaw.in 42 HC***, wherein it has been inter-alia held that:

“Law is well-settled that with the finalization of insolvency resolution plan and the approval thereof by the NCLT, all dues of creditors, Corporate, Statutory and others stand extinguished and no demand can be raised for the period prior to the specified date.”
(Emphasis Added)

- vii. Thus, on the date of approval of the resolution plan by the Adjudicating Authority, all such claims, that are not a part of the resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan. The Hon’ble Supreme Court of India further laid down that all the dues, including the statutory dues owed to the Central Government any State Government, or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period before the date on which the Adjudicating Authority grants its approval under Section 31 of the I&B Code could be continued.



On Guarantors:

viii. Concerning the waivers sought in relation to guarantors, the Hon'ble Apex Court held in ***Lalit Kumar Jain v. Union of India reported in MANU/SC/0352/2021: (2021) 9 SCC 321: (2021) ibclaw.in 61 SC*** that the sanction of a resolution plan and finality imparted to it by Section 31 does not per se operate as a discharge of the guarantor's liability. As to the nature and extent of the liability, much would depend on the terms of the guarantee itself.

(Emphasis Added)

ix. Further, we would rely upon the judgment rendered by the NCLAT in ***Roshan Lal Mittal v. Rishabh Jain reported in (2023) ibclaw.in 803*** NCLAT wherein it was held that:

“The Resolution Plan does not absolve the personal guarantors from their guarantee. The law well settled by the Hon'ble Supreme Court in the matter of “Lalit Kumar Jain vs. Union of India & Ors. – (2021) 9 SCC 321), that by approval of resolution plan the guarantees are not ipso facto discharged.”

(Emphasis Added)

x. Hence, we would infer that if there are any personal guarantors of the corporate debtor, the personal guarantees shall be invoked and an appropriate action against them, in accordance with law, be taken.



On Inquiries, Litigations, Investigations, and Proceedings:

- xi. For the reliefs and waivers sought for all inquiries, litigations, investigations, and proceedings shall be granted strictly as per section 32A of the I&B Code, 2016 and the provisions of the law as may be applicable.
- xii. In this context, we would infer that upon the approval of the Resolution Plan, the Corporate Debtor avails the limbs of new management to revive its business. Thus, all the past liabilities of the Corporate Debtor including criminal liability prior to the initiation of the CIR Process shall stand effaced, and the new management will step into the shoes of the company with a fresh or clean slate. Hence, the old management shall be liable to face all the offenses committed prior to the commencement of the CIR Process. At this juncture, we would rely upon the judgment rendered by the Hon'ble Apex Court in ***Ajay Kumar Radheyshyam Goenka vs. Tourism Finance Corporation of India Ltd. reported in MANU/SC/0244/2023: (2023) 10 SCC 545*** that:

"67. Thus, Section 32A broadly leads to:

- a. Extinguishment of the criminal liability of the corporate debtor, if the control of the corporate debtor goes in the hands of the new management which is different from the original old management.*
- b. The prosecution in relation to "every person who was a "designated partner" as defined in Clause (j) of Section 2 of the Limited Liability Partnership Act 2008 (6 of 2009), or an "officer who is in default", as defined in Clause (60) of Section 2 of the Companies Act. 2013 (18 of 2013), or was in any manner in charge of, or responsible to the corporate*



debtor for the conduct of its business or associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of such offence" shall be proceeded and the law will take it's own course. Only the corporate debtor (with new management) as held in Para 42 of P. Mohanraj will be safeguarded.

- c. *If the old management takes over the corporate debtor (for MSME Section 29A does not apply (see 240A), hence for MSME old management can takeover) the corporate debtor itself is also not safeguarded from prosecution Under Section 138 or any other offences."*
(Emphasis Added)

- xiii. Very recently, the Hon'ble Madras High Court in ***M/s. Vasan Healthcare Pvt Ltd v. M/s. India Infoline Finance Ltd, Crl O.P. No. 1772 of 2024, reported in (2024) ibclaw.in 700 HC***, has observed that:

"13. As a result of the above discussion and the law laid in Ajay Kumar Radheshyam Goenka case, it is clear that the corporate debtor cannot be prosecuted for the prior liability after the approval of the Resolution Plan. At the same time, it is to be bear in mind the protection under Section 32-A of Insolvency & Bankruptcy Code, 2016 is restricted only to the Corporate debtor and not to its Directors who were in-charge of the affairs of the Company when the offence committed or the signatory of the cheque."

- xiv. Since the Resolution Plan is stated to be not contravening any law, there may not arise a case so as to bar Governmental Authority (including regulatory, judicial, and quasi-judicial authority) from issuing any orders, directions, decrees, Judgments etc., if any of the



provisions of the Resolution Plan (including the financial plan) is in contravention.

- xv. 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.

DECISION

51. In view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A), and 39 (4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same needs to be approved. Hence, ordered.

52. The Resolution Plan, along with the Addendum thereto annexed to the Application, is hereby approved. It shall become effective from this date and shall form part of this order with the following directions:

- i. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government and 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 is due, guarantors, and other stakeholders involved in the Resolution Plan.
- ii. The approval of the Resolution Plan shall not be construed as a waiver of any statutory obligations or liabilities of the Corporate Debtor and



shall be dealt with by the appropriate Authorities in accordance with the law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of the Supreme Court in **Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited**, the relevant paras of which are extracted herein below:

“95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors, and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan; (ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect; (iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.”

- iii. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the jurisdictional Registrar of Companies (RoC), for information and record. The Resolution Applicant, for the effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.



- iv. The moratorium under Section 14 of the Code shall cease to have effect from this date.
 - v. The Applicant shall supervise the implementation of the Resolution Plan and file the status of its implementation before this Authority from time to time, preferably every quarter.
 - vi. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with a copy of this Order for information.
 - vii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.
53. 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 government authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under Section 31(4) of the Code.
54. 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.
55. 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.

56. The Resolution Applicant shall pursue the avoidance transaction application and out of recoveries made from these avoidance applications, the expenses incurred by Resolution Applicant in pursuing the avoidance applications shall be first deducted and surplus if any remaining shall be distributed to the creditors as per section 53.
57. 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.
58. Liberty is hereby granted for moving any application if required in connection with the implementation of this Resolution Plan.
59. 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.
60. Additionally, the Registry shall send a copy of this order to the concerned Registrar of Companies.
61. The Resolution Plan is approved with the above-mentioned observations and thus the application bearing **IA No. 9 of 2024** in the main Company Petition, i.e., **CP(IB) No.337/Chd/Hry/2018** stands **allowed** and **is disposed of** accordingly.



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

Sd/-

Ashish Verma
Member (Technical)

March 21, 2025
ASG

Sd/-

Harnam Singh Thakur
Member (Judicial)