



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

**IA No.1563 of 2023
In
CP(IB) No.531/Chd/Hry/2019
(Admitted)**

**Under Section 30 (6) and 31 of the
Insolvency and Bankruptcy Code, 2016
read with Regulation 39(4) of IBBI
Regulations, 2016**

IN THE MATTER OF:

Redhex IT Solutions Private Limited ...Operational Creditor

Versus

SNS Laboratories Limited Corporate Debtor

And in the matter of IA No.1563/2023:-

Mohd Nazim Khan
Resolution Professional
SNS Laboratories Limited Applicant

Order delivered on : 22.08.2023

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

Present :-

For the Applicant: : Mr. Chirag Chauhan, Practising Company Secretary
Mr. Mohd. Nazim Khan, RP in person



PER: SUBRATA KUMAR DASH, MEMBER (TECHNICAL)

ORDER

IA No. 1563/2023

The present application has been filed by Mr. Mohd. Nazim Khan, Resolution Professional of SNS Laboratories Limited, under Section 30(6) and Section 31 (1) of the Insolvency and Bankruptcy Code, 2016 (**'the Code'**), read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 seeking approval of the resolution plan in respect of the SNS Laboratories Limited (**"the corporate debtor"**). The applicant-Resolution Professional filed the present application on 15.06.2023 and re-filed on 06.07.2023 for approval of the Resolution Plan, which was approved with a 100% voting share of the Committee of Creditors (**COC**) in its 9th meeting, which was held on .

2. The Company Petition CP(IB) No.531/Chd/Hry/2019 was filed by the Operational creditor- SNS Laboratories Limited, against the corporate debtor, which was admitted into the Corporate Insolvency Resolution Process (**'CIRP'**) vide order dated 11.08.2022.

3. Mr. Mohd. Nazim Khan was appointed as an Insolvency Resolution Professional (**'IRP'**), and the Committee of Creditors (CoC), in its first meeting held on 08.09.2022, confirmed the appointment of Mr. Mohd. Nazim Khan (Reg. No. IBBI/IPA-002/IP-N00076/2017-18/10207) as the Resolution Professional with 100% voting.



4. The Applicant submits that the public announcement as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, read with Section 15 of IBC, 2016 in Form A as prescribed under the schedule was made on 13.08.2022 in two newspapers, i.e. 'Jansatta' and 'Financial Express', inviting claims from the creditors of the corporate debtor as envisaged under the Code.

5. The Interim Resolution Professional constituted the Committee of Creditors in accordance with Section 21(2) of the Code, as amended, which comprised three financial creditors, i.e. Mekaster Finlease Limited, VA Realcon Private Limited and Reliable Finance Corpn Private Limited, holding 88.54%, 10.96% and 0.50% voting share, respectively. The list of creditors, including financial, operational, and other creditors, has been annexed at Annexure-9 of the application.

6. The shares of the members of CoC and the fair value and the liquidation value of the corporate debtor as under:

(Amount in INR)

Sr. No.	Name of Valuer	Fair value	Liquidation Value
1.	Ankush Garg, SFA	44,20,000.00	35,38,000.00
2.	Navin Khandelwal, SFA	45,14,739.00	36,14,739.00
	Average	44,67,369.50	35,76,369.50

7. The Applicant Submits that a total of 9 CoC meetings have been held during the CIRP period. The details are as follows:



Particulars	Date of COC Meeting	Main Agenda of discussion	Important decisions ratified
1 st COC Meeting	08.09.2022	<ol style="list-style-type: none"> 1. Confirmation of Appointment of IRP as RP and 2. To fix the remuneration of RP 3. To Ratify and Approve the Expenses incurred 	Both approved with 100% voting rights
2 nd COC Meeting	7.10.2022	<ol style="list-style-type: none"> 1. Issuance of Form G (First) for expression of Interest 2. Appointment of Two Registered Valuers 3. Appointment of Transaction Auditor 4. Issuance of RFRP and EM including eligibility 5. To Ratify and Approve the Expenses incurred 	All Agendas Approved with 100% voting rights
3 rd COC Meeting	15.12.2022	<ol style="list-style-type: none"> 1. Issuance of Form G (Second) for expression of Interest 2. Issuance of Information Memorandum and Request for Resolution Plan (RFRP) And Evaluation Matrix. 3. Receipt of Transaction Audit Report Submitted by Transaction Auditor. 4. Receipts of Valuation Reports by the RP 5. To take note of issuance of Provisional as well as Final List of PRAs 6. To Ratify and Approve the Expenses incurred 	All Agenda Approved with 100% voting
4 th COC Meeting	30.01.2023	<ol style="list-style-type: none"> 1. To consider and approve the CIRP Extension period by 90 days 2. Issuance of updated Information Memorandum 3. To Ratify and Approve the Expenses incurred 	All Agenda Approved with 100% voting
5 th COC Meeting	28.02.2023	<ol style="list-style-type: none"> 1. To open and consider the resolution plan from the PRAs' 2. To Ratify and Approve the Expenses incurred. 	COC decided to hold the plan for further negotiation
6 th COC Meeting	06.03.2023	<ol style="list-style-type: none"> 1. To discuss, consider the resolution plan and to negotiate with the PRAs' 2. To Ratify and Approve the Expenses incurred 	Both the PRAs ensured to the COC that they will submit modified resolution plan



7 th COC Meeting	17.03.2023	<ol style="list-style-type: none"> 1. To discuss, consider and approve the Resolution plan 2. To Ratify and Approve the Expenses incurred 	COC had decided to defer the Agenda
8 th COC meeting	24.03.2023	<ol style="list-style-type: none"> 1. To consider approve the CIRP Extension period by 60 days beyond 270 days 2. To Ratify and Approve the Expenses incurred 	Approved with 100% voting
9 th COC Meeting	09.06.2023	<ol style="list-style-type: none"> 1. To discuss, consider and approve the resolution plan. 2. To discuss, consider and approve the regulatory fee under regulation 31A of the IBBI (CIRP) regulations, 2016. 3. To discuss, consider and approve the performance linked incentive fee for timely Resolution under Regulation 34B of The IBBI (CIRP) Regulations Read with Schedule-II. 4. To discuss, Consider and Approve the Performance Linked Incentive Fee for Value Maximisation under Regulation 34B of The IBBI (CIRP) Regulations, 2016 Read with Schedule-II. 5. To consider and approve The Compliance of Regulation 39B, 39C and 39D of The IBBI CIRP Regulations with respect to Liquidation of The Corporate Debtor In Case Resolution Plan Is not approved. 	All Agenda were approved with 100% Voting

8. It is submitted that the CoC, in its 2nd and 3rd meetings held on 07.10.2022 and 15.12.2022, discussed and approved the publication of Form G inviting Expression of Interest along with the Eligibility Criteria for the Prospective Resolution Applicants. It was informed by the IRP that invitation of Expression of Interest in Form G under Regulation 36A of The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, needs to be published on or before the 75th day from the CIRP initiation date, i.e. 11.08.2022 and accordingly, 30 days

IA No.1563 of 2023

In

CP(IB) No.531/Chd/Hry/2019
(Admitted)



time is proposed to give to the eligible prospective resolution applicant. Further, as per Section 25(2)(h), the IRP will invite Prospective Resolution Applicants who fulfil such criteria as may be approved by the CoC to submit a resolution plan.

9. It is stated that IA No.557/2023 was filed under Section 12(2) of the Code read with Regulation 40 of Insolvency Resolution Process Regulation 2016 read with Rule 11 of NCLT Rules for extension of CIRP period by 90 days beyond the period of 180 days. The extension of 90 days was approved by COC in its 4th meeting on 30.01.2023 with a 100% voting share. The Adjudicating Authority keeping in view the facts and circumstances and grounds mentioned in the application and in the interest of justice, CIRP period of 90 days beyond 180 days was extended to complete the CIRP proceedings. It is stated that IA No. 1024/2023 was filed for an extension of the CIRP period by 60 days beyond the period of 270 days. The extension of 60 days was approved by COC in its 8th meeting on 24.03.2023 with a 100% voting share. The Adjudicating Authority keeping in view the facts and circumstances, and grounds mentioned in the application and in the interest of justice, a CIRP period of 60 days beyond 270 days was extended to complete the CIRP proceedings.

10. The applicant submits that the Third Form-G dated 25.03.2023, the last date of receipt of Resolution Plan was 24.05.2023 and the Applicant has not received any other Resolution Plan from any other PRAs. Therefore, the



COC has only two Resolution Plans to consider, that is viz., Utsav Securities Private Limited and Yogesh Mittal's Resolution Plan.

11. It is submitted that the RP convened the Nineth COC meeting on 09.06.2023 and again placed the modified Resolution Plan received from PRAs along with the due diligence report prepared by the Applicant. The COC considered the Resolution Plans, conducted the financial due diligence and checked the viability of the Resolution Plan and thereafter, approved the Resolution Plan of Utsav Securities Private Limited, accordingly the following Resolution was put to vote and passed with 100% voting rights unanimously as under:

RESOLVED THAT pursuant to Section 30(3) of the Insolvency and Bankruptcy Code, 2016 (IC) and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations framed there under, the Resolution Plan of Utsav Securities Private limited be and is hereby approved by the COC.

RESOLVED FURTHER THAT pursuant to the provisions of Section 30(6) and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 and Rules and Regulations framed there under, the Resolution Professional be and is hereby authorized to submit the Resolution Plan as approved by the Committee of Creditors to the Hon'ble Adjudicating Authority and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto in connection with".

12. The Successful Resolution Applicants had made a deposit of Rs. 2,50,000 Lakhs on 07.11.2022 as EMD and have also given performance security of Rs. 10 Lakhs on 12.06.2023.

13. The resolution professional by an affidavit dated 20.02.2022, had averred that the applicant is eligible under Section 29A of IBC, 2016.



14. The Applicant has submitted the details of various compliances as envisaged by the Code and the CIRP Regulations, which a Resolution Plan is required to adhere to, as follows:

I. Requirements of Section 30 (1) and (2) of the Code are as under: -

Provisions under Section 30(1) and (2) of the Code	Compliance under Resolution Plan
<p>Section 30(1) <i>A resolution applicant may submit a resolution plan along with an affidavit stating that he is eligible under section 29A to the resolution professional prepared on the basis of the information memorandum.</i></p>	<p>Yes, the resolution applicant (RA) has submitted affidavit under section 29A regarding its eligibility to submit the resolution plan at the time of submission of resolution plan.</p>
<p>Section 30(2) <i>(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the Corporate Debtor;</i></p>	<p>Clause 7.1 on page No. 249 of the Resolution Plan provides for payment of CIRP Cost in priority over any other creditors of the Corporate Debtor and as per the provisions of the Code. CIRP cost would be paid in full in priority to any other creditor. However, total cost at actual shall be paid in full.</p>



<p><i>(b) provides for the payment of the debts of operational creditors in such manner as may be specified by the Board which shall not be less than:</i></p> <p><i>(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or</i></p> <p><i>(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53; Whichever is higher, and provides for the payment of the debts of financial creditors, who do not vote in favour of the resolution plan, in such a manner as may be specified by the board, which shall not be less than the amount to be paid to such creditors in accordance with the sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.</i></p>	<p>According to the provisions of Section 30 of the IBC read with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidation value due to operational creditors shall be paid in priority over the financial creditors</p> <p>As per Clause 7.2 of chapter VII of resolution plan state about the treatment of operational creditor i. e 6.6305% of the claim admitted 47,64,742 which will be 3,15,926 of the Resolution Plan.</p> <p>As per Clause 7.3 of chapter VII of the Resolution Plan, the Resolution Applicant proposes payment of Rs.51,00,428/- to the unsecured financial creditors</p>
<p><i>(c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;</i></p>	<p>As per clause 5.1 of the resolution plan, upon approval of the resolution plan, the Board of Directors of the Corporate Debtor shall be dissolved and the Board of directors of the resolution applicant will manage the business affairs of the corporate debtor.</p>



<p>(d) <i>the implementation and supervision of the resolution plan;</i></p>	<p>Yes,</p> <p>As per the clause 5.6 of the resolution plan The corporate debtor propose the following supervision and monitoring of implementation of the resolution plan:</p> <p>The Corporate Debtor shall form Monitoring Agency comprising of Mohd Nazim Khan, Insolvency Professional, IBBI Reg No.: IBBI/IPA-002/IP-N00076/2017-18/10207 as the Chairman with one representative from Resolution Applicant and one representative from the COC members during Implementation Period.</p> <p>The remuneration of Mohd Nazim Khan, Insolvency Professional, IBBI Reg No.: IBBI/IPA-002/IP-N00076/2017-18/10207 shall be such as may be decided by the Monitoring Agency in its first meeting.</p> <p>Monitoring Agency as confirmed by Adjudicating Authority would also supervise the implementation of the Resolution Plan.</p> <p>The Monitoring Agency shall have the following Responsibilities:</p> <p>To ensure implementation of Resolution Plan as approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench, by new management of the Company;</p> <p>To provide updates to IBBI as and when required;</p>
--	---



	<p>To provide Progress Reports on implementation of the Resolution Plan on such frequency and in such manner as may be decided by Secured Landers; Provided that no such reporting should be in any manner hampering the operations of the Corporate Debtor.</p> <p>To ensure disbursement of dues to creditors as per the approved Resolution Plan.</p>
<p><i>(e) does not contravene any of the provisions of the law for the time being in force;</i></p>	<p>As per Annexure VIII of the Resolution Plan Applicant has declared that this Resolution Plan is not in contravention of the provisions of any Applicable Laws.</p>
<p><i>(f) Conforms to such other requirements as may be specified by the Board.</i></p>	<p>Yes, the Resolution Plan conforms with such other requirements, as specified by the IBBI.</p>

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

Regulation 37(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	Compliance under Resolution Plan
<p><i>(a) transfer of all or part of the assets of the corporate debt to one or more persons;</i></p>	Not Applicable.
<p><i>(b) sale of all or part of the assets whether subject to any security interest or not;</i></p>	Not Applicable



<i>(ba) Restructuring of the Corporate Debtor, by the way of merger, amalgamation and demerger.</i>	Upon approval of the Resolution Plan, the Corporate debtor will be merged with the Resolution Applicant without any further act, deed or thing on the part of the corporate debtor.
<i>(c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;</i>	Upon approval of the Resolution Plan by the Adjudicating Authority, the Corporate Debtor i.e. SNS LABORATORIES LIMITED will be merged with the Resolution Applicant i.e. UTSAV SECURITIES PRIVATE LIMITED without any further act, deed or thing on the part of the Corporate Debtor.
<i>(ca) cancellation or delisting of any shares of the corporate debtor, if Applicable</i>	Not Applicable
<i>(d) satisfaction or modification of any security interest;</i>	Not Applicable
<i>(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;</i>	Not Applicable
<i>(f) reduction in the amount payable to the creditors;</i>	Applicable
<i>(g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;</i>	Not Applicable
<i>(h) amendment of the constitutional documents of the corporate debtor</i>	Applicable
<i>(i) issuance of securities of the corporate debtor, for cash, property, securities, or exchange for claims or interests or other appropriate purpose</i>	Applicable
<i>(j) change in portfolio of goods or services produced or rendered by the corporate debtor</i>	Not applicable.
<i>(k) change in technology used by the corporate debtor and</i>	Not Applicable



<i>(l) obtaining necessary approvals from the Central and State Governments and other authorities;</i>	Not Applicable
--	----------------

III. Requirements of Regulations 38 (1), (2) (3) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 is as under: -

<p>Regulation 38(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</p> <p>Regulation 38(1)(a)- <i>The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors</i></p> <p>Regulation 38(1)(b)- <i>The amount payable under a resolution plan to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan.</i></p> <p>Regulation 38(1A)- <i>A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors of the corporate debtor.</i></p>	<p>Yes, as per Clause 6.1 at the page No. 236</p> <p>Clause 7.2 at page No.249 of the Plan</p> <p>Not Applicable because Resolution Plan has been approved with 100% voting in favour of the Resolution.</p> <p>The Resolution Plan envisages a justified payout to the different class of creditors, as mentioned in proposed payment of dues schedule.</p>
---	--



<p>Regulation 38(1B)- A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.</p>	<p>Yes, clause No. 7.13 at page No .256 of Resolution plan contains a statement that the neither resolution applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the adjudicating authority at any time in the past.</p>
<p>Regulation 38(2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Compliance under Resolution Plan</p>	
<p>a. <i>The term of the plan and its implementation schedule;</i></p>	<p>As per clause 4.7.1 at Page No 210 of the Plan,</p> <p>Once this Resolution Plan will be approved in its entirety by the Adjudicating Authority, the Resolution Applicant will seek all necessary approvals for effecting such terms from various statutory/ regulatory authorities; It being understood that all such approvals being to the satisfaction of the chairman of monitoring agency.</p>



<p><i>(b) The management and control of the business of the corporate debtor during its term;</i></p>	<p>Yes, as per the clause 4.7.2 at Page No 211 of the resolution plan;</p> <p>From Effective Date, the management of the Resolution Applicant shall vest with the Monitoring Agency. The Cost of Monitoring Agency shall be borne by the Resolution Applicant.</p>
<p><i>(c) Adequate means for supervising its implementation;</i></p>	<p>Yes, As per clause 5.6 at Page No 229 of the resolution plan</p> <p>The Corporate Debtor propose the following for supervision and monitoring of implementation of the Resolution Plan:</p> <p>The Corporate Debtor shall form Monitoring Agency comprising of Mohd Nazim Khan, Insolvency Professional, IBBI Reg No.: IBBI/IPA-002/IP-N00076/2017-18/10 207 as the Chairman with one representative from Resolution Applicant and one representative from the COC members during Implementation Period.</p>



<p>d) Provides for the manner in which proceedings in respect of avoidance litige transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, shall will be pursued after the approval of Fina the resolution plan and the manner in bened which the proceeds, if any, from such proceedings shall be distributed: Provided that this clause shall not The apply to any resolution plan that has been submitted to the Adjudicating Authority under sub-section (6) of avoida section 30 on or before the date of taken commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022</p>	<p>Yes, as per clause 4.8.5 at page No 213 of the Resolution Plan</p> <p>Upon approval of the Resolution Plan by the NCLT, the resolution applicant will pursue the application having IA No.88/2023 connected in CP(IB)-531/CHD/HRY/2023 and whatever amount will be recovered from the said IA, will be utilised for the payment of creditors in full and if any amount is left after payment to the creditors, the surplus amount will be used for working capital of the company</p>
<p>Regulation 38(3) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations,2017 Compliance under Resolution Plan</p>	
<p>a. <i>It addresses the cause of default</i></p>	<p>Yes, as per the clause 2.5 at page no. 190 and clause 7.10 at page no. 255 of the resolution plan</p> <p>As per our understanding and details given in Information memorandum, the reason for the present position of the Corporate Debtor is the Financial Crisis of the Corporate Debtor. The bad shape of the economy, demonetization, harmful impacts of Goods and Services Tax, poor market conditions and the impact of pandemic Covid-19 leads to the financial crisis of the Corporate Debtor.</p>



<p>b. <i>It is feasible and viable</i></p>	<p>Yes, as per clause 7.11 page no 255 of the resolution plan</p> <p>The Resolution Plan proposed by Resolution Applicant is in compliance with IB Code and its regulations. Resolution Applicant has proposed the upfront payment to the stakeholders which has been discussed in the Chapter IV (financial proposal).</p> <p>The resolution applicant is quite experienced and have enough business acumen and will appoint technically capable professional to handle and revive the Corporate Debtor in the best interest of all the stakeholders. The Resolution Plan also states the process of its implementation and management to make it feasible and viable.</p>
<p>(c) <i>It has provisions for its effective implementation</i></p>	<p>Yes, Term of the plan and its implementation schedule in details Regulation 38(2): page No. 236</p>
<p>(d) <i>It has provisions for approvals required and the timeline for the same</i></p>	<p>Yes, as per the clause 4.12 at page No. 214 of the Resolution plan</p>



<p>(e) <i>The resolution applicant has the capability to implement the resolution plan.</i></p>	<p>Yes, as per clause 7.13 at page No. 256 of the resolution plan read with chapter III of resolution plan.</p>
<p>Regulation 39 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person Regulations, 2016</p>	<p>Compliance under Resolution Plan</p>



Regulation 39(1)-

A prospective resolution applicant in the final list may submit resolution plan or plans prepared in accordance with Code and these regulations to the resolution professional electronically within the time given in the request for resolution plans under regulation 36B along with:

a. an affidavit stating that it is eligible under section 29A to submit resolution plan;

- 2. deleted by amendment*
- 2. an undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code.*

Regulation 39(1A)

A resolution plan which does not comply with the provision of sub-regulation (1) shall be rejected.

Regulation 39(2)

The resolution professional shall submit to the committee all resolution plans which requirements comply of the Code and regulations made there under along with the details of following transactions, if any, observed, found or determined by him: -

- (a) preferential transactions under section 43;*
- (b) undervalued transactions under section 45;*
- (c) extortionate credit transactions under section 50;and*

Yes, we have received the resolution plan physically within the time given in the request for resolution plan

yes, as per the clause 3.9 at page No 200 of the resolution plan an affidavit has been annexed and marked as Annexure-VII

yes, as per clause 3.11 at page No.200 of the resolution plan an undertaking has been annexed and marked as Annexure-IX

yes, as per clause 3.10 at page No. 200 of resolution plan an undertaking has been annexed and marked as annexure VIII

Yes, as per clause 4.8.5 at page No 213 of the Resolution Plan

Upon approval of the Resolution Plan by the NCLT, the resolution applicant will pursue the application having IA No.88/2023 connected in CP(IB)-531/CHD/HRY/2023 and whatever amount will be recovered from the said IA, will be utilised for the payment of creditors in full and if any amount is left after payment to the creditors, the surplus amount will



<p><i>(d) fraudulent transactions under section 66, and the orders, if any, of the adjudicating authority in respect of such transactions.</i></p> <p>Regulation 39(3)</p> <p>The committee shall evaluate the resolution plans received under sub-regulation (1) strictly as per the evaluation matrix to identify the best resolution plan and may approve it with such modifications as it deems fit.</p> <p>Provided that the committee shall record the reasons for approving or rejecting a resolution plan.</p>	<p>be used for working capital of the company</p> <p>yes, Committee has prepared the Evaluation Matrix and approved H1 resolution plan with 100% voting in favour of Resolution plan.</p>
---	--

15. Details of Resolution Plan/Payment Schedule:

The relevant information with regard to the amount claimed, amount admitted, and the amount proposed to be paid by the Resolution Applicant under the said resolution plan is tabulated as under :

Particulars	Amount of Claim Filed (In INR)	Amount of Claim admitted (In INR)	Amount provided under the Plan (In INR)	Amount provided to the amount claimed (%)	Amount reflected in the last Balance Sheet before CIRP. (only on 3 rd starred item below)	Amount available in liquidation
Secured Financial Creditors	Nil	Nil	Nil	Nil	Nil	Nil
Unsecured Financial Creditors (except related party)	51,00,428	51,00,428	51,00,428	100	Nil	35,76,369



*Staff & Workmen	Nil	Nil	Nil	Nil	Nil	Nil
Operational Creditors (except statutory dues)	47,64,742.40	47,64,742.40	3,15,926	6.6305	Nil	Nil
Related Party (includes Unsecured Financial Creditors & Operational Creditor)	Nil	Nil	Nil	Nil	Nil	Nil
*Statutory Liabilities	Nil	Nil	Nil	Nil	Nil	Nil
*Any other liability, including contingent liability	Nil	Nil	Nil	Nil	Nil	Nil
Working Capital	Nil	Nil	12,00,000	Nil	Nil	Nil

16. Summary of the Financial proposal/payment under the Resolution

Plan is as follows:

Sr. No.	Particulars	Amount (In INR) verified by RP	Upfront Cash	Deferred Cash at the end of 1st Year	Rest of Deferred Cash
1.	CIRP Cost	10,00,000	10,00,000	Nil	Nil
2.	Secured Financial Creditor	Nil	Nil	Nil	Nil
3.	Unsecured Financial Creditor	51,00,428	51,00,428	Nil	Nil
4.	Operational Creditor for Goods & Services	47,64,742.40	3,15,926	Nil	Nil
5.	Operational Creditor Government Dues (Customs)	Nil	Nil	Nil	Nil
6.	Operational Creditor Government Dues (Tax)	Nil	Nil	Nil	Nil
7.	Operational Creditor Employees & Workers	Nil	Nil	Nil	Nil
8.	Funds for stabilization of Business and Working Capital	12,00,000	12,00,000	Nil	Nil



Total	1,20,65,170.40	76,16,354	NIL	NIL
--------------	-----------------------	------------------	------------	------------

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

Sections	Nature of allegation	Amounts involved	Documents relied upon	Remarks
66	Fraudulent Transaction	45,00,000	Bank statement, Share purchase agreement, Loan Agreement	Pending

18. The resolution professional has appointed a forensic auditor, and on the basis of the forensic report, applications under Section 43(2) have been filed in compliance with Regulation 35A of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

19. The Resolution Applicant will pursue the avoidance transaction application and also meet the expenses incurred therein.

20. The Successful Resolution Applicants have filed an affidavit by diary No.02001/1 dated 03.08.2023 with regard to the payment of gratuity dues and dues to the workmen and employees stating as under:

“That Corporate Debtor does not have any workmen. Therefore, no payment of Provident fund and Gratuity dues would be pending up to the date of order of the NCLT approving the Resolution Plan”.



21. The term of the Resolution Plan shall be till the Resolution Plan approved by the Adjudicating Authority is fully implemented as specified in clause 4.7.3. of the plan and the implementation, the period shall be the period from the Effective date till the date of the completion of the events as specified in clause 4.7.4 of the plan. Further, the amount proposed for CIRP cost as specified in clause 6.2.1, and there is no contingent liability.

22. Upon approval of this plan, the corporate debtor is liable to pay the payment of Rs. 76,13,354/- (Rs. Seventy Six Lakhs Thirteen Thousand Three Hundred Fifty Four only) as proposed in Resolution Plan for all the stakeholders. Upon payment of the aforesaid amount, all the secured financial creditor shall relinquish all their charge from the corporate debtors remaining properties existing as on the insolvency commencement date in terms of the decision of the Hon'ble Supreme Court in the case of ***Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors. 2021 SCC Online SC 313*** and the principle of clean slate under Insolvency and Bankruptcy Code,2016.

23. Details on Management/Implementation and Relief as per Resolution Plan include the following Salient Features:

- a. Management and affairs of the company.
- b. Appointment of monitoring agency.
- c. Compliance of applicable laws.



24. Certain Waivers, Reliefs, and Exemptions have been sought in the Resolution Plan. The applicant has submitted the following facts with regard to the Waivers, Reliefs and Exemptions sought in the Resolution plan:

Sr. No.	Relief and/or Concessions and Approvals Sought	Competent Authority/ Courts/ Government/Se mi-Government Authority for relief sought	Justification for seeking the relief/concession	The observations as regards reliefs/concessions sought as below are:-
1.	To modify the contracts entered with related parties prior to insolvency commencement	NCLT	For the purpose of revival of corporate Debtor	Modification as per law is approved.
2.	Recovery of amount in IA 88/2023 if any be used for meeting the liabilities of the CD	NCLT	Such amount will be used for the purpose of meeting the liabilities of Corporate Debtor	The distribution be made as per clause 4.8.5 of the resolution plan
3.	Claim arose by non-compliance of Applicable Law	Any Competent Authority	As no such claim was received by Resolution Professional	Relevant Authority be approached for appropriate relief.
4.	All claims that may be made against the CD in relation to the payments required to be made by CD as taxes pertaining to the period prior to the effective date	Any Competent Authority	As no such claim was received by Resolution Professional	Granted in terms of the judgement of Hon'ble Supreme Court in case of Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors. 2021 SCC Online SC 313
5.	Arising out of the legal proceedings initiated before any forum	Debt Recovery Tribunal	As no such legal proceeding was initiated against the Corporate Debtor	Granted in terms of the judgement of Hon'ble Supreme Court in case of

IA No.1563 of 2023

In

CP(IB) No.531/Chd/Hry/2019
(Admitted)



				Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors. 2021 SCC Online SC 313
6.	On account of any violation or breach of any agreement of the corporate debtor,	Any Competent Authority	As no such violation was found by the Resolution Professional	Relevant Authority be approached for appropriate relief.
7.	On account of all outstanding negotiable instruments issued by the corporate debtor	Any Competent Authority	As no such violation was found by the Resolution Professional	Granted in terms of the judgement of Hon'ble Supreme Court in case of Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors. 2021 SCC Online SC 313
8.	On account of any guarantees/indemnities and all other forms of credit support provided by the corporate debtor	Any Competent Authority	As no such guarantee/ indemnities was found by the corporate debtor	Granted in terms of the judgement of Hon'ble Supreme Court in case of Ghanshyam Mishra and Sons Private Limited through Authorised Signatory vs. Edelweiss Asset Reconstruction Company Limited through the Director & Ors. 2021 SCC Online SC 313

IA No.1563 of 2023

In

CP(IB) No.531/Chd/Hry/2019
(Admitted)



9.	On account of any form, security provided by any person for and on behalf of, and/or in order to secure any obligation of the corporate debtor (whether by way of hypothecation, pledge, Mortgage, guarantee, or otherwise)	Any Competent Authority	As no such form, security was found by the Resolution Professional	Relevant Authority be approached for appropriate relief.
10.	Arising out of termination of all agreement executed with any and all persons associated with the Existing Promoter Group in any manner whatsoever or relatives of the existing Promoter Group who are employees of the Corporate Debtor or holds any managerial /supervisory/any other position in the Corporate Debtor by the Monitoring Agency shall stand extinguished and annulled;	Any Competent Authority	For the purpose of revival of corporate Debtor	Relevant Authority be approached for appropriate relief.
11.	The Central Board of Direct Taxes shall consider the Corporate Debtor as a widely held Corporate Debtor for the purposes of Section 79 read with Section 2(18) of the Income Tax Act, 1961 (“IT Act”) and that the change in shareholding of the Company pursuant to the Resolution Plan shall not lead to lapse of brought forward losses of the Company.	Any Competent Authority	For the purpose of revival of corporate Debtor	This is for Income Tax Authorities and Custom authorities to Consider, keeping in view the objects of Insolvency and Bankruptcy Code, 2016.
12.	That there will be complete ceasure on any/ all prosecution, attachment and/or seizure against the corporate debtor under any law for the time being in force pursuant to Section 32A Read with Section 238 of I B Code, 2016.	Any Competent Authority	For the purpose of revival of corporate Debtor	Granted subject to the relevant provisions of Insolvency and Bankruptcy Code,2016.
13.	All MAT credit of the Company will continue with the Company (on a going concern basis) and will be available for the benefit of the Corporate Debtor	Income Tax Department	For the purpose of revival of corporate Debtor	This is for Income Tax Authorities and Custom authorities to Consider, keeping in view the objects of Insolvency and



				Bankruptcy Code,2016.
14.	Upon completion date, the Corporate Debtor shall be recognized for the purpose of availing various benefits/incentives granted by the Central/State government from time to time including but not limited to registration under the Micro, Small and Medium Enterprises Development Act, 2006.	Centre Government/ State Government	For the purpose of revival of corporate Debtor	This is for the appropriate authority to consider keeping in view the clean slate principle envisaged in Insolvency and Bankruptcy Code,2016.
15.	Any requirements to obtain waivers from any Tax Authorities including in terms of section 79 of the IT Act is deemed to have granted upon approval of this Resolution Plan on the completion date	Any Competent Authority	For the purpose of revival of corporate Debtor	This is for Income Tax Authorities and Custom authorities to Consider, keeping in view the objects of Insolvency and Bankruptcy Code,2016.
16.	Any approvals that may be required from Governmental Authorities (including tax authorities) in connection with the implementation of the Resolution Plan including on account of change in ownership / control of the Corporate Debtor shall be deemed to have been granted on the Appointment Date.	Governmental Authorities	For the purpose of revival of corporate Debtor	This is for the appropriate authority to consider keeping in view the clean slate principle envisaged in Insolvency and Bankruptcy Code, 2016.
17.	Upon approval of the Resolution Plan by the NCLT, all non-compliances, breaches and defaults of the corporate debtor for the period prior to the Effective Date (including but not limited to those relating to tax), shall be deemed to be waived by the concerned Governmental Authorities	Governmental Authorities	For the purpose of revival of corporate Debtor	This is for the appropriate authority to consider keeping in view the clean slate principle envisaged in Insolvency and Bankruptcy Code,2016.
18.	All creditors of the Corporate Debtor shall have to withdraw all legal proceedings commenced against the Resolution Applicant Corporate Debtor in relation to Claims,	Any Competent Authority	For the purpose of revival of corporate Debtor	This is for the appropriate authority to consider keeping in view the clean



	including all criminal proceedings, proceedings under Section 138 of the Negotiable Instruments Act, 1881 and proceedings under SARFAESI and RDDBFI, within 30 (thirty) days of the Effective Date for revival of the corporate debtor and for economic stability of the business of the Resolution Applicant. Corporate Debtor.			slate principle envisaged in Insolvency and Bankruptcy Code,2016.
19.	From the Closing Date, all inquiries, investigations and proceedings, whether civil or criminal, suits, claims, disputes, proceedings in connection with the Corporate Debtor & its directors/ promoters or affairs of the corporate debtor shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor will be deemed to have been written off fully, and permanently extinguished	Any Competent Authority	For the purpose of revival of corporate Debtor	The corporate debtor under the SRA will not be responsible for any liability arising out of the action of the management before the approval of the resolution plan by this Authority as per the clean slate policy in Insolvency and Bankruptcy Code,2016. The proceedings against the erstwhile management, however, will continue as per law.
20.	Except to the extent of payments to be made to the Financial Creditor and Operational and Other creditors under Chapter VI and this Chapter above, the Resolution Applicant shall have no liability towards any Operational Creditors and other creditors with respect to any claims.	Any Competent Authority	For the purpose of revival of corporate Debtor	This is for the appropriate authority to consider keeping in view the clean slate principle envisaged in Insolvency and Bankruptcy Code,2016.
21.	Resolution Applicant shall not be impacted and will be kept indemnified financially or otherwise against any of the negative impact / observation / findings of Forensic Audit. Further, neither the Resolution Applicant nor any member of the new promoter group shall be made	Any Competent Authority	As no such indemnities, negative impact was found by the Resolution Professional	Granted as per the relevant provisions of Insolvency and Bankruptcy Code,2016.



	party to any of the legal cases arising out of such forensic audit.			
22.	No action will be taken against the any dues non-compliance penalty, interest related to the period before the effective date, by any authority under PF Act, ESI, Factory Act, electricity department, Fire department, Pollution Department, Labour Law or any other statutory department not mentioned herein above.	Any Competent Authority	For the purpose of revival of corporate Debtor	This is for the appropriate authority to consider keeping in view the clean slate principle envisaged in Insolvency and Bankruptcy Code,2016.
23.	Immediately from the Effective Date the existing directors of the Corporate Debtor shall cease to be the Directors of the Corporate Debtor.	Adjudicating Authority	For the purpose of revival of corporate Debtor	Granted as per the relevant provisions of Insolvency and Bankruptcy Code,2016.
24.	The Resolution Applicant acknowledges that the COC / Interim Resolution Professional/ Resolution Professional is neither providing any representation or warranty express or implied regarding the status of business, the business prospects or assets the Corporate Debtor nor do they have any obligation to give such representation or warranty in relation to the Corporate Debtor and the COC / IRP assume no liability whatsoever in this respect.	Adjudicating Authority	For the purpose of revival of corporate Debtor	Granted as per the relevant provisions of Insolvency and Bankruptcy Code,2016.
25.	That the Resolution Applicant hereby undertakes to release the Resolution Professional, the COC, Resolution Process Advisor, employees, agents, irrevocably, unconditionally, fully and finally, from any and all liability for claims, losses, damages, costs, expenses or liabilities, in any way related to or arising from the exercise of any rights or performance of any obligations set out under this RFRP, or in connection with the Resolution Plan Process, and waives any and all rights or claims the Resolution Applicant(s) may have in this respect, whether actual or	Adjudicating Authority	For the purpose of revival of corporate Debtor	Granted as per the relevant provisions of Insolvency and Bankruptcy Code,2016.



	contingent, whether present or in future			
--	--	--	--	--

25. On a perusal of the reliefs etc., sought above, it is seen that the same are claimed under the general reliefs as per the provisions of IBC, under the ratios of various judicial pronouncements. Some of the reliefs sought comes 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.

26. 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.



27. For the implementation of the plan following names have been proposed as the members of the Monitoring Committee:

Name(s) of the proposed member(s) of implementation and monitoring committee	Brief description of the Proposed member(s) of the I&M committee
Mohd Nazim Khan (RP)	Chairperson
One representative of Resolution Applicant	Member
One Representative from COC members	Member

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

29. As per the CoC, the Resolution Plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.

30. On perusal of the documents on record, we are satisfied that the Resolution Plan, thereto, are in accordance with Sections 30 and 31 of the Code and complies with Regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



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

32. It is further directed that the Resolution Applicant, on taking control of the corporate debtor, shall ensure compliance under all applicable laws for the time being in force. As far as the question of granting time to comply with the statutory obligations or seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under Section 31(4) of the Code.

32.1. The Resolution Plan as approved shall be binding on the corporate debtor and its employees, members, and creditors, including the Central Government, State Government, or Local Authority, to whom a debt in respect of the payment of dues arising under any law for the time being in force such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan.

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

32.3. The Resolution Professional shall stand discharged from his duties with effect from the date of this order. However, he shall perform his duties in terms of the Resolution Plan as approved by this Adjudicating Authority.

32.4. The Resolution Professional is further directed to hand over all records and properties to the Resolution Applicant and shall finalize



the further line of action required for starting the operation. The Resolution Applicant shall have access to all the records and premises of the corporate debtor through the Resolution Professional to finalize the further line of action required for starting the operation.

32.5. In case of non-compliance with this order or withdrawal of the Resolution Plan, the performance security amount already paid by the Resolution Applicant shall be liable to be forfeited, in addition to such further action as may be permitted under the law.

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

33. 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.

34. The Resolution Professional shall file a copy of this order with the concerned Registrar of Companies, inter alia, for updating the status of the corporate debtor.

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

36. The application bearing IA No. 1563 of 2023 in the main Company Petition, i.e., CP (IB) No. 531/Chd/Hry/2019, shall stand allowed and disposed of accordingly.



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

Sd/-

(Subrata Kumar Dash)
Member (Technical)

August 22, 2023
PB/TBG

Sd/-

(Harnam Singh Thakur)
Member (Judicial)