

**NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
COURT NO.1**

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
BENGALURU BENCH, BENGALURU, HELD ON 13.01.2020

CAUSE LIST - 2

PRESENT: 1. Hon'ble Member (J), Shri Rajeswara Rao Vittanala
2. Hon'ble Member (T), Shri Ashutosh Chandra

CP/CA No.	Purpose	Sec	Name of Petitioner	Petitioner Advocate	Name of Respondent	Respondent Advocate
CP(IB)No. 155/BB/2018	For hearing IA 12/2020 – CIRP	Sec 9 of I&B code 2016	M/s Elite Brilliant Limited	Ian Lewis	M/s ILC Industries Limited	Ravindranath Narayana Rao RP

ADVOCATE FOR PETITIONER/s:



ADVOCATE FOR RESPONDENT/s:

A. MUKALI & JYOTHI ANUMOLU

7019246197

Jyothi -A

RAVINDRANATH NARAYANA RAO.

Ravindranath N

PTO

ORDER

Heard Shri Ravindranath Narayana Rao, learned Resolution Professional along with Shri A Murali along with Ms. Jyothi Anumolu, learned Counsel for the Resolution Professional.

I.A.No.12/2020 & C.P. (IB)No.155/BB/2018 are disposed of by separate order.

**MEMBER (T)****MEMBER (J)**

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

C.P. (IB)No.155/BB/2018
U/s.9 of IBC, 2016
R/w Rule 6 of I&B (AAA) Rules, 2016

And

I.A. No.12/2020
U/s. 30(6) of the IBC, 2016
R/w Regulation 39(4) of
IBBI (CIRP for Corporate Persons)
Regulations, 2016

In the matter of:

Mr. Ravindranath Narayana Rao
*Resolution Professional of
M/s. ILC Industries Limited*

Office situated at:

No.522/C, 1st D Cross,
15th main, 3rd Stage, 4th Block,
Basaveshwara Nagar,
Bengaluru – 560 079

- Applicant/RP

In the matter of:

M/s. Elite Brilliant Limited

- Petitioner/
Operational Creditor

Versus

M/s.ILC Industries Limited

- Respondent/
Corporate Debtor

Date of Order: 13th January, 2019

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)



Parties/Counsels Present:

For the Applicant : Shri A. Murali along with
Ms. Jyothi Anumolu
Shri Ravindranath Narayana Rao, RP

ORDER

Per: Rajeswara Rao Vittanala, Member (J)

1. I.A.No.12/2020 in C.P.(IB)No.155/BB/2018 is filed Mr. Ravindranath Narayana Rao, Resolution Professional of M/s. ILC Industries Limited ('Applicant/Resolution Professional') U/s. 30(6) of the IBC, 2016 R/w Regulation 39(4) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, by inter-alia seeking to accept the Resolution Plan for the Corporate Debtor i.e., M/s. ILC Industries Limited, submitted by the Resolution Applicant i.e., Karatagi Refineries Private Limited, which was approved by the CoC at their meeting held on 16th December, 2019 etc.
2. Brief facts of the case, which are relevant to the issue in question, as mentioned in the Application, are as follows:
 - (1) C.P.(IB)No.155/BB/2018 is filed by M/s. Elite Brilliant Limited (Petitioner/Operational Creditor) U/s.9 of the IBC, 2016, R/w Rule 6 of the I&B (AAA) Rules, 2016, by inter-alia seeking to initiate CIRP in respect of the Corporate Debtor i.e., M/s. ILC Industries Limited, was admitted by the Adjudicating Authority, vide order dated 16.04.2019 by appointing Mr. Ravindranath Narayana Rao, as the Interim Resolution Professional, imposing moratorium, etc. Subsequently, the Committee of Creditors of the Corporate Debtor in their first meeting of the CoC held on 28.05.2019



confirmed the appointment of Mr. Ravindranath Narayana Rao, as the Resolution Professional. This Adjudicating Authority vide order dated 26th November, 2019, extended CIRP of the Corporate Debtor by further 90 days beyond 180 days period starting from October 13th 2019 i.e. till January 13, 2020 upon an Application filed by RP under Section 12 of the Code, read with Regulations 40 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

- (2) In pursuant to the admission of the case, the RP published advertisements in Form G – Expression of Interest as per Regulation 36A(2) on July 12, 2019 in Deccan Herald (English Newspaper) and Vijayavani (Kannada Newspaper) to invite Expression of Interest (EoI) from Prospective Resolution Applicants. The due date of submission of EoI was 1st August 2019. By the end of the time of EOI, the Application for EoI was received from the Applicants.

Sl. No.	Name of the Prospective Resolution Applicant	Date of receipt of EoI
1	SHIVA FERRIC PRIVATE LIMITED	30 st July 2019
2	ILC IRON & STEEL PRIVATE LIMITED	30 th July 2019
3	KARATAGI REFINERIES PRIVATE LIMITED	31 st July 2019

- (3) As per Regulation 27 of the Insolvency and Bankruptcy Board of India, Regulations, 2016 the RP shall within 7 days of his appointment, appoint two Registered Valuers to determine the fair market value and liquidation value of the Corporate Debtor in accordance with the provisions of the



Code. In this regard, the Resolution Professional has appointed following Registered Valuers on June 1, 2019:

- i. Ravi Sankar Devarakonda - Securities and Financial Value.
- ii. Venkatasubbarao Kalva - Securities and Financial Value.
- iii. N.S.Vaidyanathan - Plant and Machinery
- iv. M. Muniyanndi - Plant and Machinery
- v. Inturi Veeraiah - Land and Building
- vi. S.J.Ranganatha - Land and Building

(4) In Second meeting of CoC was held by Resolution Professional on July 10, 2019 where in RP detailed out the Evaluation Matrix and Eligibility Criteria and the COC wanted couple of days' time to review the same and requested another day to pass the Evaluation Matrix as well as the Eligibility Criteria. And the RP updated the CoC about the operations of the Company as well as the claims that were being received and being approved. Thereafter, in Third meeting of COC was held on July 16, 2019 and the COC approved the Evaluation Matrix As well as the Eligibility Criteria.

(5) In pursuant to Regulation 36A(11) of the CIRP Regulations the Applicant provided five days' time to submit any objections, if any. The final list of Resolution Applicant was issued on 16th August, 2019 with the following Applicants:

- i) Shiva ferric private limited
- ii) ILC Iron & Steel Private limited
- iii) Karatagi refineries private limited

A communication was made for all the final list of Resolution Applicants to submit a plan within the due date and Resolution Professional had not received any Resolution

Plan from the above shortlisted Applicants till September 15, 2019.

- (6) It is further stated that fourth meeting of COC was held on 09.08.2019 and Resolution Professional Informed to COC about the eligibility criteria and informed that all was eligible to submit a Resolution Plan. Further, the Resolution Professional received a request on 15th September, 2019 from one of the prospective Resolution Applicant, namely, Karatagi Refineries Private Limited and ILC Iron and steel Pvt. Ltd., requesting extension of one month (up to 15th October, 2019) period for submission of Resolution Plan for ILC Industries Ltd. The Sixth Meeting of Committee of Creditors of the Corporate Debtor was held on 4th October 2019, where in a resolution to seeking an extension of CIRP by 90 days and thus time was granted by the Adjudicating Authority, on November 26, 2019.
- (7) It is stated that the Resolution Applicant, upon communication of rejection of Resolution Plan, has revised and submitted the Revised Plan to the Resolution Professional on 13th of December 2019. The Resolution Professional called for a COC meeting on 16th December, 2019 to deliberate on the Resolution Plan received. In the meeting of CoC, RP explained in detail all the aspects of the plan. There were discussion on merits and demerits of the plan. TMSCCL were not inclined to 75% hair cut. KGB wanted an early closure of their loan and were not inclined with 10 month period for their repayment. However Resolution Professional brought to the notice of COC members, the limitations of accepting and not accepting the

plan. The Liquidation value being less and also considering the fact that rice mill industry sector was facing huge challenges off late and liquidation was not in the interest of any of the COC members, who might not get even 15% of their claim, it would be appropriate to accept the plan.

(8) It is further submitted that the Resolution Professional made an observation where in the Resolution Applicant had considered M/s. Mineral Embassy as a Financial Creditor and had made them a part of the COC meeting and further scheduled a voting right to the tune of 21.04%. Further as per the plan, an amount equal to 72.5 Lakhs has been provided in the plan as payable. However the RP had not considered the same and the voting rights would remain the same as per the initial claims made by the Financial Creditors and as per the Constitution of Committee of Creditors. Upon this, the Members perused the revised Resolution plan and the Members constituting 100% of voting share, had provided their in-principle approval for the same.

(9) The brief facts on the approved Resolution Plan are as follows:

a) Cost or Resolution Plan:

Cost of Resolution Plan (In INR)		
1	Insolvency Resolution Process Cost ()	12,00,000
2	Financial Creditor by the Resolution Applicant**	7,92,98,000
3	Dues of Operational Creditors including Statutory dues	1,80,58,000
	a. Various Creditors	55,20,000

	b. Statutory Dues	1,25,38,000
	TOTAL	9,85,56,000

b) Means of Finance:

	Sources	Amount
1	Generation from Business	90,70,147
2	Infusion of Funds – Equity	3,00,00,000
3	Working Capital Loan	5,94,85,853
	Total	9,85,56,000

c) Management of Affairs and control of business after approval of the Resolution Plan:

Upon approval of this Resolution Plan by Adjudicating Authority, the following shall apply:

- i) *“Resolution Professional shall continue to manage and control the company after approval of COC till settlement Date.*
- ii) *By virtue of the approval order of this Resolution Plan Board Directors of the company shall be reconstituted at the option of the Applicant.*
- iii) *Management of by virtue of the order of the Adjudicating Authority approving this Resolution Plan, and on the date of approval of this Resolution Plan, the existing articles of association of the Company shall stand amended and modified, and the draft articles of association that are indicated or informed by the Resolution Applicant shall be in force and effect.*
- iv) *All existing authorisations for operating bank accounts of the Company (both physically and online) shall be withdrawn and all such authorisations shall be suitably*



modified by the applicant on the Settlement Date. However, the Resolution Professional shall carry on such operations till the Settlement Date.

- v) Management Committee shall comprise for Resolution Professional, members chosen by the applicant, and representative of Financial Creditors to oversee implementation of the Plan. This committee shall monitor the implementation of the Plan and shall be responsible till last payout as per Schedule are made. Frequency of meetings, modes of communication, roles and responsibilities and fees for participation shall be decided by the Resolution Applicant.*
- vi) Management Committee shall ensure that Payment to all stakeholders is adhered at all times.*
- vii) On disbursement of payment to Financial Creditor, Resolution Professional shall file Report to Adjudicating Authority informing the Applicant honouring the Payment and updating status of regulatory Compliances.”*

d) Adequate Means for supervision of the Implementation of the Resolution Plan:

- i. Resolution Professional shall open new and separate bank Account of the Company from which, all payments shall be made and into which, all deposits shall be made.*
- ii. Resolution Professional shall operate this account till Settlement Date.*
- iii. Resolution Applicant shall decide to operate this account post Settlement Date. The Designated Bank Account shall not be subject to any attachment and/or any lien of any nature whatsoever.*



e) The term of the Plan and Implementation Schedule.

No	Activity	Proposed Timelines (Days)	Responsibility
Phase I Approval of the Proposed Plan by CoC			
1.	Presentation and Approval of Proposed Plan to CoC	X	CoC
2.	Application to NCLT	X +5	CoC with support of Resolution Professional
3.	Receipt of Certified Copy of NCLT's Order of approving Resolution Plan		
4.	Public Announcement (If Required)	Implementati on day + 30	Resolution Professional
5	Intimation to CoC , IBBI, Tax authorities and other statutory authorities		
6	Intimation to all Creditors, existing shareholders and other Stakeholders of the company		
Phase II- Settlement of Creditors			
7	Payment of CIRP Expenses	On the implementati on day	Resolution Applicant
8	Payment of Workers/ employees/secured financial creditors		
Phase III – Implementation of the Proposed Plan			
9	Execution of material agreements giving effect to the Proposed Plan	Implementati on day +180	Resolution Applicant
10	Capital Reduction		
11	Infusion of funds towards Equity		

f) Dealing with the Assets of the Corporate Debtor:

The Resolution Applicant proposes to have full rights to all IPs and assets (both movable and immovable) of the Corporate Debtor

g) The Resolution Plan Demonstrates that

- I. The Cause of Default is addressed
- II. It is feasible and Viable
- III. It has provisions for effective implementation
- IV. It has provisions for approvals required and the timeline for the same &
- V. The Resolution Applicant has the capability to implement the Resolution Plan.

h) Future Projections

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Total revenue	13,05,18,546	14,98,06,158	15,71,87,699	17,25,27,137	18,93,81,552
Total expense	13,17,28,002	14,42,32,047	15,01,56,691	16,08,96,401	17,20,70,359
Profit Before Tax	(12,09,456)	55,74,111	70,31,008	1,16,30,736	1,73,11,193

(10) Other Terms and Conditions proposed by the Resolution Applicant in the Resolution Plan were as follows:

i. Payment to Financial Creditors:

It is noted that the CD has two categories of Financial Creditors, whose claims have been admitted by the RP. The first category being Pragati Gramin Bank, the sole secured Financial Creditor and the second category comprising of TMSCCL and Mineral Embassy being the other two unsecured Financial Creditors. Accordingly, the Plan provides for appropriate levels of dispensation amongst three Financial Creditors as under:

ii. Payment of the dues of Pragati Gramin Bank (PGB) the secured financial creditor:

Payment of 100% of the claim admitted by the RP payable on or before 10 months or 300 days from implementation date, with a down payment of 10% on the implementation date.

iii. Payment of the dues of TMSCCL one of the unsecured Financial Creditors:

Payment of 25% of the claim admitted by the RP payable on or before 31.03.2022.

iv. Payment of the dues of Mineral Embassy one of the unsecured financial creditors:

Payment of 25% of the claim admitted by the RP payable on or before 31.03.2022.

v. Table of proposed payments and the resultant sacrifices from the financial creditors are tabulated below:

Particulars	Amount Claimed	Voting %	Settlement proposed in Resolution Plan	Balance to be written off
PGB	5.99	43.47	5.99	0
TMSCCL	4.89	35.49	1.22	3.67
Mineral embassy	2.90	21.04	0.73	2.17
TOTAL	13.78	100.00	7.94	5.84

vi. Payment to operational creditors:

RP has admitted a total claim of Rs 180.57 Crore from various operational creditors viz., Income tax Department, Customs department, supply creditors, service providers and others as tabulated under para 5.6.2 above.

It may be noted that in terms of the Code and based on the liquidation value of the assets of the Corporate debtor, these creditors are **NOT ELIGIBLE FOR ANY PAYMENT AND THE RA WILL BE JUSTIFIED IN SEEKING 100% WAIVER OF ALL THESE CLAIMS.**



However, the "Plan" provides for a payment at 1% (one percent) of the admitted claims to be cleared over a period of three years from the implementation date, with an option of a pre-closure subject to the connected litigations/ appellate proceedings reaching finality and the concerned department complying with the terms of the "Plan" after its approval by the Adjudicating Authority.

vii. Payment to equity shareholders:

Considering the liquidation value of the assets of the Corporate Debtor, Plan envisages 100% sacrifice from the promoters/existing shareholders and consequently entire share capital will be reduced to NIL and the resultant amount credited to Capital Reserves Account.

viii. Protection from continuation of litigation/ appellate proceedings against the Corporate Debtors after the Plan is Approved by the AA

- i. Subject to the Adjudicating Authority granting the relief as set out in this Resolution Plan, any Encumbrance or any other form of restraints/ attachments etc against the Company or any type of encumbrances created by the Promoters of the Company in connection with any Operational Debt of the Company, at any time prior to the Insolvency Commencement Date, shall automatically be waived and/released or lifted and all liabilities and obligations of the Company shall stand permanently waived and/or released on the approval of this Resolution Plan by the Adjudicating Authority,



without requirement of any further action on part of any party.

- ii. Subject to the Adjudicating Authority granting the relief as set out in this Resolution Plan, any and all rights and entitlements of any actual or potential Third Party, whether admitted or not, due or contingent, asserted or non-asserted, crystallized or non-crystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Insolvency Commencement Date shall be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan.
- (11) The term of the Resolution plan may be considered as Implementation day Plus 300 Days, months from the month following the month in which the Resolution Plan is approved by the Adjudicating Authority. And the Company proposes to merge this Company immediately on sanction of scheme with Resolution Applicant and will continue same line of business.
- (12) It is submitted that the reliefs and concessions envisaged in the Plan as under:

i. Payment of the dues of Karnataka Gramin Bank (KGB), the secured financial creditor:

To accept the payment provided under the "Plan" at Rs.5.99 Crore (Rupees Five Crore ninety nine lakh only), in full and final settlement of all its claims against the corporate debtor upto the commencement date and payable as under:

- a. 10% payable on the implementation date;

- b. Balance 90 % payable on or before 10 months or 300 days from implementation date, without future interest.
- c. Discharge the corporate debtor of all its obligation as well as its promoters/guarantors

ii. Payment of the dues of Tumkur Merchant Souharda Credit Co-Operative Limited (TMSCCL):

To accept the payment provided under the "Plan" at Rs.1.22 Crores (Rupees One Crore twenty two Lakh only), in full and final settlement of all its claims against the Corporate Debtor up to the commencement date and payable as under:

- a. 100% payable on or before 31.03.2022, without future interest.
- b. Discharge the corporate debtor of all its obligation as well as its promoters/guarantors

iii. Payment of the dues of Mineral Embassy:

To accept the payment provided under the "Plan" at Rs.0.725 Crore (Rupees Seventy two lakh fifty thousand only), in full and final settlement of all its claims against the corporate debtor up to the commencement date and payable as under:

- a. 100 % payable on or before 31.03.2022 without future Interest.
- b. Discharge the corporate debtor of all its obligation as well as its promoters/ guarantors

iv. From Central Government: (Under Regulation 37(1) (j) of CIRP Regulations)

To exempt the Company from penal provisions of Income Tax Act, Companies Act, Central Excise Tax Act, Central Sales Tax, Customs Act, and any other law.

v. Central Board of Direct Taxes:

- a. To accept the payment provided under the "Plan" at Rs.1,08,03,423/- (One Crore eight lakh three thousand four hundred and twenty three only), in full and final settlement of all its claims against the corporate debtor upto the commencement date.
- b. To grant refund of the excess amount of Rs.6.61 Crore against the recoveries made under the attachment proceedings amounting to Rs. 7.69 Crores.
- c. To withdraw all its balance claims over and above the settlement provided for in the Plan.
- d. To grant exemption / grant of relief to the company from the provisions of Sections 28, 41(1), 45, 72 (3), 43-B, 79, 80 read with 139, 115JB and the provisions of Chapter XVII of the Income Tax Act and other applicable provisions of the Income tax Act.
- e. To waive the penalty / damages, interest, if any charged on the income tax arrears.
- f. To withdraw all existing attachments/ recovery proceedings against the Corporate Debtors/ its Directors, as the case may be relating to the tax arrears of the corporate debtor.

vi. Central Board of Excise and Customs (CBEC)

- a. To accept the payment provided under the "Plan" at Rs.17,35,072/- (Seventeen lakh thirty five thousand seventy two only) , in full and final settlement of all its


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- claims against the corporate debtor upto the commencement date,
- b. To waive the penalty/damages, interest, if any charged on the customs duty arrears.
 - c. To withdraw all its balance claims over and above the settlement provided for in the Plan relating to claim for both Customs Department at Mangalore, Guntur, Mumbai and Krishnapattam.
 - d. To withdraw all existing attachments/ recovery proceedings against the Corporate Debtors/ its Directors, as the case may be in respect of the claims made against the corporate debtor up to the commencement date

vii. Director General of Foreign Trade

Director General of Foreign Trade, the Ministry of Commerce and Industry Government of India may kindly waive the requirement of fulfilment of Export obligation against EPCG authorisation NO 0730007611 dated 24.11.2008 since the corporate debtor was prevented from meeting the obligation on account of ban of export of non Basumathi rice by Government of India and consequently withdraw its show cause notice dated 13th August 2019.

viii. All other supply / service provider creditors:

- a. Viabhavi Shipping Pvt. Ltd. to accept the payment provided under the "Plan" at Rs.1,66,220/- (One lakh sixty six thousand two hundred and twenty only) , in full and final settlement of all its claims against the corporate debtor upto the commencement date.

- b. SuzlonGloble Services Ltd. to accept the payment provided under the "Plan" at Rs. 22,185/- (Twenty two thousand one hundred and eighty five only), in full and final settlement of all its claims against the corporate debtor upto the commencement date.
- c. Shri S. Ganesh to accept the payment provided under the "Plan" at Rs.26,600/- (Twenty six thousand six hundred only), in full and final settlement of all its claims against the corporate debtor upto the commencement date.
- d. Top gains minerals macro commercial offshore ltd., to accept the payment provided under the "Plan" at Rs.27,87,076/- (Twenty seven lakh eighty seven thousand and seventy six only), in full and final settlement of all its claims against the corporate debtor upto the commencement date.
- e. Sri. A Seenam Bhat to accept the payment provided under the "Plan" at Rs.3,140/- (Three thousand one hundred and forty only) , in full and final settlement of all its claims against the corporate debtor upto the commencement date.
- f. Elite Brilliant Limited to accept the payment provided under the "Plan" at Rs.25,13,970/- (Twenty five lakh thirteen thousand nine hundred and seventy only) in full and final settlement of all its claims against the corporate debtor upto the commencement date. In addition to the above, Elite Brilliant Limited shall be eligible and be at liberty to pursue its litigation to claims its rights over the cargo lying at Bevinahalli


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(EOU PLANT) Bellikeri Port and Krishnapatnam Port, under restraint orders from Karnataka State Forest Department and DMG Koppal, upon the issues reaching its finality. However, if the decision of the Courts goes against them, they shall not have any recourse against the corporate debtor or the RA. However, if the decision of the Courts goes against them, they shall not have any recourse against the Corporate Debtor or the RA.

3. Heard Shri A. Murali along with Ms. Jyothi Anumolu, learned Counsel for the Resolution Professional/Applicant and Shri Ravindranath Narayana Rao, and learned Resolution Professional. We have carefully perused the pleadings of party and extant provisions of the Code and the Rules made thereunder.
4. Shri A. Murali, learned Counsel for the RP/Applicant, while reiterating various averments made in the Application, has further submitted that the Resolution Plan, as approved by the CoC satisfy all requisite conditions as per the provisions Code and the same is approved with requisite majority and thus urged the Tribunal to approve the Resolution Plan.

He has produced Minutes of the 13th meeting of CoC of ILC Industries Limited, the Corporate Debtor, held on 16th December, 2019 at Canara Bank, wherein the Resolution Plan submitted on 13th December, 2019 filed by M/s. Karatagi Refineries Private Limited, was considered in depth and thus approved it. A Compliance Certificate in Form-H, Under Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 was also placed on record.

5. In order to approve a Resolution Plan U/s.31(1) of the Code, Resolution Professional should examine each Resolution Plan should confirm the following conditions as per Section 30(2) of the Code:
- a) *“provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the repayment of other debts of the corporate debtor;*
 - 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 the amount to be paid to the operational creditors in the event of a liquidation of the corporate debtor under Section 53;*
 - c) *provides for all management of the affairs of the corporate debtor after approval of the resolution plan;*
 - d) *the implementation and supervision of the resolution plan;*
 - e) *does not contravene any of the provisions of the law for the time being in force;*
 - f) *conforms to such other requirements as may be specified by the Board.”*
6. In compliance with the said conditions, the Resolution Professional has submitted various documents and statements as per provisions of the Code and the Rules made there under. And these compliances are briefly stated hereunder.
7. The Resolution Professional has filed Compliance Certificate in Form-H, Under Regulation 39(4) of the IBBI (Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016:
1. **The details of the CIRP are as under:**



Sl. No.	Particulars	Description
1	Name of the CD	ILC Industries Ltd.
2	Date of Initiation of CIRP	16.04.2019
3	Date of appointment of IRP	16.04.2019
4	Date of Publication of Public Announcement	04.05.2019
5	Date of Constitution of CoC	22.05.2019
6	Date of First Meeting of CoC	28.05.2019
7	Date of Appointment of RP	28.05.2019
8	Date of Appointment of Registered Valuers	02.06.2019
9	Date of Issue of Invitation for EoI	12.07.2019
10	Date of Final List of Eligible Prospective Resolution Applicants	10.07.2019
11	Date of Invitation of Resolution Plan	16.08.2019
12	Last Date of Submission of Resolution Plan	30.10.2019
13	Date of Approval of Resolution Plan by CoC	16.12.2019
14	Date of Filing of Resolution Plan with Adjudicating Authority	30.12.2019
15	Date of Expiry of 180 days of CIRP	13.10.2019
16	Date of Order extending the period of CIRP	21.11.2019
17	Date of Expiry of Extended Period of CIRP	13.01.2020
18	Fair Value	
	Valuer 1	156,590,999
	Valuer 2	152,621,158
19	Liquidation value	
	Valuer 1	104,577,892
	Valuer 2	100,316,619
20	Number of Meetings of CoC held	13 Numbers

2. The Resolution Plan dated 13.12.2019 received from Resolution Applicant M/s. Karatagi Refineries Private Limited and approved by Committee of Creditors (CoC) of ILC Industries Limited on 16.12.2019.



3. He has hereby certified that:

- i. The said Resolution Plan complies with all the provisions of the IBC, 2016, 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. Karatagi Refineries Private Limited has submitted an affidavit pursuant to Section 30(1) of the Code confirming its eligibility under Section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.
- iii. The said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100% of voting share of Financial Creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.
- iv. The voting was held in the meeting of the CoC on 16.12.2019 where all the members of the CoC were present.

4. The list of financial creditors of the Corporate Debtor being Members of the CoC and distributed of voting share among them is as under:

Sl. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for/ Dissented/Abstained)
1	Karnataka Gramin Bank	55%	For
2	Tumkur Merchants Credit Co-operative Bank	45%	For

5. The Resolution Plan includes a statement under Regulation 38(1A) of the CIRP Regulations as to how it has dealt with the interest of all stakeholders in compliance with the Code and Regulations made there under.
6. The amount provided for the stakeholders under the Resolution Plan is an under:



Sl No.	Category of Stakeholder*	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount provided to the Amount Claimed (%)
1	Dissenting Secured Financial Creditors	-	-	-	-
2	Other Secured Financial Creditors	598.4	598.4	598.4	100%
3	Dissenting Unsecured Financial Creditors	778.3	122.08	194.58	25%
4	Other Unsecured Financial Creditors	-	-	-	-
4	Operational Creditors	5519.19	5519.19	55.20	1%
	Government	12,538.50	12,538.50	125.40	1%
5	Other Debts and Dues				
Total		19434.39	18778.17	973.58	

*if there are sub-categories in a category, please add rows for each sub-category.

#Amount provided over time under the Resolution Plan and includes estimated value of non-cash components. It is not NPV.

7. The interest 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	92.86	0	100%	0%

8. The compliance of the Resolution Plan is as under:

Section of the Code Regulation No.	Requirement 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 operation of business of	10,12&14	Yes



	the CD?		
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	Annexure	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	-	Yes
Section 30(2)	Whether the Resolution Plan: (a) provides for the payment of insolvency resolution process costs? (b) provides for the payment of the debts of operational creditors? (c) provides for the management of the affairs of the Corporate Debtor? (d) provides for the implementation and supervision of the resolution plan? (e) Contravenes any of the provisions of the law for the time being in force?		Yes Yes Yes Yes No
Section 30 (4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC? (b) has been approved by the CoC with 66% voting share?		YES YES (100%)
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?		Yes
Regulation 35A	Where the resolution professional made a determination if the Corporate Debtor has been subjected to any transaction of the nature covered under Sections 43, 45, 50 or 66, before the one hundred and fifteenth day of the insolvency commencement date, under intimation to the Board?		Yes
Regulation 38(1)	Whether the Resolution Plan identifies specific sources of funds that will be used to pay the – (a) insolvency resolution process costs? (b) liquidation value due to operational creditors? (c) liquidation value due to dissenting financial creditors?		YES YES Not Applicable
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interest of all stakeholders?		YES Projected Financial Statements
Regulations 38(2)	Whether the Resolution Plan provides: (a) the terms of the plan and its implementation schedule? (b) for the management and control of the business of the Corporate Debtor during its term?		YES YES

	(c) adequate means for supervising its implementation?		YES
38 (3)	Whether the resolution plan demonstrate that – (a) it addressee the cause of default? (b) it is feasible and viable? (c) it has provisions for its effective implementation? (d) it has provisions of approvals required and the timelines for the same? (e) the resolution applicant has the capability to implement the resolution plan?		YES YES YES YES YES
39 (2)	Whether the RP has filed application in respect of transactions observed, found or determined by him?		No

8. As stated supra, the Resolution Professional has filed Compliance Certificate dated 30.12.2019, Under Regulation 39 (4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, by inter-alia stating, that there are no preferential transactions and thus no Applications filed and pending and it is made clear in the following table:

Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
1	Preferential transactions under Section 43	-	-	-
2	Undervalued transactions under Section 45	-	-	-
3	Extortionate credit transactions under Section 50	-	-	-
4	Fraudulent transactions under Section 66	-	-	-

9. The above facts and circumstances of the case, clearly established that the Resolution Plan dated 13th December 2016, which was approved by the CoC on 16.12.2019 for ILC Industries Ltd., submitted by M/s. Karatagi Refineries Private Limited, Resolution Applicant, confirm all the requisite conditions so as to approve it



under Section 31(1) of Code by the Adjudicating Authority. The Resolution Plan is approved by the CoC with 100% in accordance with law. All the relevant provisions of Code and the rules made thereunder are duly followed by the Resolution Professional and the Committee of Creditors. Therefore, we are of the considered opinion that the said Resolution Plan is a fit to be approved under Section 31(1) of the IBC, 2016.

10. In the result, by exercising the powers conferred on this Adjudicating Authority, U/s.31(1) IBC, 2016, C.P. (IB)No.155/BB/2018 & I.A. No.12/2020 are disposed of with the following directions:

- (1) The Resolution Plan dated 13th December, 2019 submitted by M/s. Karatagi Refineries Private Limited (Resolution Applicant) as approved by the Committee of Creditor at 13th meeting held on 16th December, 2019 with 100%, is hereby approved by declaring that the Resolution Plan will be binding on the Corporate Applicant and its employees, members, creditors, including the Central Government, any State Government or any local Authority to whom a debt in respect of payment of dues arising under any law for the time being in force, as such as Authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the instant Resolution Plan.
- (2) The moratorium imposed vide order dated 16.04.2019 passed in the CP shall cease to have affect from the date of communication of the order.
- (3) The Resolution Professional is directed to handover the management control all the assets, documents/records in

physical and/or digital form on an as is where is basis to the Resolution Applicant immediately, and the Resolution Professional will ceased to be resolution professional.

- (4) 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.
- (5) The Resolution Applicant shall pursuant to the Resolution Plan approved under sub-section (1) obtain the necessary approval required under any law for the time being in force within a period of the one year from the date of approval of the Resolution Plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, which is later:

Provided that where the resolution plan contains a provisions for combination as referred to in section 5 of the Competition Act, 2002 (12 of 2003), the Resolution Applicant shall obtain the approval of the Competition Commission of India under the Act, prior to the approval of such resolution plan by the Committee of Creditor.

- (6) The Resolution Applicant is at liberty to file any Miscellaneous application seeking for clarification, if any, in the implementation of the terms and conditions contained in the Resolution Plan.

(ASHUTOSH CHANDRA)
MEMBER, TECHNICAL

(RAJESWARA RAO VITTANALA)
MEMBER, JUDICIAL