



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH : COURT-IV

IA-3697/2022
in
C.P.(IB)-2146(MB)/2019

Under Section 30(6) of the Insolvency and
Bankruptcy Code, 2016.

Application moved by:

Chetan T. Shah

...Resolution Professional

In the matter of

Stressed Assets Stabilization Fund

...Financial Creditor

Vs.

Precision Containeurs Limited

...Corporate Debtor

Order Pronounced on : **02.05.2023**

Coram:

Hon'ble Shri Kishore Vemulapalli : Member (Judicial)

Hon'ble Shri Prabhat Kumar : Member (Technical)

Appearances:

For the Applicant : Mr. Mayank C. Padiya, Authorised
Representative and Mr. Chetan T. Shah,
RP.



ORDER

Per: Kishore Vemulapalli, Member (Judicial)

1. This Application has been filed by the Resolution Professional on 04.12.2022 under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the 'the Code') on behalf of the Committee of Creditors seeking approval of the Resolution Plan submitted by the Successful Resolution Applicant and approved by 100% of the voting share of the members of the Committee of Creditors (hereinafter referred to as 'CoC') of the Corporate Debtor viz. Precision Containeurs Limited [CIN: L28920MH1981PLC023972] (hereinafter referred to as 'Corporate Debtor').
2. The facts leading to the Application are as under:
 - i. Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated vide an order dated 10.03.2022 of this Court in C.P.(IB)-2146(MB)/2019 on an application filed by Stressed Assets Stabilization Fund (Financial Creditor) under Section 7 of the Insolvency and Bankruptcy Code 2016. Mr. Ramnarayan Rajaraman (IBBI Reg. No.: IBBI/IPA-002/IP-N0006992018-19/12204) was appointed as Interim Resolution Professional (IRP), who was later replaced by Mr. Chetan T. Shah having Registration No.: IBBI/IPA-001/IP-P00026/2016-17/10059 as Resolution Professional (RP) in the first CoC meeting held on 08.04.2022 and the same was confirmed by this Adjudicating Authority vide order dated 26.04.2022. The IRP had made a public announcement in three newspapers in Form-A on 17.03.2022 inviting claims from the creditors, workers/employees of the Corporate Debtor and from government



- bodies. Committee of Creditors (CoC) was constituted and the Applicant circulated the Information Memorandum (IM) to the CoC on 02.05.2022.
- ii. The Corporate Debtor is a Micro Enterprise as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act).
 - iii. Form G was published on 23.05.2022 in three newspapers wherein only one (1) Expression of Interest (EoI) was received i.e. from East India Drums & Barrels Manufacturing Pvt. Ltd. and the last date for submission of the resolution plan was 23.07.2022. The Prospective Resolution Applicant (PRA) happens to be a related party of the Corporate Debtor. As discussion was in progress regarding the resolution plan and the CIRP period was becoming short, the RP suggested for extension of period and the same was recommended by 100% voting of the CoC in its Fifth meeting held on 17.08.2022, which was later allowed by this Adjudicating Authority vide order dated 29.08.2022 extending the CIRP period up to 05.12.2022.
 - iv. As the PRA was found eligible based on the necessary due diligence conducted by the Applicant, the same was submitted to the CoC. After approval of the RFRP and Evaluation Matrix by the CoC on 21.06.2022, the same was issued to the PRA on 23.06.2022. The Resolution Applicant submitted the resolution plan on 23.07.2022. The CoC had various discussions with the Resolution Applicant and the revised final resolution plan was submitted on 16.11.2022.



- v. The Resolution Plan submitted by **East India Drums and Barrels Manufacturing Private Limited**, the sole Resolution Applicant, was found compliant, therefore, RP presented the same to the CoC for its consideration and approval by voting. The same was approved by the CoC in its ninth meeting held on 17.11.2022 by 100% voting of the CoC members favoring of the Resolution Plan, by passing following resolution:

“RESOLVED THAT pursuant to provisions of Section 30(4) and (6) of Insolvency and Bankruptcy Code, 2016 (“Code”) read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) regulations, 2016 (“CIRP Regulations”) and other applicable provisions of the Code and rules and regulations made thereunder, Committee of Creditors hereby approves the Final Resolution Plan dated 15th November 2022 with modifications, if any, submitted by East India Drums and Barrels Manufacturing Private Limited which is a private limited company having its registered office at 1501, B Wing, Pushp Vinod, S.V. Road, Borivali West, Mumbai - 400092 (CIN: U28999MH2021PTC359769) for the Corporate Debtor, having salient terms as given below:

- A) Total Resolution Plan amount of Rs. 5.00 Crores plus unpaid CIRP Cost at actuals as on the NCLT approval date;*
- B) The first tranche of consideration of Rs.50.00 Lakhs plus amount equivalent to the unpaid CIRP Cost (including interim funding provided by SASF not returned) shall be paid within 30 days from the effective date;*
- C) Balance Resolution Plan amount of Rs. 4.50 Crores shall be paid in 10 equal monthly installments, payable by end of each calendar month, starting from the first calendar month after the payment of the Up-front Amount;*



D) Reverse Merger of the Resolution Applicant with the Corporate Debtor as per the terms and conditions of the Resolution Plan read with the Scheme of Merger.

RESOLVED FURTHER THAT, on the Resolution Plan being approved by the CoC, the Resolution Professional is authorized to intimate the Successful Resolution Applicant about the same and issue appropriate Letter of Intent.

RESOLVED FURTHER THAT, on acceptance of the Letter of Intent by the Successful Resolution Applicant, the Resolution Professional shall submit the Resolution Plan approved by the Committee of Creditors, to the Adjudicating Authority for its approval.

RESOLVED FURTHER THAT the Successful Resolution Applicant shall, within a period not exceeding 7 (seven) days from the date of issuance of Letter of Intent, but prior to filing of application before the Adjudicating Authority for approval of the Resolution Plan, provide an irrevocable and unconditional Performance Bank Guarantee of an amount aggregating to Rs. 1.50 Crores in favour of SASF in the format as provided in Appendix-6B of RFRP Document.

RESOLVED FURTHER THAT the Resolution Professional, through the Letter of Intent, shall inform the Successful Resolution Applicant that in terms of clause 12.3 at page 16 of the RFRP Document non-submission of the Performance Bank Guarantee by the Successful Resolution Applicant in accordance with the RFRP, along with the acceptance of the Letter of Intent, shall lead to the cancellation of the Letter of Intent issued by the RP on behalf of CoC, unless otherwise determined by the Committee of Creditors at its sole discretion.

RESOLVED FURTHER THAT the Committee of Creditors hereby authorizes the Resolution Professional to continue to discharge his



duties till the approval of Resolution Plan by Adjudicating Authority and complete all the necessary formalities on the existing terms and conditions in relation to his fees and expense.

RESOLVED FURTHER THAT the Committee of Creditors further authorizes the Resolution Professional to do all acts, deeds, and matters as may be necessary to give effect to the foregoing resolutions”.

vi. The IRP had appointed two registered valuers viz. Mr. Kedar Chikodi and M/s. India Appraisers.com Pvt. Ltd., each to determine the fair value and liquidation value of the land and building of the Corporate Debtor, summary of valuation figures are given below:

Avg. Fair Value	₹2.30 Crores
Avg. Liquidation Value	₹1.84 Crores

vii. In the circumstances mentioned hereinabove, the Applicant has filed Application seeking approval of this Tribunal on the resolution plan, submitted by the Resolution Applicant i.e. **East India Drums and Barrels Manufacturing Private Limited**, stating that the plan is in accordance with the Section 30(4) and other provisions laid down under the Code.

3. The Resolution Applicant; **East India Drums and Barrels Manufacturing Private Limited**, is a promoter group company of the Corporate Debtor incorporated under the provisions of the Companies Act, 2013 as a private limited company on 30th April 2021 upon conversion from the Partnership Firm, which was formed in the year 2018. The Applicant is an MSME Unit carrying on business of manufacturing of drums and barrels and it has an



in-house technology and product development centres engaged in innovative work for design of new products as per the requirement of the industry. The manufacturing units of the RA are located at Daman, Sonipat (Haryana) and at Karjat (Maharashtra).

The Company is promoted by Mr. Madha J. Valia, having specialized knowledge in Economics and Finance. He is having 12 years of experience in Steel Drums manufacturing activity.

4. The Resolution Applicant has confirmed that -
- i. its connected persons are not convicted for any offence during the preceding five years and no criminal proceedings are pending against any person.
 - ii. not disqualified under Companies Act, 2013 to act as a Director.
 - iii. not identified as a willful defaulter by any bank of financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India.
 - iv. not debarred from accessing to, or trading in securities markets under any order or directions of the Securities and Exchange Board of India.

5. **Resolution Plan for the Corporate Debtor:**

5.1 *Summary of the Financial Proposal*

The Resolution Applicant has proposed to take-over the management and ownership control of the Corporate Debtor by acquiring 100% ownership of the Company in the manner specified at the Plan. The Resolution Applicant proposes a total consideration of ₹5 (**Rupees Five Crores only**) to all the



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH : C-IV

IA-3697(MB)/2022 in CP(IB)-2146(MB)/2019

stakeholders to be paid within a period of 10 months from the effective date of this resolution plan.

The structure of the payment to the stakeholders:

(Amount in Lakhs)

Sr. No.	Category	Claim admitted	Resolution Amount Allocated	
			Based on Final plan	As % of Claim admitted
1	Unpaid CIRP Cost	3	3	100%
2	Contribution made by the CoC till 01.12.2022	6.19	6.19	100%
3	Financial Creditors	1,00,030.27	486.00	0.49%
4	Operational Creditors	5.45	5.45	100%
5	Statutory Authorities	0	0	0%
6	Workmen	0	0	0%
7	Employees	8.54	8.54	100%
	Total	1,00,053.47	509.19	

Payment Phasing:

Timeline	Amount to be Paid	Remarks
On or before 30 days from Effective Date [#]	9.20	Towards Unpaid CIRP cost. <i>This is an estimated amount. The RA has agreed to pay actual unpaid CIRP Cost on the NCLT Approval Date.</i>
On or before 30 days from Effective Date	50.00	Upfront Payment towards payment of the Operational Creditors in full and the balance, if any, for the distribution to Secured Financial Creditor
10 Equal Monthly Instalments, payable by end of each calendar month, starting from the first calendar month after the payment of the Up-front Amount	450.00	Balance Resolution Plan amount Towards payment of the Secured Financial Creditor
	509.20	



This is an estimated amount. The RA has agreed to pay actual unpaid CIRP Cost on the NCLT Approval Date.

- a) In accordance with Regulation 38 (1) (a) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process Corporate Persons) the Operational Creditors are required to be paid in priority to other creditors and the CIRP Cost will be paid, from the upfront Payment of ₹9.20 lakhs, in priority to all other creditors.
- b) Payment of CIRP Costs will be ₹9.20 lakhs. This is an estimated amount. The RA has agreed to pay actual unpaid CIRP cost on the NCLT approval date.

5.2 *Effective Date*

The Effective Date of the Resolution Plan shall be the date when the Resolution Plan is approved by this Tribunal.

5.3 *Term of Resolution Plan*

This Resolution Plan is valid for a term of Ten (10) months till all the payments are made to all the stakeholders as per the terms and conditions of the Resolution Plan. The obligations of the Resolution Applicant to implement the Resolution Plan shall become effective only from the Effective Date.

The Resolution Plan shall become binding on the Corporate Debtor and its employees, members, creditors, guarantors, Central Government, any State Government, any local authority and other stakeholders involved in the Resolution Plan on the Effective Date.

5.4 The Resolution Applicant has sought various reliefs and concessions as set



out in the Resolution Plan.

5.5 The Applicant has submitted that the Resolution Plan, submitted by **East India Drums and Barrels Manufacturing Private Limited** and approved with 100% voting of the members of the Committee of Creditors, has been examined and the Resolution Plan:

- a. provides for payment of Insolvency Resolution Process Costs in a manner specified by the board in priority to the payment of other debts of Corporate Debtor;
- b. provides for payment of the debts of the Operational Creditors in such manner as specified by Regulation 38(1) of the IBBI (Insolvency Resolution Process for Corporate Persons Regulations) 2016;
- c. provides for management of the affairs of the Corporate Debtor after the approval of the Resolution Plan; and
- d. does not contravene any of the provisions of the law for the time being in force. The fact that the Resolution Professional is also to confirm that a resolution plan does not contravene any of the provisions of law for the time-being in force, including Section 29A of the Code, **only means that his prima facie opinion is to be given to the Committee of Creditors** that a law has or has not been contravened. Section 30(2)(e) does not empower the Resolution **Professional to “decide” whether the resolution plan does or does not contravene the provisions of law.**

6. The Applicant/Resolution Professional further submits that -



- 6.1 The Successful Resolution Applicant's Resolution Plan has been approved by the CoC subject to decision in IA-2116/2022, pertaining to avoidance transaction in the case of Corporate Debtor, since the SRA's eligibility to submit the plan is contingent upon such decision.
- 6.2 The application seeking approval of Plan of the Bench is filed before the expiry of the period of CIRP provided in Section 12 of the Code, as this Bench had granted an extension in the CIRP period vide its order dated 29.08.2022 whereby the extended period of CIRP ends on 05.12.2022.
- 6.3 The Applicant has filed application along with Form 'H' prescribed under Regulation 39(4) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and has appended a tabular summary of Applicant's determination of compliance of the Resolution Plan with various provisions and regulations under the Code and CIRP Regulations.

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 operations of business of the CD?	Chapter I, Pg 1-2 and Financial Statements submitted with EOI	
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?"	Annex-V of the Plan	Yes subject to adjudication of the IA 2116 of 2022
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Annexure-V of the Plan	Yes subject to



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH : C-IV

IA-3697(MB)/2022 in CP(IB)-2146(MB)/2019

			adjudiacti on of the IA 2116 of 2022
Section 30(2)	Whether the Resolution Plan –		
	Provides for the payment of insolvency resolution process costs?	Clause B, Chapter III, at pg.7 Clause 4.3, Chapter IV at pg. 12	Yes
	Provides for the payment to the operational creditors?	Clause B, Chapater III, at pg. 7 Clause 4.4. to 4.6, Chapter IV at pg. 12-13	Yes
	Provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	Clause B, Chapter III, at pg. 7 Clause 4.7, Chapter IV at pag 13	Yes
	Provides for the management of the affairs of the corporate debtor?	Chapter VI at Pg 26-36, Chapter IX at pg. 42	Yes
	Provides for the implementation and supervision of the resolution plan?	Chapter X, pg. 43-44	Yes
	Contravenes any of the provisions of the law for the time being in force?	Clause F, Chapter III, Pg. 9	Yes
Section 30(4)	Whether the Resolution Plan		
	Is feasible and viable, according to the CoC?	Ref. Minutes of 9 th CoC Meeting	Yes
	Has been approved by the CoC with 66% voting share?	Ref. Minutes of 9 th CoC meeting and voting sheet	Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation, according to the CoC?	Ref. Minutes of 9 th CoC Meeting	Yes
Regulation 35 A	Whether 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	Yes	Yes



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH : C-IV

IA-3697(MB)/2022 in CP(IB)-2146(MB)/2019

	insolvency commencement date, under intimation to the Board?		
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Clause B, Chapter III pg. 7 Clause 4.4 to 4.6, Chapter IV, pg. 12-13	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Chapter V, Pg. 16-26	Yes
Regulation 38(1B)	Whether the Resolution 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.	Clause H, Chapter 3, pg. 9	Yes
	If so, whether Resolution Applicant has submitted the statement giving details of such non-implementation?	Not Applicable	Not Applicable
Regulation 38(2)	Whether the Resolution Plan provides:		
	the term of the plan and its implementation schedule?	Chapter XI, Pg. 45-47	Yes
	adequate means for supervising its implementation?	Chapter IX, Pg. 42 Chapter X, Pg. 43-44	Yes
Regulation 38(3)	Whether the resolution plan demonstrates that –		
	it addresses the cause of default?	Chapter XIII, Pg. 52	Yes
	it is feasible and viable?	Ref. Minutes of 9th CoC Meeting	Yes
	it has provisions for its effective implementation	Chapter VI, Pg 26-36 Chapter IX, Pg 42 and Chapter X Pg. 43-44	Yes
	It has provisions for approvals required and the timeline for the same?	Chapter XI, Pg. 45-47	Yes



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH : C-IV

IA-3697(MB)/2022 in CP(IB)-2146(MB)/2019

	The resolution applicant has the capability to implement the resolution plan?	Chapter I, Pg. 1-2 and Financial Statements submitted with EOI	Yes
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Not Applicable	Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Not Applicable	Yes (PBG separately provided)

7. It is noticed that this Bench, vide its order dated 21.03.2023, allowed the prayer in IA-2116/2022, thereby directing the respondents to pay the amounts paid by the Corporate Debtor to them in precedence of other creditors as well as directing the reversal of book entry by which such book entry had resulted into precedence in payment of debt. Since, the Resolution plan was approved by the CoC subject to decision in IA-2116/2022, this IA-3697 was listed for seeking clarification from the Resolution Professional as to whether the SRA had contributed to the preferential transactions so as to make it ineligible in terms of provisions of section 29A(g) of the Code, as proviso contains further conditions so as to make Resolution Applicant ineligible and such proviso reads -

“Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise



contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction”.

7.1 During the Course of hearing, the Resolution Professional confirmed that one of the directors of the Successful Resolution Applicant is brother of the promoter of the corporate debtor and accordingly is a connected person and further clarified that one of the director of the corporate debtor was initial promoter of successful resolution applicant. Section 29A(g) of the Code bars any person, in control or management of a corporate debtor in which preferential transaction has taken place and an order has been made by the Adjudicating Authority under this Code. Section 29A(j) further bars the connected persons of persons not eligible under other clause(s) of section 29A. It is undisputed that the Resolution Applicant is an associate company of the Corporate Debtor and is a related party of the Corporate Debtor. A connected person is defined under Explanation to include associate company or related party of a person, who is promoter or in control or management of Resolution Applicant. The Ld. Counsel for the Applicant vehemently argued that the word “Corporate Debtor” employed in Section 29A(g) does not refer to the Corporate Debtor, in relation to which the Resolution Applicant has submitted its Resolution Plan. We do not find any merit in this contention.

7.2 However, the Successful Resolution Applicant offered to refund the principal of amount received by the respondent in IA-2116/2022 and contended that the second transaction declared as preferential transaction is merely represented by a book entry and the effect of order u/s 45 is reversal of such entry, which enables the corporate debtor to claim the amount



receivable by it from the relevant party. The Resolution professional submitted that the taint caused by order dated 21.03.2023 shall stand obliterated in case the amount involved in transactions declared as preferential is recompensed to the corporate debtor. This Bench asked to take view of CoC as well and it was apprised to this Bench that CoC considers that the effect of order dated 21.03.2013 shall be nullified only if the Corporate Debtor is recompensed by the total amount involved in preferential transaction, including amount represented by the book entry, as well as interest thereon.

7.2 This Bench heard the counsel(s) on the issue of eligibility of the SRA in view of order dated 21.03.2013 and also looked into the submissions made thereafter. This Bench finds that section 44(a) of the Code require any property transferred in connection with the giving of the preference to be vested in the corporate debtor. Accordingly, the money i.e. a sum of ₹1,53,67,707, which went out of coffers of the Corporate Debtor, is agreed to be restituted to the Corporate Debtor by the beneficiary, as per undertaking from the Counsel of the SRA. In so far as, transaction of ₹38,50,000/- represented by book entry is concerned, the reversal of such book entry pursuant to the order dated 21.03.2023 shall reconstitute the claim of the corporate debtor against the party from whom such money was initially recoverable upon such reversal. Accordingly, this Bench is of considered view that it would protect the interest of stake holders if the Corporate Debtor is mandated to refund the money realized against such receivable, restituted in the books of Corporate Debtor consequent to order dated 21.03.2023, in future to the Financial Creditor. This will take out the SRA



from the shades of Section 29A(g) of the Code and this bench proceeds further on this premise.

8. The Resolution Plan submitted by *East India Drums and Barrels Manufacturing Private Limited* is hereby **approved**. The Resolution Plan shall become effective from this date and shall form part of this order. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.
- 8.1 The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), concerned for information and record. The Resolution Applicant, for 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.
- 8.2 The Resolution Applicant (RA) has sought reasonable period to assess the status of license. It is the duty of RA, more particularly when it claims to have enough experience in the business of Corporate Debtor, to assess this requirement at the time of submission of plan itself and no further concession can be considered. The renewable/extension shall be considered by the respective authorities in accordance and upon compliance with the procedure/formalities stipulated by the authorities.



- 8.3 The moratorium under Section 14 of the Code shall cease to have effect from this date.
- 8.4 The Applicant and the Monitoring Committee shall supervise the implementation of the Resolution Plan and the Applicant shall file status of its implementation before this Authority from time to time, preferably every quarter.
- 8.5 The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned. Further, any application for renewal or extension or restoration of any license or approval or connection from any authority shall be subject to payment of prescribed fee and/or deposit(s) and adherence to the procedure stipulated by such authority, however such authority shall not refuse/deny approval/extension/restoration merely on ground of previous defaults/non-compliance of the Corporate Debtor.
- 8.6 In terms of the judgement of Hon'ble Supreme Court in the matter of *Ghanshyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited*, "on the date of approval of the 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."



“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.”

8.7 In view of the above judgement, the applicant is entitled to waivers/concessions/reliefs as expressly provided under the Code and under any other law for the time being in force.

8.8 The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.

8.9 The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for necessary compliance.



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH : C-IV

IA-3697(MB)/2022 in CP(IB)-2146(MB)/2019

9. With the above directions, the Resolution Plan of the Applicant is approved by this Bench and accordingly IA-3697/2012 is **allowed** and disposed of.

Sd/-

PRABHAT KUMAR
MEMBER (TECHNICAL)

Sd/-

KISHORE VEMULAPALLI
MEMBER (JUDICIAL)

02.05.2023 / pvs