IN THE NATIONAL COMPANY LAW TRIBUNAL
<u>BENGALURU BENCH</u>

C.P. (IB) No.43/BB/2019
U/s 7 of IBC, 2016
R/w Rule 4 of I&B (AAA) Rules, 2016

&

I.A. No.177 of 2020 in
C.P. (IB) No.43/BB/2019
U/s 30(6) and 31 of IBC, 2016
R/w Regulation 39(4) of CIRP Regulations, 2016

CoC of Badami Sugars Ltd.
Represented by
Mr. M V Sudarshan
Resolution Professional - Applicant/Resolution Professional

IN THE MATTER OF:

M/s. Sri Arumuga Sugars Ltd.
51, Appuswamy Layout,
Red Fields,
Coimbatore – 641 045. - Petitioner/Financial Creditor

Versus

M/s. Badami Sugars Ltd.
Chalukya Nagar,
Badami Taluk,
Bagalkot – 587 201. - Respondent/Corporate Debtor

Order Pronounced on: 08th July, 2020

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

Parties/Counsels Present:

For the Applicant / RP : Mr. M.V. Sudarshan, Resolution Professional
a/w Mr. Anup Seetharam Rao, Advocate for RP

ORDER

Per: Ashutosh Chandra, Member (Technical)

1. I.A. No.177 of 2020 in C.P. (IB) No.43/BB/2019 is filed by Mr. M.V. Sudarshan, Resolution Professional of M/s. Badami Sugars Limited (hereinafter referred to as 'Applicant/Resolution Professional') under Section 30(6) and 31 of the I&B Code, 2016 r/w Regulation 39(4) of CIRP Regulations, 2016, by inter alia seeking to accept the Resolution Plan submitted by the Resolution Applicant, M/s. Shri Sai Priya Sugars Limited, which was approved by the Committee of Creditors at its fifth meeting held on 28th February, 2020, for revival of the Corporate Debtor M/s Badami Sugars Limited.

2. Brief facts of the case, as mentionedz in the Application, which are relevant to the issue in question, are as follows:

   (1) C.P. (IB) No.43/BB/2019 is filed by M/s. Sri Arumuga Sugars Limited, ('Petitioner / Financial Creditor') U/s 7 of I&B Code, 2016 R/w Rule 4 of the I&B (Application to Adjudicating Authority) Rules, 2016, by inter alia seeking to initiate Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor i.e. M/s. Badami Sugars Limited. The same was admitted by the Adjudicating Authority vide Order dated 27.09.2019 by appointing Mr. Madhugiri Venkatarayappa Sudarshan as the Interim Resolution Professional and imposing moratorium in terms of Section 14 of the Code, etc.

   (2) In compliance with the provisions of Section 13 and 15 of the Code r/w Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (in short 'Regulations 2016'), the IRP made a public announcement in Form-A on 10.10.2019 intimating the commencement of CIRP against the CD and calling upon the Creditors of Corporate Debtor to submit proof of claims

on or before 23.10.2019. Upon receipt of claims, in due course of time, a Committee of Creditors of the Corporate Debtor was formed.

(3) The Committee of Creditors (CoC) in its 1st meeting held on 02.11.2019 has appointed Mr. Madhugiri Venkatarayappa Sudarshan, Insolvency Professional having Reg. No. IBBI/IPA-002/IP-N00561/2017-2018/11707 as Resolution Professional with the required majority.

(4) The CoC in its 2nd meeting held on 03.12.2019 decided to proceed with CIRP. RP has appointed two sets of registered valuers of each class of assets viz., Plant and Machinery, Land and Building and Financial Assets on 13.11.2019 and 16.11.2019. Based on the primary analysis of the books of accounts of the Company as provided by the Corporate Debtor, the RP is of the opinion that there are no significant transactions during the last two years in the books of account of the Company. Hence it is felt that there is no such transaction as covered u/s 43, 45, 49, 50 and 66 in the relevant period. Upon obtaining the confidentiality undertaking in terms of section 29(2) of the Code, the RP has shared Information Memorandum to all CoC members. Details of the Form-G, for invitation of Expression of Interest (EOI) and eligible Prospective Resolution Applicant to submit resolution plans on IBBI website and Financial Express (English newspaper) and Hosadiganta (Kannada newspaper) were published on 08.12.2019.

(5) The CoC in its 3rd meeting held on 27.12.2019 decided to proceed with the CIRP and the RP has submitted the provisional list of PRAs u/s 25(2)(h) and CIRP Regulation 36A(4)(a), details/parameters of Evaluation Matrix and Request For Resolution Plan (RFRP) u/s 25(2)(h) and CIRP Regulation 36B r/w 2(ha) as approved by the CoC.

(6) The CoC in its 4th meeting held on 18.02.2020 decided to consider the approval of the Resolution Plan. It is stated that the RP received two resolution plans from Mr. T. Rajkumar and M/s. Shri Sai Priya Sugars Ltd.

After carrying out the verification of resolution plans with respect to Eligibility Criteria for Resolution Applicant as approved by CoC, in accordance with section 29A, mandatory compliance u/s 30 r/w Regulation 30(2)(f) and Regulations 37 and 38, the RP proposed the resolution plan submitted by M/s Shri Sai Priya Sugars Ltd., for approval to the members of CoC at its meeting held on 18.02.2020. PRAs were also invited to the said meeting. The members of the CoC discussed with M/s. Shri Sai Priya Sugars Ltd. and negotiated the resolution plan from Rs. 10.35 crore to Rs. 17.00 crore. Since the CoC consists of 5 District Co-operative Banks, 2 State owned Banks, 8 other Co-operative banks / societies and 1 corporate person, total CoC members are 16 in number, the members informed the RP that before any resolution plan is considered, approval from their respective Boards will be required.

(7) The CoC in its 5th meeting held on 28.02.2020 inter alia discussed the two Resolution Plans of Shri Sai Priya Sugars Limited and Sri T Rajkumar and thereafter approved the Resolution Plan submitted by M/s. Shri Sai Priya Sugars ltd., with absolute majority, after considering its feasibility and viability, taking into consideration the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a Secured Creditor.

(8) It is stated that the RP, having complied with the protocol in all its procedural propriety, declared the need for E-voting considering that not all the members of the CoC were present. The CoC were initially appraised of the discussion that had taken place in the previous CoC meeting held on 18.02.2020, wherein the RP had orally mentioned that M/s. Bilagi Sugar Mills Limited had evinced an Expression of Interest (EOI) by way of an e-mail dated 15.02.2020. However, the latter had missed all the timelines published in Form-G and that the EOI came to be rejected vide

the RP's e-mail dated 16.02.2020, for the fact that the act of applying for consideration of their EOI at a belated stage infringed upon the Regulations 36A (3) and 36A (6) enshrined in CIRP Regulations, 2016.

(9) Further, M/s. Bilagi Sugar Mills Limited filed an Application in IA No. 111/2020 seeking the Adjudicating Authority to have their EOI considered by the COC. The same was amended and resubmitted by the Applicant at the orders of this Adjudicating Authority. It is stated that the amended IA was served on the Advocate appearing for the RP on 28.02.2020. Thus, M/s. Bilagi Sugar Mills Limited had not served an advance copy of the amended prayers to enable the RP to place the same before the CoC on 28.02.2020 i.e., the date on which the CoC meeting was scheduled to consider the two Resolution Plans that had been received. Notwithstanding, the non-service of amended copy of the IA, the RP had asked the CoC whether the CoC was inclined to consider/pursue the EOI submitted by M/s. Bilagi Sugar Mills Limited. The CoC did not express any inclination towards considering/pursuing the belated EOI and expressed their willingness to go ahead with the available two bids.

(10) Subsequently, the Tribunal vide its Order dated 29.05.2020, after considering all the facts and circumstances of the case, and the reasons for rejection by the CoC, dismissed I.A. No. 111/2020 in C.P. (IB) No.43/BB/2019. Thus, the RP filed this Resolution Plan already passed by the CoC of Corporate Debtor, for the approval of the Adjudicating Authority.

(11) As regards the basis of distribution of upfront settlement as per the Resolution Plan, the COC being split into two groups, i.e. 'on the basis of Principal Amount lent', and 'on the basis of claims admitted by RP', it was decided that the basis of distribution of upfront settlement would be based on voting rights which in turn would be derived based on the claims admitted by the RP. Further, the communication received on 27.02.2020 from BDCC Bank as regards the modification of claims, on being placed

before the COC, and the latter having no objections whatsoever (the same being a dispute amongst the consortium members of the Corporate Debtor), and having no bearing with the CIRP or the voting shares thereto warranted no further discussion.

(12) The CoC duly appointed Resolution Professional M. V. Sudarshan as the Chairman of the meeting of CoC of Badami Sugars Limited with absolute majority by the members therein by way of both physical and electronic voting in the ratio of 47.63% and 53.37%, totalling 100%.

(13) The members of the Committee were apprised that only the Resolution Plans of Potential Resolution Applicants who had complied with all the requirements - under the Code as well as the RFRP were evaluated and shared with the Committee, the Chairman presented the Compliance Checklist performed on the Resolution Plans submitted, and the details as to the compliances met by the Resolution Plan submitted by M/s. Shri Sai Priya Sugars Limited. The Chairman further brought to the notice of the COC the Revised Resolution Plan of M/s. Shri Sai Priya Sugars Limited pursuant to the discussion in that behalf at the last COC meeting - amounting to Rs. 1700 lakh from that of the previously quoted/valued sum of Rs. 1035 lakh.

(14) The COC was informed as to the essential pre-requisites of the amended Sec. 30(2)(b) by the Chairman, in respect of the Resolution Plan providing for the payment of debt of Operational Creditors in manner specified by the Board which shall not be less than:

i. the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or

ii. the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with the order of priority in sub-section (1) of section 53, whichever is higher.

(15) It was further explained to the COC as to how the said Resolution Plan should provide for the payment of debts of financial creditors who do not vote in favour of the Resolution Plan in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor. And especially the pre-eminent powers of the COC to decide on the final distribution of the Bid amount proposed by the Resolution Applicant.

(16) Having stated that the resolution passed in the previous meeting held on 18.02.2020, would be adhered to in matters pertaining to the Distribution of Proceeds from Resolution Plan, the COC further deliberated to state that since unencumbered assets had zero value, only Encumbered Assets of the Corporate Debtor were taken into consideration in the Resolution Plan submitted. However, reiterating that the said Encumbered Assets would barely afford to cover 8-9% of the claims admitted by the IRP, and referring to the Supreme Court Judgement in *Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta & Ors. (Civil Appeal No. 8766-67 of 2019)*, it was decided to dispense NIL to other class of Creditors.

(17) The RP was instructed to communicate to the Resolution Applicants the changes (as discussed at the COC meeting, stated supra) as to the Manner of Distribution proposed to be incorporated in their Resolution Plans which in turn would have to take into account the order of Priority amongst Creditors as provided under sub-section (1) of section 53, including the priority and value of the security interest of a Secured Creditor.

(18) It is submitted that the COC examined the resolution plans with respect to the evaluation matrix based on the Evaluation Matrix approved in 3rd COC meeting held on 27.12.2019 and accordingly, prepared the Evaluation table as under:

S. No.	Evaluation Parameters	Marks	T Rajkumar		Shri Sai Priya	
			Amt. Rs. Crs.	*Marks*	*Amt. Rs. Crs.*	*Marks*
1.	Upfront cash recovery for financial creditors	60	9.10 (30% in 90 days & rest in 6 months)	45	16.50 (within 30 days)	60
2.	NPV of residual loan	5	Nil	0	Nil	0
3.	Equity upside offered to existing financial creditors	NA	NA		NA	
4.	Upfront equity contribution by the Resolution Applicant	5	11 Cr.	5	17.00	5
5.	Reasonableness of assumptions in the Resolution Plan	10	Good	5	Excellent	10
6.	Track record of the Resolution Applicant in the banking system	10	Excellent	10	Excellent	10
7.	Turnaround/ transaction expertise of the Resolution Applicant	5	NA	0	2 cases *$*	5
8.	Financial strength of the RA	5	2	Good	Excellent	5
	Total	100	60		95	

Note: $ Successfully completed takeovers of two sick entities - Sai Priya Sugars Ltd and Rathna Cements Ltd. and added to their credit as turning around sick / closed businesses.

(19) It is stated that the Chairman of the COC educated the members as to the requirement of Performance Guarantee from the Resolution Applicants under sub-regulation 4A of Regulation 36B, and its forfeiture where the Resolution Applicant, after approval by the Adjudicating Authority, failed to implement and/or directly or incidentally contributed to the failure of implementation of the plan as per the stipulated terms and/or schedule. In this behest, the COC proposed a security of Rs. 20,00,000/- and passed the resolution.

(20) Average value of the assets of the Company as per Valuation report is as follows:

1.	*Fair Value*	*Rs. 15,80,54,500/-*
2.	*Liquidation Value*	*Rs. 8,54,06,500/-*

(21) The brief of the approved Resolution Plan is stated hereunder:

i. Brief about the Resolution Applicant:

Shri Sai Priya Sugars Ltd (SSPSL) *is a Public Limited Company promoted by Shri Murugesh R Nirani, under his flagship MRN (NIRANI) GROUP OF INDUSTRIES and it is an integrated project of 10000 TCD Sugar Plant along with 60 MW Cogen power & Distillery with capacity of 120000 litres per day.*

The Directors of SSPSL are:

1. *Shri Murugesh R Nirani, Founder Director of MRN (NIRANI) GROUP*
2. *Shri R. V. Karehonna, Director*
3. *Shri Vishal M. Nirani, Director*
4. *Smt. Sushmitha V. Nirani, Director*

Shri Murugesh R Nirani is a graduate in Engineering and a Management Graduate, with passion for setting up sugar mill, founded and scaled up MRN group. He started with takeover of a defunct Khandsari Sugar Mill during 1999-2000 and very soon converted the same to 500 TCD White Crystal Sugar Mill, further expanded to 20000 TCD Sugar Plant with 62 MW Cogen power and 120 KLPD Distillery. He set up a 750 TPD Cement Plant in the name of M/s. Rathna Cements (Yadwad) Ltd.; a 10000 TCD Sugar/60 MW Cogen/120 KLPD Distillery in the name of M/s. Shri SaiPriya Sugars Ltd at Hippargi-Mygur vill., Jamkhandi Taluk, Bagalkot Dist; and a 5000 (expandable to 10000 TCD Sugar/35 MW Cogen/proposed 200 KLPD Distillery in the name of M/s.MRN Cane Power India Limited located at Kallapur (SK) – Khanapur (SK) Vill., Badami Taluk, all located in the backward district of Bagalkot. Despite frequent spells of drought, with 4 continuous years of drought since 2015, all the mills have promptly honoured the financial commitments to various banks and FIs.

Shri Sai Priya Sugars Ltd has started its operations in 2015-16 and has returned with 90% capacity utilization in Sugar Season 2018-19 despite severe drought and production losses of sugarcane. The Company is implementing expansion program of increasing Distillery capacity from existing 120 to 240 KLPD with an outlay of Rs.165.10 Crores for which financial closure is recently achieved.

ii. Brief background of Promoters:

a) Shri Murugesh R Nirani:

Besides what is stated herein above, Shri Murugesh R Nirani has also established a Cooperative Bank in the name of Vijaya Sourda Credit Society Ltd, which has over 46 branches in and around Mudhol. He has started MRN (NIRANI) FOUNDATION for serving the poor and indigent students, pregnant mothers, and socially backward people with various schemes for their upliftment through the Corporate Social Responsibility funds and other contributions. He has forayed into Educational arena by establishing Schools in Mudhol and Bagalkot to offer modern education to the students who are deprived of the same so far. He has been awarded by the State & Central Government many times for his contributions in the field of Industry, including Bharat Udyog Ratna award, Sir M. Vishweshwarayya Ratna Award and Make in India award recently in 2017. He has been elected as Member of Legislative Assembly for the first time in 2008 from BJP in the Government of Karnataka and has served as Cabinet Minister of Medium & Large Industries during 2008-2013. He is presently MLA from Bilagi Assembly constituency in Mudhol Taluk representing BJP party.

b) Shri Rachappa Virupakshappa Karehonna

Mr. Rachappa is a resident of Mudhol and is a Businessman, Agriculturist and also an Industrialist. He is engaged in setting up of industries, banks, schools and big business houses in Bagalkot district. He is recipient of Udyog Ratna

Award by Govt of Karnataka, Sahakari Badhu etc. He is also a Director in Nirani Sugars Limited.

c) *Shri Vishal M. Nirani*

Mr. Vishal M Nirani is younger son of Shri Murugesh R Nirani, who has joined his father after completing studies in Engineering and MBA from abroad. Mr.Vishal is presently Director in the Company and he is working actively with the Management Team to be able to improve the performance of the Company.

d) *Smt. Sushmitha Vijay Nirani*

Mrs. Sushmitha V. Nirani is wife of Sri Vijay M. Nirani, elder son of Shri Murugesh R Nirani and she hails from highly educated and industrial entrepreneurship family.

e) *Ms. Suchita Dugar*

Ms. Suchita Dugar is a qualified Company Secretary and is appointed as Company Secretary recently. She advises the Company on Compliances and Corporate Governance matters.

iii. Financial Performance & Credit Rating etc.

- *SSPL is a strict financially disciplined company. The Applicant's promoter has proven track record of prudent financial management. Neither the Applicant nor any of the group companies are NPA case nor did they enter any debt restructuring in the entire history of the group. They have a history of turning around sick / closed businesses. The Resolution Applicant Shri Sai Priya Sugars Limited itself was a sick unit which was taken-over and turned around by the Promoters i.e. Mr Murugesh R Nirani & Family. Rathna Cement is another sick company which was acquired and turned around by the promoters.*
- *Bringing on-board personnel with requisite expertise: The Resolution Applicant and its Group companies have good Technical and Industry sector experts available within the group. Specific experts will be deployed for revival*

of the Plant & Operations including filling in the requisite manpower required.

- *The Resolution Applicant and its promoter group being present in this geographical area with multiple sugar plants, have immense exposure of dealing with the local stakeholders including crane growing farmer. They have been engaging the farmer, administration and other local stakeholders successfully for more than a decade.*

(22) *The restarting of the Plant would entail additional infusion of funds to the tune of Rs. 5-10 Crore in addition to the pay-out to the creditors. The Applicant and its Promotor Group have the requisite Financial capability to infuse funds for operations as well as upgradation of technology, capacity etc.*

(23) *Brickwork Ratings assigns BWR BB+ (Pronounced as BWR Double B Plus) for the bank facilities of Rs. 303.40 Crores of Shri Sai Priya Sugars Limited. BWR believes Shri Sai Priya Sugars Limited's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the company shows improved operating performance and supply-demand dynamics are favourable with resultant higher sugar prices.*

(24) *It is stated that the basis of settlement of claims of various classes of stakeholders, their order of priority such as the CIRP cost, Financial creditors etc., with details of claims and the amount of settlement offered and their respective timelines is as follows:*

(a) Funds Dispensation summary proposed under Resolution Plan:

Sl. No.	*Particulars*	*Amount in Rs. (Crores)*	*Basis of Settlement*
A	*CIRP Cost*	*0.50*	*Pay CIRP cost in full and in priority over other payment.*
B	*Secured Financial Creditors*	*16.50*	*Upfront cash recovery, within 30 days from the date approval of resolution plan by the Hon'ble NCLT, on priority.*

C	*Unsecured Creditor*	-	*The Resolution Plan proposes to pay **NIL** to unsecured Financial Creditors*
D	*Operational Creditor*	-	*The Resolution Plan proposes to pay **NIL** to operational creditors assuming that no liquidation value is due to them.*
	Total	***17.00***	

(b) The settlement of the outstanding liabilities can be made from out of the funds infused by the Resolution Applicant. The resolution applicant states that interest of all the stakeholders, including financial creditors and operational creditors, of the CD shall be dealt as under. The amount provided for the stakeholders under the Resolution Plan is as under:-

(c) Insolvency Resolution Process Cost:

i. The CIRP cost is estimated to be Rs. 0.50 Crores that the Insolvency Resolution Process Cost under Section 5(13) read with Regulation 31, 33 and 34 of IBBI (CIRP) constitutes IRP fee, IPE fee, supply of essential goods and services etc. and is being paid from the funds infused by the Resolution Applicant. In case, the actual CIRP cost exceeds the estimate provided to the Resolution Applicant by Resolution Professional, the additional expenses would be verified by Resolution Applicant and would be approved by CoC before the same is paid by the Resolution Applicant.

ii. Section 30(2), IBC provides for payment of insolvency resolution costs in priority to the payment of other debts of the CD.

iii. The funds infused by the Resolution Applicant shall be utilised first for payment of unpaid insolvency resolution costs and then for payment of claims of operational creditors, if any before making any payment to Financial Creditors. This will comply with the requirement of Section 30(2) of the Code.

(d) Debts owed to Secured financial creditors:

After payment of the CIRP Costs, payment of the operational creditors and payment of the admitted workmen and employees' dues, the admitted Financial Debt of the secured Financial Creditors will be treated proportionately in the following manner:

It is deemed that all the secured financial creditors would relinquish the security held by them, upon payment of full amount proposed to them under the Resolution Plan. The Resolution Applicant proposes to pay Rs 16.50 Crores (Rupees Sixteen Crores and Fifty Lakhs only) to all Secured Financial Creditors since the Resolution Applicant's assessment of the current value of the security may not yield more than the value proposed.

(e) Distribution table to the Secured Financial Creditors is as follows:

Sl. No.	Name of the Financial Creditor	Debt Amount Admitted In Rs.	Distribution Share-%	Distribution In Rs.
1	The Bagalkot District Central Co-Operative Bank Ltd. Bagalkot	57,74,80,000	28.09%	4,63,55,600
2	The Vijayapur District Central Co-operative Bank Ltd. Bijapur	14,39,98,946	7.01%	1,15,59,100
3	The Karnataka State Co-operative Apex Bank Ltd. Bangalore	39,10,38,000	19.02%	3,13,89,500
4	The South Canara District Central Co-Operative Bank Ltd.	13,87,69,607	6.75%	1,11,39,300
5	The Tumkur District Central Co-operative Bank Ltd. Tumkur	7,26,45,111	3.53%	58,31,400
6	The Basaveshwara Sahakari Bank Niyamit, Bagalkot	3,69,81,086	1.80%	29,68,600
7	The Bilagi Pattan Sahakari Bank Ltd. Bilagi	1,67,24,238	0.81%	13,42,500
8	The Jamakhandi Urban Co-operative Bank Ltd. Jamakhandi	2,86,50,815	1.39%	22,99,900
9	The KSIIDC Ltd. Bangalore	52,33,09,034	25.46%	4,20,07,000
10	The Rabakavi Urban Co-operative Bank Ltd. Rabakavi	90,82,638	0.44%	7,29,100
11	Oriental Bank of Commerce, Hubli	11,68,27,166	5.68%	93,78,000
	Total	2,05,55,06,641	100.00%	**16,50,00,000**

(f) Wages and any unpaid dues owed to employees' other than workmen:

As per the Information Memorandum, there are no employees of the company, as all of them have left. No amount has been admitted so far as claims from employees. As such, ***NIL amount is proposed to be paid****.*

(g) Financial Debts owed to unsecured Creditors:

As per the Information Memorandum provided by the Resolution Professional, there is an admitted Rs 36.25 Crores financial debt to unsecured creditors. Liquidation Value of the Company is Rs.854.07 Crores. The Applicant has assumed that the Liquidation Value of the Company is less than the Admitted Debt for Secured Financial Creditors which aggregates to approximately INR 205.55 Crore. Moreover, all the assets that are valued by the valuers are encumbered assets and legal charge has been created against those assets (Land and Building, Plant and Machinery and floating charge on book debts and stock, spares and inventory) in favour of Secured Financials Creditors. There are no unencumbered assets in the company. However, it is apparent that the Liquidation Value of the company would not be enough to cover the debt of the Secured Financial Creditors of the Company in full and the liquidation value for Operational Creditor would be NIL under the circumstances. As per the Information Memorandum provided by the Resolution Professional, a debt of Rs 36.25 Crores is claimed and admitted by the Unsecured Financial Creditors, from the Corporate Debtor. The resolution plan proposes to pay NIL to this class of Financial Creditors.

(h) Proposal for dissenting members of the COC:

In terms of IBC, and under Regulation 38 of the CIRP Regulations, it is proposed to provide for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such *creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the CD. In case, there would be any dissenting financial creditors which may be known to us after the voting is done for approval of Resolution Plan, that financial creditor would be paid liquidation value due in priority to other financial creditor.*

(i) Financial Debts owed to unsecured Creditors -related party:

As per the Information Memorandum provided by the Resolution Professional, the Financial Debt payables to unsecured creditors - ***Related Party stands at Rs 2.54 Crore. It is proposed to pay NIL towards the Financial debts of the Unsecured Creditors- Related Party as no liquidation value is due to them as per waterfall arrangement under section 53 of IBC.***

(j) Operational Creditors (Claim Filed and verified and admitted) – Other than Related Parties:

Liquidation Value of the Company is Rs. 8.54 Crores. The Applicant has assumed that the Liquidation Value of the Company is less than the Admitted Debt for Financial Creditors which aggregates to approximately INR 241.80 Crore. However, it is apparent that the Liquidation Value of the company would not be sufficient to cover the debt of the Financial Creditors of the Company in full and the liquidation value for Operational Creditor would NIL under the circumstances. As per the Information Memorandum provided by the Resolution Professional, a debt of ***Rs 0.0 Crores*** *is claimed & admitted by the Operational Creditors, from the Corporate Debtor. The resolution plan proposes to pay* ***INR NIL*** *to the Operational Creditors.*

(k) Outstanding Govt. Dues, Taxes (statutory dues):

According to Information Memorandum circulated by the Resolution Professional, ***Rupees 0.0 and subsequently admitted Rs. 0.02 Crore*** *of claim has been submitted by the Statutory authorities, to the Resolution*

*Professional. It is proposed to pay **NIL** towards the Statutory Dues. As per IBC, statutory liabilities considered to be at par with operational creditors. Accordingly, the payment due to outstanding govt. dues, taxes, etc should not be less than the liquidation value payable to the operational creditors in the event of a liquidation of the corporate debtor under Section 53 of the IBC. The statutory liabilities payable by Company includes, without limitation, claims under all taxes and provident fund payments. The Liquidation Value as mentioned above is not sufficient to cover debt of the Financial Creditors of the Company in full, therefore, the Liquidation Value for Statutory dues of the Company is NIL. **Hence, no amount has been proposed for payment under this Resolution Plan towards payment of statutory liabilities.***

(l) Claims of Related Parties – Operational Creditors:

*Liquidation Value of the Company is Rs. 854.07 Lakhs. The Applicant has assumed that the Liquidation Value of the Company is less than the Admitted Debt for Financial Creditors which aggregates to approximately INR 241.80 Crore. Accordingly, the Liquidation Value is not enough to cover the debt of the Financial Creditors of the Company in full. All claims on Company by any related party and all liabilities of CD towards any related party, as on and for the period prior to Effective Date, shall be deemed to be owed and due as of the Insolvency Commencement Date, the liquidation value of which is **NIL**.*

(m) Payment to Shareholders:

The exact shareholding of the company has not been shared. But from the nomenclature it appears to be an unlisted public company. There may be large number of cane-growing farmer shareholders, but this need to be clarified and facts to be shared. Liquidation Value of the Company is Rs. 854.07 Lakhs. The Applicant has assumed that the Liquidation Value of the

Company is less than the Admitted Debt for Financial Creditors which aggregates to approximately INR 241.80 Crores. Accordingly, the Liquidation Value is not sufficient to cover the debt of the Financial Creditors of the Company in full. Hence, ***no payment*** *is proposed under this plan for any of the shareholder including Sugar Cane Farmer Shareholders.*

(25) It is submitted that the Resolution Plan provides for plan for revival, period of implementation of the said plan, and the source of funds is as under:

i. The operations / Plant can be revived by addressing the causes, as enlisted below:

a. ***Instituting Strict Financial Discipline:*** *As mentioned supra, the Applicant's promoter has a proven track record of prudent financial management. Neither the Applicant nor any of the group companies are NPA case and they have a history of turning around sick / closed businesses.*

b. ***Bringing on board personnel with requisite expertise:*** *The Resolution Applicant and its Group companies have good Technical and Industry sector experts available within the group. Specific experts will be deployed for revival of the Plant and Operations.*

c. The Resolution Applicant and its promoter group being present in this geographical area with multiple sugar plants, have immense exposure of dealing with the local stakeholders including crane growing farmer.

d. The Applicant and its Promoter Group have the requisite Financial capability to infuse funds, for operations as well as upgradation of technology, capacity etc.

e. There may be approval required for renewal of lapsed License/NOC/ Approval from respective authorities, for revival of Plant, which shall be taken in a period of 12 months from the effective date.

*ii. **Implementation of the Plan:***

*The term of the Resolution Plan will be **1 (one) year** and will commence from the Effective Date and with the following steps:*

*a. Resolution Applicant will infuse funds of **INR 17.00 Crore** over the Plan period and generate funds from the running of operation of the Corporate Debtor for payment to Creditors as per the Plan;*

b. The funds infused and generated during running the operation of the CD will be partly utilised as working capital and partly for settlement of dues of creditors as proposed in the Resolution Plan;

c. Resolution Applicant will continue to make payment to financial creditors, as envisaged in the plan unless otherwise agreed between Resolution Applicant and financial creditor;

d. In order to ensure smooth implementation of the Resolution Plan, the Resolution Applicant shall induct Professionals to manage day to day affairs of the Company, whose terms of appointment and duties would be decided by the restored Board of Directors.

e. On the Effective Date, an Insolvency Professional, may be appointed as the "Monitoring Professional" to monitor and supervise the implementation of the Resolution Plan on such fee as will be settled between the Insolvency Professional and Resolution Applicant. The period of implementation of the plan to be monitored by the monitoring professional is for a period of 1 (One) years. The fees for monitoring and supervision shall be agreed for term of appointment as per mutual agreement, between the monitoring professional and Resolution Applicants and will be paid by Resolution applicants/CD.

(a) The Monitoring Professional shall have the following responsibilities:

i. Coordination amongst the stakeholders for smooth implementation of the plan.

ii. *Looking into various compliances as per Resolution Plan during implementation period.*

iii. *Providing specified information to stakeholders regarding implementation of resolution plan.*

iv. *Issue a certificate that the Resolution Plan has been duly implemented and the mandatory payments contemplated in this Resolution Plan have been duly completed.*

v. *In issuing this certificate, if a person has not collected its payment, despite the Company having notified such person, and accordingly the Company has created a special reserve for payment of such amount – it shall be deemed to be a discharge of Company's payment obligations.*

vi. *Issuance of a certificate by the Monitoring Professional shall be a discharge of the Resolution Applicant from their obligations under this Resolution Plan.*

(b) Any modification in the terms of this Resolution Plan post approval of the Hon'ble Adjudicating Authority/ NCLAT shall be implemented with the mutual consent of the Financial Creditors of the Company at that stage and the Resolution Applicant, shall not be construed to be a violation or an event of default as per the provisions of the Code.

(c) Projected Profit and Loss Statement for next five years are stated as under:

(Rupees in Crore)

Particulars	***Year 1***	***Year 2***	***Year 3***	***Year 4***	***Year 5***
Total Revenue	*111.27*	*113.19*	*115.11*	*117.03*	*117.99*
Profit/Loss for the year	*1.78*	*3.84*	*5.84*	*8.04*	*8.60*

(d) Projected Balance Sheet for next five years are stated as under:

(Rupees in Crore)

Particulars	***Year 1***	***Year 2***	***Year 3***	***Year 4***	***Year 5***
Total Liabilities	*51.48*	*55.32*	*58.58*	*63.71*	*69.02*
Total Assets	*51.48*	*55.32*	*58.59*	*63.72*	*69.02*

iii. ***Sources of Funding by the Resolution Applicant:***

a. Internal Resources of the Applicant.

b. Borrowing from its Banks

c. Any other unsecured Loans from promoters, if required.

d. The Applicant will organize necessary investment in the Company in the form of equity or debts from own resources. Fresh share to the tune of Equity infusion, if any, shall be issued to the Resolution Applicant or its Associates;

e. ***Initial INR 17 Crores*** *(Rupees Seventeen Crore only) is intended to be infused in the form of Equity, quasi-equity or Debt or a combination there off, upfront within 30 days of Effective date. This will be utilised for payment of CIRP cost and payment to Creditors.*

3. Heard Mr. M.V. Sudarshan, learned RP, and Mr. Anup Seetharam Rao, learned Counsel for the RP through Video Conference. We have carefully perused the pleadings of Party and extant provisions of the Code and the Rules made thereunder. We have also gone through the detailed Resolution Plan and the details of the proceedings gone through during the CIRP, and the reports of the CoC submitted from time to time.

4. Mr. M.V. Sudarshan, RP, while reiterating various averments made in the Application/Petition, has further submitted that the revised Resolution Plan as approved by the CoC satisfies all requisite conditions as per the provisions of the Code, and the same is approved with requisite majority, and thus urged the Adjudicating Authority to approve the said Resolution Plan.

5. The Resolution Professional has furnished Minutes of the 5th Meeting of the Committee of Creditors of Badami Sugars Limited, the Corporate Debtor, held on 28th February, 2020 at Conference Room, III Floor, New Building, The Karnataka State Cooperative Apex Bank Limited, No.1, Head Office, 'Uthunga', wherein, the revised Resolution Plan ('Resolution Plan') dated 26th February, 2020 filed by

M/s Shri Sai Priya Sugars Limited, was considered in depth. He has also submitted the proceedings of the COC held on various dates and also filed Compliance Certificate in Form-H dated 29.05.2020, under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 by inter alia furnishing all the requisite details.

6. In order to approve a Resolution Plan U/s 31(1) of the Code, Resolution Professional shall examine each Resolution Plan as prescribed inter alia under Section 30(2) of the Code, as mentioned below:

   a) *provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor;*
   b) *provides for the payment of 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 the management of the affairs of the corporate debtor after approval of the resolution plan;*
   d) *the implementation and supervision of the resolution plan;*
   e) *does not contravene any of the provisions of the law for the time being in force;*
   f) *confirms to such other requirements as may be specified by the Board.*

As detailed supra, that in compliance with the said requisite conditions, the Resolution Professional has submitted various documents and statements as per provisions of the Code and the Rules made there under. These compliances are briefly mentioned out as under:

(1) The Resolution Professional has filed the Compliance Certificate in Form-H dated 29.05.2020, under Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(a) The details of CIRP are as under:

S.No.	*Particulars*	*Description*
1	Name of the CD	M/s Badami Sugars Limited
2	Date of Initiation of CIRP	September 27, 2019 (27-09-2019) (Copy of the Order received on 09-10-2019)
3	Date of Appointment of IRP	September 27, 2019 (27-09-2019) (Copy of the Order received on 09-10-2019)
4	Date of Publication of Public Announcement	October 10, 2019 (10-10-2019)
5	Date of Constitution of CoC	October 28,2019 (28-10-2019)
6	Date of First Meeting of CoC	November 02, 2019 (02-11-2019)
7	Date of Appointment of RP	November 02, 2019 (02-11-2019)
8	Date of Appointment of Registered Valuers	November 16, 2019 (16-11-2019)
9	Date of Issue of Invitation for EOI	December 08, 2019 (08-12-2019)
10	Date of Final List of Eligible Prospective Resolution Applicants	January 19,2020 (10-01-2020)
11	Date of Invitation of Resolution Plan	December 08, 2019 (08-12-2019)
12	Last Date of Submission of Resolution Plan	February 09,2020 (09-02-2020)
13	Date of Approval of Resolution Plan by CoC	February 28,2020 (28-02-2020)
14	Date of Filing of Resolution Plan with Adjudicating Authority	March 02, 2020 (02-03-2020)
15	Date of Expiry of 180 days of CIRP	March 25, 2020 (25-03-2020)
16	Date of Order extending the period of CIRP	Not Applicable
17	Date of Expiry of Extended Period of CIRP	Not Applicable
18	Fair Value	Rs. 15,80,54, 500/-
19	Liquidation value	Rs. 8,54,06,500/-
20	Number of Meetings of CoC held	5 (Five)

(b) The Resolution Plan is received from Resolution Applicant M/s Shri Sai Priya Sugars Limited and is approved by Committee of Creditors (CoC) of Badami Sugars Limited.

(c) The Resolution Professional also certified that:

i. The said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.

ii. The Resolution Applicant M/s Shri Sai Priya Sugars Limited has submitted an affidavit pursuant to sec. 30(1) of the Code confirming its eligibility u/s 29A of the Code to submit a 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 February 28, 2020 where 97.67% of the members of the COC were present in person. Based on the request of the members of the COC, the RP sought vote of members of the COC by electronic voting system who opted for e-voting and absentee members and which was kept open at least for 24 hours as per the regulation 26.

(d) The list of financial creditors of the Corporate Debtor, M/s Badami Sugars Limited, being members of the COC and distribution of voting share among them is as under:

Sl. No.	*Name of Creditor*	*Voting Share (%)*	*Voting for Resolution Plan (Voted for / Dissented / Abstained)*
1	The Bagalkot District Central Co-Operative Bank Ltd.	10.18%	Voted for

2	The Vijayapur District Central Co-operative Bank Ltd.	7.34%	Voted for
3	The Karnataka State Co-operative Apex Bank Ltd.	26.16%	Voted for
4	The South Canara District Central Co-Op Bank Ltd.	8.06%	Voted for
5	The Tumkur District Central Co-operative Bank Ltd.	3.00%	Voted for
6	The Basaveshwara Sahakari Bank Niyamit, Bagalkot	1.53%	Voted for
7	The Bilagi Pattan Sahakari Bank Ltd.	0.69%	Voted for
8	The Jamakhandi Urban Co-operative Bank Ltd.	1.18%	Voted for
9	The KSIIDC Ltd. Bangalore	21.64%	Voted for
10	The Rabakavi Urban Co-operative Bank Ltd. Rabakavi	0.38%	Voted for
11	Oriental Bank of Commerce, Hubli	4.83%	Voted for
12	Shri. Kalidas Co-Op. Credit Society Ltd.	2.94%	Voted for
13	Shri Beelur Gurubasava Co-op Credit Society	1.68%	Voted for
14	Shri Arumugam Sugars Limited, Coimbatore	10.10%	Voted for
15	Karnataka Alpasankhyatara Sangha, Kaladagi	0.13%	Voted for
16	SHRINIDHI URBAN CO-OP CREDIT SOCIETY LTD	0.14%	Voted for
	TOTAL	100.00%	

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

(f) The amounts provided for the stakeholders under the Resolution Plan is as under:

(Amount in Rs. lakh)

Sl. No.	*Category of Stakeholder**	*Sub-Category of Stakeholder*		*Amount Admitted*	*Amount Provided under the Plan#*	*Amount Provided to the Amount Claimed (%)*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	20555.07	20555.07	1650.00	8.03%
		(b) Other than (a) above:	NA	NA	NA	NA
		(i) who did not vote in favour of the resolution Plan	Nil	Nil	Nil	Nil
		(ii) who voted in favour of the resolution plan	All	All	All	All
		Total[(a) + (b)]	20555.07	20555.07	1650.00	8.03%
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	Nil	Nil	Nil	Nil
		(b) Other than (a) above:	3625.17	3625.17	Nil	0
		(i) who did not vote in favour of the resolution Plan	All	All	All	All
		(ii) who voted in favour of the resolution plan	Nil	Nil	Nil	Nil
		Total[(a) + (b)]	3625.17	3625.17	-	-
3	Operational Creditors	(a) Related Party of Corporate Debtor	Nil	Nil	Nil	Nil
		(b) Other than (a) above:	1.80	1.80	Nil	Nil

		(i)Government (ii)Workmen (iii)Employees (iv)				
		Total[(a) + (b)]	1.80	1.80	Nil	Nil
4	Other debts and dues		Nil	Nil	Nil	Nil
	Grand Total		24182.04	24182.04	1650.00	-

*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.]

(g) The interests of existing shareholders have been altered by the Resolution plan as under:

Sl. No	Category of Share Holder	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	13,10,507	NIL	100%	NIL
2	Preference	NA	NA	NA	NA

(h) 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 operations of business of the CD?	8.2	Yes
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?	9(A) (i)	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	9(A) (i)	Yes
Section 30(2)	Whether the Resolution Plan- (a) provides for the payment of insolvency resolution process costs? (b) provides for the payment to the operational creditors?	 9(ii) &10.1 9(iii) &10.8	 Yes Yes

	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	9(iii) &10.6	Yes
	(d) provides for the management of the affairs of the corporate debtor?	9(iii)(i)	Yes
	(e) provides for the implementation and supervision of the resolution plan?	9(iii)(ii)	Yes
	(f) contravenes any of the provisions of the law for the time being in force?	9(iii)(iii)	Yes
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?	COC Resolution dated 28-02-2020	Yes Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	14	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?	27-11-2019	YES
Regulation 38 (1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	9.C.(i) & 10.10 (no claims)	NA
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	9.C.(iii)	Yes
Regulation 38(1B)	(i) 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. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	9.C.(iv)	No
Regulation 38(2)	Whether the Resolution Plan provides: (a) the term of the plan and its implementation schedule? (b) for the management and control of the business of the corporate debtor during its term? (c) adequate means for supervising its implementation?	9.C.(v) & 14 & Annexure II	Yes

38(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default? (b) it is feasible and viable? (c) it has provisions for its effective implementation? (d) it has provisions for approvals required and the timeline for the same? (e) the resolution applicant has the capability to implement the resolution plan?	9.C.(viii) & 8,2 9.C.(ix) 9.C.(x) 9.C.(xi) 9.C.(xii)	Yes Yes Yes Yes Yes
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	No such transactions were found in relevant period of two years.	NA
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Received for an amount approved by COC for Rs. 20 Lakhs.	Yes

(i) As stated supra, the Resolution Professional has filed Compliance Certificate in Form H dated 29.05.2020 under Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, by *inter alia* stating that no such transactions under section 66 or avoidance application are filed/pending:

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	NA	NA	NA
2	Undervalued transactions under section 45	NA	NA	NA
3	Extortionate credit transactions under section 50	NA	NA	NA
4	Fraudulent transactions under section 66	NA	NA	NA

(j) The committee has approved a plan providing for contribution under regulation 39B as under:

a. Estimated liquidation cost : Rs 200 Lakhs

b. Estimated liquid assets available : Rs 700 Lakhs

c. Contributions required to be made : Rs. NIL

d. Financial creditor wise contribution is as under:

Sl. No.	Name of financial creditor	Amount to be contributed (Rs.)
1	NA	NA
Total	NA	NA

(k) The Committee has recommended under Regulation 39C as under:

a. Sale of corporate debtor as a going concern: ~~Yes~~ / No

b. Sale of business of corporate debtor as a going concern: ~~Yes~~ / No

The details of recommendation are available with the resolution professional. -**NA**-

i. The committee has fixed, in consultation with the resolution professional, the fee payable to the liquidator during the liquidation period under regulation 39D. **- NA -**

7. From an examination of the Resolution Plan filed before us, and as discussed above, it appears that the Resolution Plan dated 26th February, 2020 as duly approved by the Committee of Creditors on 28th February, 2020 for Badami Sugars Limited, submitted by M/s. Sri Sai Priya Sugars Limited, satisfies all the requisite conditions for its approval under Section 31(1) of the Code. Details of the fund infusion, and the sources from which the Resolution Applicant shall arrange the same have been provided in the Resolution Plan. The same provides for the creditors in the distribution table filed with the Plan, and provides adequate details of the infusion of funds required as working capital as well as for payment of the debts. Details of projected profits and cash flows have also been provided. Considering also the past experience in similar business and credentials of the Directors and Promoters of the Resolution Applicant, as mentioned in the

Resolution Plan, we are satisfied about the viability of the same. The Resolution Plan also provides for the appointment of a Monitoring Professional, to oversee the implementation of the Resolution Plan. The Resolution Plan is approved by the CoC with 100% in accordance with law. No prejudice would be caused to any party, if the same is approved. Therefore, we are of the considered opinion that the said Resolution Plan is fit to be approved under Section 31(1) of the Code.

8. In the result, by exercising the powers conferred on this Adjudicating Authority, under Section 31(1) of the I & B Code, 2016, both the C.P. (IB) No.43/BB/ 2019 and I.A. No.177 of 2020 are disposed of with the following directions:

   (1) The Resolution Plan dated 26th February, 2020 submitted by M/s. Shri Sai Priya Sugars Limited ('Resolution Applicant') as approved by the Committee of Creditors at their 5th meeting held on 28th February, 2020 with 100% voting is hereby approved by declaring that the Resolution Plan will be binding on the Corporate Debtor (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 authorities to whom statutory dues are owed, guarantors, and other stakeholders involved in the Resolution Plan.

   (2) The moratorium imposed vide Order dated 27.09.2019 passed in the CP shall cease to have effect from the date of communication of the order.

   (3) The Resolution Professional is directed to handover the management control of 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 cease 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, whichever is later.

(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 to the Resolution Plan.

(7) In view of the above, pending IAs, if any, also automatically stands disposed off.

(8) No order as to costs.

ASHUTOSH CHANDRA
MEMBER, TECHNICAL

RAJESWARA RAO VITTANALA
MEMBER, JUDICIAL

Krishna