

**In the National Company Law Tribunal  
Mumbai Bench**

MA 82 of 2019 in CP No.1704/I&BC/MB/MAH/2017

Application Under **Section 30(1) & (6)** and **Order under section 31** of Insolvency &  
Bankruptcy Code 2016

In the matter of

Oriental Bank of Commerce

.....(Financial Creditor)

v.

Ambey Iron Private Limited

..... (Corporate Debtor)

Registered Office at Panjim, Goa

Mr. Anuj Bajpai  
.....Applicant/ Resolution Professional

Order delivered on: 14.10.2019

Coram: Hon'ble Shri M.K. Shrawat, Member (Judicial)

For the Applicant : Advocate Khushboo Shah Rajani a/w Mr. Ayush J. Rajani, For  
Resolution Professional

For Resolution Applicant : Advocate Rahul Gaikwad a/w Mr. Mudit Goel (Director of  
Resolution Applicant)

**Per M.K. Shrawat, Member (Judicial).**

**ORDER**

1. An Application has been moved on 10.01.2019 by the Learned Resolution Professional by invoking the Provisions of Section 30(6) of the Insolvency & Bankruptcy Code, 2016 (the Code) read with Regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) 2016 for **approval of a Resolution Plan**. On receiving this Application along with Resolution Plan an **Order** is hereunder passed as prescribed **U/s 31(1) of the Code**.
2. The '**Financial Creditor**' **Oriental Bank of Commerce ( OBC )** had filed a **Petition** by invoking the **Provisions of Section 7 of the Code** read with Rule 7 of The Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules 2016 against the '**Corporate Debtor**' **M/s Ambey Iron Pvt.Ltd.** for the **Financial Debt of ₹37,77,15,415/-**.
3. After considering the merits of the case, the said Petition was **admitted** vide an **Order dated 22.03.2018 (CP No. 1704/I&BP/NCLT/MB/2017)**. Initially Mr. Dushyant C. Dave was appointed as IRP. The IRP subsequently made public announcements in the newspapers regarding initiation of the corporate insolvency resolution process( CIRP) and called for proof of claims from the financial and operational creditors, workers and employees of the Corporate Debtor in the specified forms till April 19, 2018.

4. After collating the claims thereafter, the CoC was constituted by the IRP by the members as per details available. The first meeting of the CoC was held on May 3, 2018. The second meeting was held on May 16, 2018. The third CoC meeting was held on June 5, 2018 and in the fourth CoC meeting held on June 11, 2018, the CoC appointed Mr. Anuj Bajpai, having registration no. IBBI/IPA-001/IP-P00311/2017-18/10575 as the Resolution Professional.
5. The Resolution Professional has thereafter prepared the Information Memorandum (**IM**) that was made available to the Resolution Applicant herein.
6. The Resolution Plan under consideration was submitted by **Bhadrashree Steel and Power Limited 'Resolution Applicant'**, stated to be having a vast experience in the iron and steel industry and the same is in the business of sponge iron manufacturing in Karnataka , operating 2 units.
7. The Resolution Applicant submits that it is eligible to present the Resolution Plan and fulfils the eligibility criteria of 'Resolution Applicant' as prescribed in **Section 29A of IBC, 2016 read with Regulation 38 (3) of the CIRP Regulations**. An affidavit to that effect has been annexed in the application for the approval of the Resolution Plan.
8. In the Ninth CoC meeting held on 07.01.2019, the CoC casted 100% vote in favour of final/revised resolution plan through e-voting. The resolution plan stood **approved** by requisite majority in accordance with section 30(4) of the Code on 09.01.2019.
- 8.1. The text of the Plan as submitted before the CoC is reproduced (only relevant portions), as under:-

**"Resolution Plan for  
Ambey Iron Private Limited  
Bhadrashree Steel and Power Limited**

*Dated: 7<sup>th</sup> January, 2019*

**1. BACKGROUND**

**2.1 Corporate insolvency resolution process**

- i. This Resolution Plan is submitted by the Resolution Applicant pursuant to the Code, for the corporate insolvency resolution of the Corporate Debtor.*
- ii. The corporate insolvency process involving the Corporate Debtor was initiated pursuant to a petition under Section 7 of the Code, filed by Oriental Bank of Commerce before the NCLT, Mumbai Bench titled Oriental Bank of Commerce vs. Ambey Iron Pvt. Ltd. [CP (IB) 1704/MB/MAH/2017]. The petition was admitted by the NCLT pursuant to its order dated 22<sup>nd</sup> March, 2018.*
- iii. The NCLT appointed Mr. Dushyant Dave, an insolvency professional with registration number: IBBI/IPA-003/IP-N00061/2017-18/10502 as the interim resolution professional ("IRP") with effect from April 5, 2018. The IRP subsequently made public announcements in the newspapers regarding initiation of the corporate insolvency resolution process and called for proof of claims from the financial and operational creditors, workers and employees of the Corporate Debtor in the specified forms till April 19, 2018.*
- iv. After collating the claims thereafter, the CoC was constituted by the IRP by the members as per Schedule 1 herein. The first meeting of the CoC was held on May 3, 2018. The second meeting was held on May 16, 2018. The third CoC meeting was held on June 5, 2018 and in the fourth CoC meeting held on June 11, 2018, the CoC appointed Mr. Anuj Bajpai, having registration no. IBBI/IPA-001/IP-P00311/2017-18/10575 as the Resolution Professional.*
- v. The Resolution Professional has thereafter prepared the Information Memorandum (IM) that was made available to the Resolution Applicant herein.*

**2.2 The Corporate Debtor**

- i. The Corporate Debtor is a private limited company incorporated in India with corporate identity number U13100GA2003PTC003274, and has its registered office at 701, 7<sup>th</sup> floor, Dempo Trade Centre, Patto, Panaji, Goa- 403001.
- ii. The Corporate Debtor was incorporated on August 12, 2003. The authorised share capital of the Corporate Debtor is INR 6,00,00,000, and the paid up capital of the Corporate Debtor is INR 5,00,00,000.

### 2.3 Shareholding

- i. Particulars of the shareholders of the Corporate Debtor are attached as **Schedule 3 (Existing Shareholders of the Corporate Debtor)**.

### 2.4 Directors

The particulars of directors of the Corporate Debtor as per the details provided in the Information Memorandum are set-out below. Pursuant to Sections 17 and 23 of the Code, the powers of the board of directors of the Corporate Debtor are suspended with effect from the IC Date.

Sr No	Name of the Director	Directors Identification Number	Designation
1.	Mr. Pawan Lila	01271017	Independent Director
2.	Mr. Aman Lila	03378733	Independent Director

### 3. LIQUIDATION VALUE

- 3.1 In the estimate of the Resolution Applicant, the verified claims of Secured Financial Creditors are more than the aggregate Liquidation Value and consequently, the proportionate liquidation value for the operational creditors (other than workmen's dues for the period of 24 months preceding the IC Date) including claims from the government, government agencies, and all other claims, debts and dues, and the shareholders is 'nil'.

## PART B: RESOLUTION APPLICANT AND CREDENTIALS

### 4. PARTICULARS OF THE RESOLUTION APPLICANT

#### 4.1. Identity

- i. The corporate identity number of the Resolution Applicant is U27106DL2004PLC130754, and its registered address is at 2/37, 4th Floor, Ansari Road Daryaganj New Delhi North Delhi DL 110002.
  - a. The Resolution Applicant was incorporated on 24.11.2004 having its registered address at 2/37, 4th Floor, Ansari Road Daryaganj New Delhi North Delhi DL 110002. The Resolution Applicant has a vast experience in the iron and steel industry and the same is already in the business of sponge iron manufacturing in Karnataka and is already operating 2 units.
  - b. The Resolution Applicant herein proposes to implement the resolution plan given herein and seeks the support of all the stakeholders of the Company in this regard.
  - c. The profile, credibility, track record, experience and other details of the Resolution Applicant are provided in Schedule 6 herein. The proven track record of Resolution Applicant is a testimony to their ability to revive the Company. The commitments stated in this Resolution Plan are consistent with the overall strategy of the Resolution Applicant of successfully running the Company and creating value for all the stakeholders. Being one of the established private sector steel players in India, the Resolution Applicant would bring synergy in terms of operations, procurement, marketing and sales and would be able to run the company in a cost-effective manner. The Resolution Applicant is committed to implementing this Resolution Plan in a professional manner.

#### 4.2. Details of the Resolution Applicant and Connected Persons

All disclosures/confirmation/information to be provided by the Resolution Applicant under Regulation 38(3) of the CIR Regulations, including particulars of promoter, persons in management/and other connected persons of the Resolution Applicant have been provided, as per the records of the Resolution Applicant, by the Resolution Applicant in Schedule 6 of this Plan.

#### 4.3 No disqualification under section 29A of the Code

The Resolution Applicant confirms that it and connected persons are not disqualified under Section 29A of the Code.

#### Promoters of the Corporate Debtor

- i. In relation to the disclosure regarding “persons who will be promoters or in the management or control of the business of the Corporate Debtor during the implementation of the Resolution Plan”, please note that from the Effective Date and until the Completion Date, the Monitoring Agency will be in the management and control of the business of the Corporate Debtor.
- ii. With effect from the Completion Date, the Resolution Applicant will become the promoter of the Corporate Debtor and be in management and control of the business of the Corporate Debtor, as described in Clause 22.4.

### PART C: MEASURES TO RENDER THE COMPANY’S CONTINUED OPERATIONS FEASIBLE AND VIABLE THROUGH THE CORPORATE INSOLVENCY RESOLUTION PROCESS

#### 5. BASIS OF PREPARATION

**5.1** The preparation of the Resolution Plan is based on the Information Memorandum dated 14<sup>th</sup> November, 2018 and subsequent information memorandum dated 20<sup>th</sup> December, 2018 and 2<sup>nd</sup> January, 2019 provided to the Resolution Applicant by the Resolution Professional. If, at any time before or after submission of this Resolution Plan, should the information on the basis of which this Resolution Plan has been prepared, changed, or new information becomes available, or if there is a material adverse change i.e. shall there have occurred any fact, matter, event, circumstance, condition or change which materially and adversely affects, or could reasonably be expected to materially and adversely affect, individually or in aggregate, the business, operations, assets, liabilities, conditions (whether financial, trading or otherwise), prospects or operating results of the Corporate Debtor, the Resolution Applicant shall have the right to reconsider, revise and/or withdraw the Resolution Plan on assessment of such additional information and/or make a fresh submission of resolution plan at its sole discretion.

**5.2** The Resolution Applicant shall have conducted a title due diligence in respect of the Corporate Debtor to its satisfaction as follows:

- i. shall have ascertained that all documents of title, deeds and writings in respect of all immovable properties of the Corporate Debtor, wherever situated, whether or not currently charged to the Secured Financial Creditors, together with the buildings and other structures and that no other charge exists on such properties other than in favour of the Secured Financial Creditors.
- ii. The Resolution Applicant shall have obtained title due diligence reports from the Revenue Courts having jurisdiction for the purpose of ascertaining the title of the immoveable properties existing in the name of Corporate Debtor.
- iii. The Resolution Applicant shall have conducted necessary searches and shall have made all enquiries in order to ascertain that there are no suits/litigations/attachments and/or any other proceedings pending in respect of immoveable properties by any third party with regard to any dispute or claim on the title of the immoveable properties owned by the Corporate Debtor.

#### 5.3 Pending Litigation/s

Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities against Ambey Iron Private Limited:

<u>Particulars</u>	<u>Type of entity</u>	<u>Details</u>
Dept. of Sales Tax, Solapur Division	Statutory government liability	Declared dues as on 31/3/2017. The amount is excluding interest accrued till date
Dept. of Sales Tax, Solapur Division	Statutory government liability (appealed)	Department has raised dues of approximately 4.20 crores disallowing credit claimed for usage of coal as a raw material for the period 2008-2010. Corporate Debtor had gone into appeal but the appeal was rejected. However, the corporate debtor is confident that the tribunal will order in its favour. The amount is excluding interest accrued till date
State Excise Office, Solapur	Statutory government liability	Declared dues as on 31/3/2017. The amount is excluding interest accrued till date
Deputy Commissioner of Customs M&P Wing, PNP Port, Mumbai	Statutory government liability appealed	Unpaid dues of Customs
Magnifico Minerals Private Limited	Raw Material Supplier	Unpaid dues against purchase of coal
Soil & Enviro Industries	Equipment	Unpaid dues against purchase and EPC charges for pollution control

<i>Pvt. Ltd.</i>	<i>supplier</i>	<i>equipment</i>
<i>Manikanta Traders</i>	<i>Raw Material Supplier</i>	<i>Unpaid dues against purchase of Iron Ore</i>
<i>BMM Ispat Limited</i>	<i>Raw Material supplier</i>	<i>Litigation due to unissued C-forms. C-forms unissued due to unpaid ST dues</i>
<i>MSPL Limited</i>	<i>Raw Material supplier</i>	<i>Litigation due to unissued C-forms. C-forms unissued due to unpaid ST dues</i>

## 6. PAYMENTS AND FULL AND FINAL SETTLEMENT OF ALL CLAIMS

### 6.1 Insolvency resolution process cost

- i. On the Effective Date, the Resolution Professional shall provide a certified statement containing details of the IRP Costs to the Resolution Applicant.
- ii. As per the information shared by the RP, the CIRP cost is Rs. 61.92 Lacs
- iii. Section 30(1)(a) of the Code requires payment of IRP Costs in priority to other creditors. The IRP Costs shall be paid within 30 days from the date of approval of this Plan by the NCLT, simultaneously (but in priority) with payments to any other Creditor.
- iv. Further, the Resolution Applicant shall pay the final IRP Costs from the part of lenders cash settlement amount to be paid upfront by the Resolution Applicant and accordingly, the amounts payable to the financial creditors, employees and workmen under this Resolution Plan may be adjusted accordingly.
- v. Provident Fund amounting to Rs. 1,05,000 and Professional Tax amounting to Rs. 47,000 shall be paid in full before the Secured Financial Creditors upon the approval of this plan by the NCLT.
- vi. Payments to Unsecured Financial Creditors i.e. SBI is NIL

### 6.2 Workmen's Priority Dues

- i. There are no workmen's dues owed by the corporate debtor

### 6.3 Debt owed to Secured Financial Creditors

- i. The Resolution Professional has informed the Resolution Applicant that the verified debt owed to secured financial creditors is **Rs. 104,45,94,000 (Rupees One Hundred and four crores, forty five lacs and ninety four thousand only)**, and this amount is payable to the following financial creditors: Oriental Bank of Commerce, Punjab National Bank, and State Bank of India (collectively the "**Secured Financial Creditors**").
- ii. The claims of the Secured Financial Creditors shall be paid/settled in the manner set out below:
  - i. Amount:
    - (A) The Resolution Applicant shall pay a total amount of Rs. 12 Crores (Rs. Twelve Crores only) ("**Lender Cash Settlement Amount**") which shall be paid **within 60 days (sixty days)** of the approval of this Plan by NCLT and after deducting the IRP Costs/RP costs/Valuation Costs/insurance costs/all other costs incurred by the RP and the Secured Financial Creditors after the insolvency commencement date (as defined above) i.e. 22<sup>nd</sup> March, 2018 till the completion date (as defined above) will be deducted and the remaining amount shall be paid to the Secured Financial Creditors in proportion to their admitted claims.
    - (B) Further incremental CIRP cost upto Rs. 8.08 Lacs shall be paid by the Resolution Applicant over and above the "**Lender Cash Settlement Amount**" as mentioned in 6.3 (ii)(i)A.
  - (ii) Payment Terms:
    - (A) The Secured Financial Creditors shall be paid in terms of Clause 6.3 above.
    - (B) Pursuant to approval of this Resolution Plan by the NCLT, and upon payment of the Lender Cash Settlement Amount the following shall apply to the payments to the Secured Financial Creditors pursuant to this Clause 12.3 :
      - i. The entire debt due to the Secured Financial Creditors shall stand satisfied, settled and extinguished, and no claims whatsoever shall subsist.
      - ii. The securities for any debt due to the Secured Financial Creditors shall stand unconditionally released and the Secured Financial Creditors shall no longer

*be entitled to exercise any security interest with respect to any debt, whether or not expressly provided for in this Resolution Plan.*

- iii. *No cost, interest, charges or the like, penal or otherwise, including in respect of the right to recompense, shall be payable to any Secured Financial Creditor in addition to what is specified in Clause 12.3(b)(i).*
- iv. *Any claim from any person claiming to be financial creditor of the Corporate Debtor, that has not been filed with the Resolution Professional, or if filed, has not been accepted by the Resolution Professional as payable by the Corporate Debtor, shall stand extinguished and shall no longer be payable.*
- v. *For the avoidance of doubt, all accrued or unpaid interest, arising on or after the IC Date and until the Completion Date, in relation to the financial debt of the Corporate Debtor will be written off in full and shall be permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- vi. *Other than as specified in Clause 12.3, any and all other claims or demands made by or liabilities or obligations owed or payable to (including any demand for any losses or damages, principal, interest, compound interest, penal interest, liquidated damages, notional or crystallised mark to market losses on derivatives and other charges already accrued/ accruing or in connection with any third party claims) any actual or potential financial creditors of the Corporate Debtor or in connection with any financial debt of the Corporate Debtor (including any transactions in derivatives), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the profit and loss statement, the balance sheets of the Corporate Debtor, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall be written off in full and shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- vii. *Any and all rights and entitlements of any actual or potential financial creditors of the Corporate Debtor not addressed in Clause 12.3, whether admitted or not, due or contingent, asserted or unasserted known or unknown, disputed or undisputed, present or future, in relation to any period prior to, crystallised or uncrystallised, the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.*
- viii. *Any invocation or appropriation or other enforcement action or demand made in respect of any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided in connection with any financial debt or any other debt or obligation of the Corporate Debtor, at any time prior to the Completion Date (other than in respect of any personal or corporate guarantees provided by third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor), shall stand automatically abated, discharged, revoked and cancelled and deemed null and void. All liabilities and obligations in relation to any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided in connection with any financial debt or any other debt or obligation of the Corporate Debtor, at any time prior to the Completion Date (other than in respect of any personal or corporate guarantees provided by third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor), shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT. It is hereby clarified that the obligations and liabilities of third parties in relation to corporate guarantees provided by such third parties in connection with financial debt or obligation of the Corporate Debtor at any time prior to the Completion Date shall continue to be enforceable against such third parties (which shall not include the Resolution Applicant).*
- ix. *It is further clarified that the liabilities and obligations of the Corporate Debtor in relation to any corporate guarantee provided by a third party in connection with any financial debt or any other debt or obligation of the*

*Corporate Debtor, at any time prior to the Completion Date shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT.*

- x. *Any personal guarantees provided by the promoters of the Corporate Debtor and/or corporate guarantees by third parties in connection with any financial debt or any other debt or obligation of the corporate debtor shall continue to be valid and applicable notwithstanding anything to the contrary mentioned anywhere in this Resolution Plan.*
- xi. *For the purpose hereof, all the corporate guarantees provided by the Corporate Debtor to any third parties prior to the Completion Date, shall stand permanently extinguished on the approval of the Resolution Plan by NCLT. For the avoidance of doubt, it is further clarified that any guarantors who have settled the claims of the lenders and creditors of the Corporate Debtor including the Secured Financial Creditors on behalf of the Corporate Debtor shall not have any claim against the Corporate Debtor and their claims against the Corporate Debtor shall stand permanently extinguished on the approval of this Resolution Plan by NCLT. The personal guarantors or the corporate guarantors would not have any recourse against the corporate debtor against any amount recovered by the lenders from them against their guarantees. The recourse available with these guarantors if any, as per the deed of guarantee would stand modified and the guarantors will have no recourse against the Corporate debtor against any amount recovered from them by the lenders.*
- xii. *Any invocation or appropriation or other enforcement action or demand made in respect of any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided by the Corporate Debtor in connection with any financial debt or any other debt or obligation of any third party, at any time prior to the Completion Date (other than in respect of any personal or corporate guarantees provided by third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor), shall stand automatically abated, discharged, revoked and cancelled and deemed null and void. All liabilities and obligations in relation to any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided by the Corporate Debtor in connection with any financial debt or any other debt or obligation of any third party, at any time prior to the Completion Date, shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT.*

(D) *The Secured Financial Creditors shall, after receiving their respective payments issue a certificate of discharge and no-claims to the Corporate Debtor and also return the security documents to the Corporate Debtor and forthwith and unconditionally release all security available to them as on the Completion Date in connection with any amounts payable to them by the Corporate Debtor (including making all requisite filings with the Registrar of Companies for satisfaction of all charges in respect of such security) including any powers of attorney, pledge of shares, guarantees or other encumbrance issued by the Corporate Debtor, or any third party or any of its promoters (other than any personal guarantees or corporate guarantees provided by promoters of the Corporate Debtor or third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor). Upon fulfillment of such discharge to the satisfaction of the Resolution Applicant, the amounts and securities shall be released to the Secured Financial Creditors.*

#### 6.4 **Wages and unpaid dues owed to employees other than workmen's priority dues**

- i. *As per the Information Memorandum, the admitted claims of employees other than workmen is NIL.*

#### 6.5 **Amount due to the government or governmental authorities.**

- (b) *The Information Memorandum provided by the Resolution Professional to the Resolution Applicant states that the aggregate amount admitted towards Operational Creditors, including government agencies as of the IC Date, by the Resolution Professional is **Rs 11,04,85,000 (Rupees Eleven Crores four lacs eighty five Thousand only)**.*
- (c) *If the Corporate Debtor were to be liquidated, the amount that would have been payable for all of these claims would have been nil, as Section 53 of the Code, lists amount due to government agencies at fifth position in the order of priority. In the estimate of the Resolution Applicant, the Liquidation Value that is payable to the government agencies, is also nil.*
- (d) *Upon approval of this Resolution Plan by the NCLT, all dues under the provisions of Income Tax Act, 1961, including taxes, duty, penalties, interest, fines, cesses, unpaid tax deducted at source / tax collected at source, whether admitted or not, due or contingent, whether part of above claim of income tax authorities or not, asserted or unasserted, crystallized or uncrystallised, known or unknown, secured or unsecured,*

*disputed or undisputed, present or future, in relation to any period prior to the Completion Date, shall stand extinguished and the Corporate Debtor shall not be liable to pay any amount against such demand. All assessments / appellate or other proceedings pending in case of the Corporate Debtor, on the date of the order of NCLT relating to the period prior to that date, shall stand terminated and all consequential liabilities, if any, stand abated and should be considered to be not payable by the Corporate Debtor. All notices proposing to initiate any proceedings against the Corporate Debtor in relation to the period prior to the date of NCLT order and pending on that date, shall stand abated and should not be proceeded against. Post the order of the NCLT, no re-assessment/ revision or any other proceedings under the provisions of the Income Tax Act shall be initiated on the Corporate Debtor in relation to period prior to acquisition of control by the Resolution Applicant and any consequential demand should be considered non-existing and as not payable by the Corporate Debtor. Any proceedings which were kept in abeyance in view of the insolvency process or otherwise shall not be revived post the order of NCLT.*

- (e) *Upon approval of this Resolution Plan by the NCLT, all dues under the provisions of all the indirect taxes, including but not limited to, the Central Excise Act, 1944, the Finance Act, 1994 (Service Tax), the Customs Act, 1962, the Central Sales Tax Act, 1956, the Goods and Services Tax Act, 2017 and any other indirect tax laws, including taxes, duty, penalties, interest, fines, cesses, charges, unpaid TDS/ TCS (to the extent applicable), whether admitted or not, due or contingent, whether part of the above mentioned contingent liability schedule dues or not, whether claimed by the tax authorities or not, asserted or unasserted, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the Completion Date, shall stand extinguished and the Corporate Debtor will not be liable to pay any amount against such demand. Upon approval of this Resolution Plan by the NCLT, all outstanding litigations/ demands, assessments/ appellate or other proceedings, including but not limited to any audits, investigations, search and seizure, pending in case of the Corporate Debtor relating to the period prior to the Completion Date, shall stand terminated and all consequential liabilities, if any, will stand abated and shall be considered to be not payable by the Corporate Debtor. All notices proposing to initiate any proceedings against the Corporate Debtor in relation to the period prior to the date of NCLT order and pending on that date, shall be considered deleted and shall not be proceeded against. Post the order of the NCLT, no re-assessment / revision or any other proceedings under the provisions of any of the indirect tax laws should be initiated on the Corporate Debtor in relation to the period prior to acquisition of control by the Resolution Applicant and any consequential demand shall be considered non-existing and as not payable by the Corporate Debtor. Any proceedings which were kept in abeyance in view of insolvency process or otherwise shall not be revived post the order of NCLT.*
- (f) *Upon approval of this Resolution Plan by the NCLT, all liabilities (including without limitation, for any penalty, interest, fines or fees) or obligations of the Corporate Debtor, in relation to:*
- (i) *any investigation, inquiry or show-cause, whether civil or criminal*
  - (ii) *any non-compliance of provisions of any laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions;*
  - (iii) *change of control, transfer charges, unearned increase, compensation, or any other such liability whatsoever under any contract, agreement, lease, license, approval, consent, privilege or permission to which the Corporate Debtor or its subsidiaries, joint ventures or associates are entitled;*
  - (iv) *any leasehold rights or freehold rights to movable or immovable properties in the possession of the Corporate Debtor;*
  - (v) *any contracts, agreements or commitments made by the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall be written off in full and shall stand permanently extinguished and the Corporate Debtor shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- (g) *Upon approval of this Resolution Plan by the NCLT, any and all rights and entitlements, recovery, disgorgement, penalty, fees, recoupment of loss of the Central government, the State governments, any regulatory or local authority or body or any agency or instrumentality thereof or any other party or entity (under any agreement, lease, license, approval, consent, privilege or permission or under statute, rules or regulations), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.*

#### 6.6 **Any remaining debts and dues**

- i. Operational Creditors other than employees, workmen and government agencies:



- (i) *The Information Memorandum provided by the Resolution Professional to the Resolution Applicant states that the aggregate amount payable to the operational creditors of the Corporate Debtor (“Operational Creditors”) other than employees and workmen (as set out in 6.4 above) and including government agencies as of the IC Date (as set out in clause 7.5 above) as of the IC Date, as verified and under verification by the Resolution Professional is approximately **Rs 11,04,85,000 (Rupees Eleven Crores four lacs eighty five Thousand only)** and the details of the dues of the Operational Creditors is set-out at **Schedule 4 (Details of claims of operational creditors)**.*
- i. *Out of the above-mentioned amount, Rs. 68.20 lacs is claimed by BMM Ispat Limited due to C-forms not being issued.*
  - ii. *In the estimate of the Resolution Applicant, the proportionate Liquidation Value that is payable to the Operational Creditors, other than workmen, in the event of liquidation of the Corporate Debtor, in accordance with Section 53 of the Code, is nil.*
  - iii. *However, as the Corporate Debtor will have to continue its business relationship with certain Operational Creditors, certain Operational Creditors other than employees and workmen (as set out in 6.4 above) as identified by the Resolution Applicant only have claims regarding C-forms with the corporate debtor, NCLT may direct the authorities for release of the said C- Forms to satisfy/ settle the claims of the said operational creditor and once the same are released, the Operational creditor will not have any other/ further claim against the corporate debtor.*

*Pursuant to approval of the Resolution Plan by the NCLT, the following shall apply to operational creditors:*

- (A) *Any and all claims or demands made by, or liabilities or obligations owed or payable to (including any demand for any losses or damages, principal, interest, compound interest, penal interest, liquidated damages, penalty and other costs or charges already accrued/ accruing or in connection with any third party claims) any actual or potential Operational Creditors of the Corporate Debtor or in connection with any operational debt of the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, will be written off in full and shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- (B) *Any and all rights and entitlements of any actual or potential Operational Creditors of the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.*

#### Remaining debts and dues

*Any remaining claims and debts and other dues from the Corporate Debtor to any person for the period prior to the Completion Date, that is not expressly provided for in this Resolution Plan, including any claims from third parties relating to any contract entered into by the Corporate Debtor including damages on account of termination of such contracts pursuant to this Resolution Plan or claims which are in the nature of recovery, disgorgement, penalty, fees or recoupment of loss, shall be deemed to have been extinguished upon approval of this Resolution Plan, without any liability whatsoever on the Corporate Debtor.*

#### 6.7 **Shareholders and other Persons**

*If the Corporate Debtor were to be liquidated, the amount that would be payable to equity shareholders would be nil, as Section 53 of the Code, lists amount due to equity shareholders at eight position in the order of priority. In the estimate of the Resolution Applicant, the Liquidation Value that is payable to the shareholders, is also nil. The existing shareholders, whether equity or preference, shall not be paid any amount for the cancellation and reduction of their share capital and any claims in relation thereto shall stand extinguished without any payment or recourse. Payment to the existing shareholder is NIL.*

#### **7 RIGHT TO RECEIVABLES**

- 7.1 *Nothing in this Resolution Plan shall affect the rights of the Corporate Debtor to recover any amounts due to the Corporate Debtor from any third party including any related parties of the Corporate Debtor as defined in Section 5(24) of the Code, and governmental and statutory authorities as described in the Information Memorandum and there shall be no set off of any such amounts recoverable by the Corporate Debtor against any amount paid by the Corporate Debtor or any liability discharged, satisfied or extinguished pursuant to this Resolution Plan.*

**8 CURRENCY OF PAYMENT**

All payments proposed to be made pursuant to this Resolution Plan will be in Indian Rupees (₹).

**9 NO PAYMENTS TO CREDITORS SUBMITTING CLAIMS ON OR PRIOR TO VOTING ON RESOLUTION PLAN**

In the event any creditors of the Corporate Debtor submit their claims to the Resolution Professional on or prior to the date of approval of the Resolution Plan by the CoC, since the realisable value of the liquidation assets is unlikely to satisfy the secured creditors, no amount is liable to be paid to such other creditors.

**10 LIMIT ON LIABILITY**

10.1 Notwithstanding anything contained in this Resolution Plan, in no event the total payments by the Resolution Applicant or the Corporate Debtor to its stakeholders, for claims relating to a period prior to the Completion Date (including claims recognised in this Resolution Plan and claims that may arise in future), shall exceed Rs. 12 crores.

10.2 Upon the approval of this Resolution Plan by the NCLT, any and all rights and entitlements of any actual or **potential creditors** of the Corporate Debtor, or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.

10.3 Upon the approval of this Resolution Plan by the NCLT, any and all liabilities of the Corporate Debtor and claims against the Corporate Debtor asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the Completion Date, shall stand extinguished and the Corporate Debtor and future management, directors, officers and its key managerial personnel (as appointed with effect from the Completion Date in accordance with this Plan) will not be liable to pay any amount against any such demand and will not be liable for any other contract, arrangement in any name or manner entered into by erstwhile officers of the Corporate Debtor prior to the Completion Date.

10.4 All claims that may arise in the future, including any claims from dues arising under any law for the time being in force and payable to any person, including a counterparty to a contract or to the Central Government, any State Government or any local authority, resulting from a contract, statute, judicial proceeding or otherwise, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date, shall be subject to the limit specified in this Clause 10 in so far as they relate to the period prior to the Completion Date.

**11 DETAILS OF BUSINESS TURNAROUND OF THE CORPORATE DEBTOR**

11.1 A description of the business turnaround or restructuring of the Corporate Debtor including introduction of new products / process / services, discontinuation of business segments, if any, are set out in **Schedule 8 (Details of the business turnaround of the Corporate Debtor)**.

**PART D: SOURCES OF FUNDS AND TREATMENT OF STAKEHOLDERS****12 SOURCES OF FUNDS**

12.1 In this Resolution Plan:

- i. The total amount of **Rs. 12 Crores** is proposed to be paid/settled to stakeholders in cash

The aforesaid amount of Rs. 12 Crores will be funded by means of an appropriate mix of equity to be infused and debt to be raised in the Corporate Debtor by the Resolution Applicant either by way of loans from banks or financial institutions or from the Resolution Applicant. Details of the source of funds of BSPL and group company is attached in the **Schedule 11**.

12.2 The Resolution Applicant confirms that it has sufficient funds to make the payments described above and/or has the ability to raise such amounts from other sources. The Resolution Applicant further confirms such availability of funds even if any other entity of the Group is nominated as the Resolution Applicant.

12.3 The Resolution Applicant, in terms of the statement of assets and liabilities filed with the appropriate authorities up to 31<sup>st</sup> March, 2018, has sufficient liquidity and the relevant statements to this effect can be produced as and when required. The cash component of Rs. 12 Crore will be settled out of the above amount.

- i. The group has diversified business like steel manufacturing, Paper Manufacturing, trading of Petroleum Product, Trading of Iron and Steel, Pulp & Paper Products etc.
- ii. We are already operating two MS Sponge Iron manufacturing units (Bhadrashree Steel and Power Limited and Tunicas Sponge Pvt. Ltd.) having a combined capacity of 1,20,000 MT per annum (with expansion in process which will increase capacity to 1,80,000 MT per annum), and we are also involved in trading activities of steel products. The combined turnover of all manufacturing and trading activities of the group is estimated to be Rs. 350.00 crores (Three hundred and fifty crores only) for FY 2019-2020. The group also owns New Bonanza India Limited.

- iii. *The group owns many assets in family including land shares that can be liquidated in the span of committed time.*
- iv. *The group can liquidate unsecured loans given to different companies in the span of committed time.*
- v. *Bankers which may come forward to provide finance for Ambey Iron Pvt. Ltd. after plan has been approved by NCLT include Union Bank of India, HDFC Bank, Allahabad Bank, PNB, and SBI*
- vi. *Networth Certificate dated 3<sup>rd</sup> January, 2019 is attached herewith in schedule 12*
- vii. *We already have funds in our account which we have kept aside for acquisition of Ambey Iron Pvt. and these funds will be used to pay the financial creditors. Moreover, we have an excellent track record with our bankers and various other financial institutions.*

12.4 *The Resolution Applicant reserves the right to infuse further funds for capital expenditure, working capital and other uses for operations of the Corporate Debtor. This shall be by way of shares (equity or preference) or other securities (convertible or otherwise), or shareholders loans or as loans or borrowings from banks, financial institutions or non-banking finance companies.*

12.5 *The Resolution Applicant retains the right to arrange this funding from various sources including but not limited to other investors, banks and financial institutions, etc. or to alter the funding mix and capital structure. However, under all scenario the Resolution Applicant shall continue to be promoted, controlled and managed by entities that meet the requirements of the Code.*

12.6 *The payments proposed to be made under this Plan are as follows:*

#	Description of payment	Amount (in INR)
1.	IRP Costs	As per details provided by IRP
2.	Provident Fund	Rs. 1.05 lacs
3.	Professional Tax	Rs. 0.47 lacs
4.	Secured Financial Creditors	Balance after adjusting IRP Costs (Rs. 61.92 Lacs) from Rs. 12 Crore, the lenders settlement amount in proportion to the claims admitted by the Secured Financial Creditors
5.	Unsecured Financial Creditors (SBI)	NIL
6.	Operational Creditors (other than workmen and employees but including government agencies)	Concerned department to be instructed to issue C-Forms. Payment to operational creditors to be NIL
7.	Contingent liabilities	NIL
<b>Total</b>		<b>Rs. 12,01,52,000</b>

12.7 *The successful implementation of this Resolution Plan by the Resolution Applicant shall not be dependent on the raising of the funding proposed for business turnaround plan and any variation, modification or alteration of the funding proposed for business turn around described in Schedule 8 above shall not be deemed to be a non-compliance of the terms of this Resolution Plan.*

### **13 TREATMENT AND INTERESTS OF STAKEHOLDERS**

*This Resolution Plan has dealt with the interest of all stakeholders, including the financial creditors and operational creditors of the Corporate Debtor. As per the Information Memorandum provided to the Resolution Applicant, SBI is an unsecured financial creditor through corporate guarantees. Please refer to 12.6 above for treatment and interest of stakeholders.*

**PART E: ACCOUNTING TREATMENT, ASSUMPTIONS****14 ACCOUNTING TREATMENT**

- i. *The Monitoring Agency, pursuant to this Resolution Plan, shall draw up a separate statement of accounts from the Effective Date till the Completion Date.*
- ii. *Pursuant to the order of the NCLT approving this Resolution Plan, any debit or credit, being the balancing figure, arising as a result of giving effect to this Resolution Plan, will be adjusted by the Corporate Debtor in the capital reserve at its sole discretion in compliance with the applicable accounting standards.*

**15 ASSUMPTIONS**

*The Resolution Applicant has prepared this Resolution Plan on the basis of certain assumptions set out below, and has assumed that upon approval of this Resolution Plan by the NCLT, the Corporate Debtor and the Resolution Applicant, as the case may be, shall be entitled to the following, failing which the Resolution Applicant shall be entitled to make adjustments to the amounts to be paid pursuant to this Resolution Plan, or, at its discretion, seek appropriate reliefs from the NCLT or other authority:*

**15.1 Consents and approvals, authorizations etc.**

*Upon approval of this Resolution Plan by the NCLT, all actions stated in this Resolution Plan shall be deemed to be approved to make the Resolution Plan effective. Accordingly, any action or implementation of this Resolution Plan shall not be a ground for termination of any consents, approvals, licenses, concessions, authorizations, permits or the like that has been granted to the Corporate Debtor or for which the Corporate Debtor has made an application for renewal or grant.*

**15.2 Licenses/ Approvals/Contractual Rights and Benefits**

- i. *The Resolution Applicant has assumed that upon approval of this Resolution Plan by the NCLT and since the Resolution Applicant will acquire the Corporate Debtor which has not been in operation for more than 3years, all subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favor of the Corporate Debtor or to which the Corporate Debtor is entitled or accustomed to (whether applied for renewal by the Corporate Debtor or not), shall, notwithstanding any provision to the contrary in their terms, be deemed to continue without disruption for the benefit of the Corporate Debtor.*
- ii. *The Resolution Applicant has assumed that upon approval of this Resolution Plan by the NCLT, all essential services required by the Corporate Debtor to continue operations shall be restored to the Corporate Debtor by the relevant authorities.*
- iii. *The Resolution Applicant has also assumed that upon approval of this Resolution Plan by the NCLT, any claims by any person (whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future) against the Corporate Debtor accruing due to the commencement or pendency of insolvency proceedings against the Corporate Debtor, whether arising under the terms of subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or any contractual arrangements entered into by the Corporate Debtor, shall, notwithstanding any provision to the contrary in their terms, stand extinguished without any recourse.*

**15.3 Continuation of Moratorium**

*The Moratorium imposed under the Code shall stand extended until the Completion Date on receiving the order of approval of the plan by the adjudicating authority.*

**15.4 Liability for past actions or omissions**

- i. *The Resolution Applicant will acquire control over the Corporate Debtor pursuant to the order of the NCLT and not pursuant to the usual acquisition process which would ordinarily include a detailed due diligence and representation, warranties and indemnities in relation to the affairs of the Corporate Debtor from its existing promoters. Therefore, the Resolution Applicant may take some time to discover all the non-compliances that may exist in relation to the Corporate Debtor on the date of acquisition of control by the Resolution Applicant over the Corporate Debtor. As such the Resolution Applicant may take some time to identify such non-compliances and to address them.*
- ii. *In light of this, the Resolution Applicant and the Corporate Debtor shall have immunity from any actions and penalties (of any nature) under any laws for any non-compliance of laws in relation to the Corporate Debtor or by the Corporate Debtor, as well as with the terms of any agreement or arrangement entered into by the Corporate Debtor. Without any liability for the aforesaid non-compliance for the past period before the Completion Date, the Resolution Applicant shall endeavor to cause the Corporate Debtor to identify such non-compliances, evaluate the steps required to address such non-compliances and take steps to remedy such non-compliances to the extent practically possible. The Resolution Applicant and the Corporate Debtor shall be entitled to apply to and approach the NCLT for relief for continued implementation of the approved Resolution Plan before or after any coercive action is taken against the*

*Corporate Debtor or the Resolution Applicant, especially in view of the limited due diligence offered to the Resolution Applicant.*

- iii. *This Resolution Plan will be implemented pursuant to an order of the NCLT, and all actions stated in this Resolution Plan shall be deemed to be approved by the NCLT. Accordingly, any action or implementation of this Resolution Plan shall not be a ground for termination of any contracts entered into by the Corporate Debtor by the counter party(ies) to such contracts.*

#### 15.5 Inquiries, investigations etc.

*Upon approval of this Resolution Plan by the NCLT, all inquiries, investigations and proceedings (including before the BIFR), whether civil or criminal (if any), notices, causes of action, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings against, or in relation to, or in connection with the Corporate Debtor or the affairs of the Corporate Debtor, pending or threatened, present or future, (including without limitation, any investigation, action, proceeding, prosecution, whether civil or criminal (if any), by the Central Bureau of Investigation, the Enforcement Directorate or any other regulatory or enforcement agency), in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan shall stand withdrawn or dismissed and all liabilities or obligations in relation thereto, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor, will be deemed to have been written off in full and permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto notwithstanding any adverse order that may be passed in respect of the same by any authority prior to or after the Completion Date. Upon approval of this Resolution Plan by the NCLT, all new inquiries, investigations, whether civil or criminal (if any), notices, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Corporate Debtor in relation to any period prior to the acquisition of control by the Resolution Applicant over the Corporate Debtor or on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan.*

#### 15.6 Tax and stamp duty exemptions

- i. *Upon the approval of this Resolution Plan by the NCLT, an exemption shall be deemed to have been granted to the Corporate Debtor from the obligation to pay taxes (in addition to the exemptions granted under the Finance Bill, 2018, when approved) and stamp duty in respect of actions undertaken pursuant to the approval of the Resolution Plan by the NCLT, since such taxes and duties, if required to be paid, will render the Resolution Plan unviable for the Resolution Applicant in monetary terms.*
- ii. *Accordingly, upon the Resolution Plan being approved by the NCLT, the actions undertaken pursuant to the implementation of the Resolution Plan shall be deemed to be exempt from any tax obligation under various taxing statutes, including but not limited to Sections 50B, 50C, 50CA, 56 and 115JB under the Income-tax Act as well as the Central Goods and Services Tax Act, 2017 (as amended from time to time) and the provisions of the Indian Stamp Act, 1899 (as amended from time to time) and other laws relating to payment of stamp duty applicable in any state.*
- iii. *The Corporate Debtor shall be entitled to carry forward the unabsorbed depreciation and accumulated losses and to utilize such amounts to set off future tax obligations to the extent permissible under applicable law.*

#### 15.7 Anti-corruption provisions and immunity

- i. *As the Resolution Applicant will acquire control over the Corporate Debtor pursuant to the order of the NCLT and not pursuant to the usual acquisition process which would ordinarily include a detailed due diligence and representation, warranties and indemnities in relation to the affairs of the Corporate Debtor from its existing promoters, the Resolution Applicant may take some time to discover all the non-compliances that may exist in relation to the Corporate Debtor on the date of acquisition of control by the Resolution Applicant over the Corporate Debtor.*
- ii. *Upon approval of the Resolution Plan by the NCLT, immunity shall be deemed to have been granted to the Corporate Debtor from any actions and penalties (of any nature) under any laws for any non-compliance of laws in relation to the Corporate Debtor or by the Corporate Debtor, which was existing as on the Completion Date.*

#### 15.8 Title in respect of immovable property held by the Corporate Debtor

- i. *The Resolution Applicant shall have conducted a title due diligence in respect of the Corporate Debtor to its satisfaction as follows:*
  - (i) *shall have ascertained that all documents of title, deeds and writings in respect of all immovable properties of the Corporate Debtor, wherever situated, whether or not currently charged to the Secured Financial Creditors, together with the buildings and other structures and that no other charge exists on such properties other than in favour of the Secured Financial Creditors.*
  - (ii) *The Resolution Applicant shall have obtained title due diligence reports from the Revenue Courts having jurisdiction for the purpose of ascertaining the title of the immoveable properties existing in the name of Corporate Debtor.*

(iii) *The Resolution Applicant shall have conducted necessary searches and shall have made all enquiries in order to ascertain that there are no suits / litigations / attachments and / or any other proceedings pending in respect of immovable properties by any third party with regard to any dispute or claim on the title of the immovable properties owned by the Corporate Debtor.*

ii. *The Information Memorandum on the basis of which the Resolution Applicant has prepared this Resolution Plan did not disclose the Pending Title Litigation and did not indicate any other litigation in relation to the title of the immovable property of the Corporate Debtor and the Resolution Applicant has accordingly assumed that apart from the Pending Title Litigation, the immovable property of the Corporate Debtor is free from all disputes and has clear marketable title.*

#### 15.9 Effectiveness of this Resolution Plan

*This Resolution Plan shall come into effect on the date of approval of this Plan by the NCLT (“Effective Date”).*

#### 15.10 Information shared with Resolution Applicant

*The Resolution Applicant has assumed that the Resolution Professional and the CoC have furnished the same information to all the resolution applicants, and no resolution applicant has received additional information not provided to any other resolution applicant.*

### 16 **POWERS OF THE NCLT**

16.1 *The Resolution Applicant has assumed that the Code is a complete code and the NCLT acting under the Code is empowered to grant a single window clearance for all actions as provided in the resolution plan approved by the NCLT.*

16.2 *Accordingly, the process stipulated under the Code for implementation of a resolution plan is a final and binding process and therefore, any action undertaken pursuant to a resolution plan approved by the NCLT under the Code does not require compliance with procedural requirements under other laws.*

### 17 **RIGHT TO SHARE NCLT ORDER AND THIS RESOLUTION PLAN**

17.1 *The Resolution Applicant and the Corporate Debtor shall be entitled to share a certified copy of this Resolution Plan and the order of the NCLT approving this Resolution Plan with third parties, including Governmental authorities.*

17.2 *The measures and declarations set-out in this Resolution Plan, and the order of the NCLT approving this Resolution Plan shall take effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.*

## **PART F: STEPS TO COMPLETION, APPROVALS, COMPLETION ACTIONS**

### 18 **MEASURES UNTIL COMPLETION DATE**

18.1 *The Resolution Applicant requests the NCLT to approve the following measures between the Effective Date and the Completion Date (“Interim Period”):*

- i. *A committee consisting of the Resolution Professional, the members of the CoC and nominees of the Resolution Applicant (“Monitoring Agency”) shall manage the Corporate Debtor during the Interim Period. Provided however that, if the Resolution Applicant and the Resolution Professional fail to agree on the fee or other terms, the Resolution Applicant shall have the right to appoint any other firm/person in place of the Resolution Professional as a member of the Monitoring Agency.*
- ii. *The Monitoring Agency shall manage the Corporate Debtor in trust, and shall appoint the Resolution Professional to manage the day-to-day affairs of the Corporate Debtor under its supervision, until the full hand-over of assets of the Corporate Debtor including business records and all statutory records, tax filings, account books and account records taken into custody by the Resolution Professional under Sections 17 and 18 of the Code read with Sections 23 and 25 of the Code.*
- iii. *Upon appointment of the Monitoring Agency, the Resolution Professional shall be released of his statutory duties and responsibilities, however, he shall continue to be liable for (i) complete handover of all the records, assets and information. The Monitoring Agency shall manage the affairs of the Corporate Debtor and shall exercise the powers of the board of directors of the Corporate Debtor.*
- iv. *During the Interim Period and till handover on the Completion Date:*
  - ii. *the board of directors of the Corporate Debtor shall continue to be suspended.*
  - iii. *The voting rights of the existing shareholders and all incidental rights available to them as shareholders shall stand suspended, denuded and unavailable. All decisions shall be taken by the Monitoring Agency; and*

- iv. Any reasonable costs incurred after the Effective Date and until the Completion Date, which if incurred prior to the Effective Date would have qualified as insolvency resolution process cost, shall be paid by the Resolution Applicant, subject to a prior approval of the Resolution Applicant having been obtained prior to such cost having been incurred.

## 19 STEPS TO COMPLETION AND COMPLETION DATE ACTIONS

The steps to completion and Completion Date Actions are set out in **Schedule 13** and are also described below.

### 19.1 Change in authorized share capital

- (a) On the Completion Date, the authorized share capital of the Corporate Debtor shall stand at **Rs. 5 Crore** divided into an equity share capital of **Rs. 5 crore** (face Value of ₹10 (Rupees Ten) per equity share), pursuant to the order of the NCLT, without any further act or deed.
- (b) On the Completion Date, the Memorandum of Association of the Corporate Debtor shall stand appropriately revised. The amendment to the Memorandum of Association, including the revisions to the capital clause therein, shall be pursuant to the order of the NCLT and shall not require any additional approval from the shareholders, regulatory authorities or otherwise.

### 19.2 Completion Day Corporate Actions

On the Completion Date, the following actions shall be completed substantially simultaneously:

#### (a) Reconstitution of the board of directors:

- v. Pursuant to the approval of the NCLT, the **suspended board of directors shall stand dissolved** and the directors of the Corporate Debtor immediately prior to the Completion Date, shall be **deemed to have resigned and shall vacate their office**, without the need for any further act or deed, and without any additional payment or compensation. Provided however that, such directors shall not be released from any liability in their capacity as directors, for any period prior to the Completion Date.
- vi. The persons nominated by the Resolution Applicant pursuant to the clauses hereunder, including whole-time director, if any, shall be appointed as directors of the Corporate Debtor, without any further act or deed, pursuant to the order of the NCLT.
- vii. The Reconstituted Board may authorize the Monitoring Agency to operate the Designated Account and escrow account as specified in Clause 7.3(d) and make all requisite payments therefrom as contemplated under this Resolution Plan, under its supervision. The Reconstituted Board shall also authorize persons to operate all bank accounts of the Corporate Debtor in existence on the Completion Date.
- viii. **Within 7 Business Days of the Completion Date, the Corporate Debtor shall file Form No DIR 12, as specified in Companies (Appointment and Qualification of Directors) Rules, 2014 to report:**
- (A) the vacation of office by the directors pursuant to the order of the NCLT; and
- (B) appointment of the directors nominated by the Resolution Applicant, pursuant to order of the NCLT.

#### (b) Meeting of the Reconstituted Board

On the Completion Date, the Reconstituted Board shall conduct a meeting to implement the actions set-out in this Clause 22.2 and adopt the revised memorandum of association and articles of association of the Corporate Debtor without any further act or deed and shall not require any additional approval from the shareholders, regulatory authorities or otherwise.

#### (c) Cancellation of existing share capital

- ix. As per the MCA website, as of 06 February, 2017, the Corporate Debtor had a total issued, subscribed and paid-up equity share capital of **Rs. 5 Crore**
- x. On the Completion Date, the Corporate Debtor shall undertake a capital reduction and cancellation of its entire existing equity shareholding whereby the entire equity share capital of the Corporate Debtor shall stand cancelled without the requirement of writing the words "and reduced" in the corporate name and style of the Corporate Debtor. A simultaneous reissue of equity shares and preference shares shall occur simultaneously in accordance with sub-clause (d).
- xi. For the purpose hereof, in addition to the procedure set out in Clause 22.2(d)(iv), the following shall also apply to cancellation of shares and capital reduction,:
- (A) the cancellation shall be applicable to all **existing shareholders** of the Corporate Debtor;

- (B) *the cancellation shall not require any payment by the Corporate Debtor to any of the shareholders;*
- (C) *the cancellation shall be pursuant to the order of the NCLT and shall not require any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or regulations of the SEBI;*
- (D) *shall not require the consent of any of the creditors of the Corporate Debtor or approval of the shareholders of the Corporate Debtor, as the Resolution Plan, upon being approved by the NCLT shall be binding on the Corporate Debtor and its stakeholders (including its creditors and shareholders), and in addition in accordance with the October 25 Circular, approval of the shareholders/members of the corporate debtor/company, which would have been required under Companies Act, 2013 or any other law if the resolution plan was being considered outside the scope of the Code, shall not be required for cancellation and issuance of shares and any other action under the Resolution Plan for its implementation.*

- xii. *Allotment of shares to the Resolution Applicant On the Completion Date and simultaneously with cancellation of shares pursuant to sub-clause (c) above, the Corporate Debtor shall issue, and the Resolution Applicant shall subscribe to an appropriate number of equity shares of the Corporate Debtor.*
- xiii. *The issuance of shares pursuant to this Resolution Plan shall be pursuant to the order of the NCLT and shall not be subject to the procedure for preferential issuance under the Companies Act. The Reconstituted Board shall be entitled to issue and allot shares pursuant to this Clause 20.2 upon receipt of the corresponding subscription amount from the Resolution Applicant.*
- xiv. *As there will be substitution of shares, through cancellation and reissuance, the Corporate Debtor shall be entitled to benefit from stamp duty already paid on the cancelled equity shares and shall not be required to pay any additional stamp duty on the new shares to be issued to the Resolution Applicant.*
- xv. *The Resolution Applicant shall have the right but not the obligation to subscribe to additional equity shares of the Corporate Debtor at the face value of **Rs 10 (Rupees ten only)** per share up to a maximum amount of Rs 50,00,00,000 (Rupees Fifty Crores), at any time within five years from the Completion Date without requiring any further consents from the other shareholders of the Corporate Debtor or other regulatory authorities.*
- xvi. *Upon simultaneous cancellation of existing equity shares and re-issuance of shares to the Resolution Applicant and Secured Financial Creditors, the promoters and / or promoter group and the public shareholders of the Corporate Debtor shall not hold any share capital of the Corporate Debtor.*

(d) *Raising of debt from/by the Resolution Applicant*

- (i) *On the Completion Date, the Corporate Debtor may issue, and the Resolution Applicant may subscribe appropriate debt instruments of the Corporate Debtor at such price as shall be determined by the Resolution Applicant to fulfil its obligations under Clause 12.*
- (ii) *The issuance, if any, pursuant to this Clause 22.2 shall be pursuant to the order of the NCLT and shall not be subject to the procedure for preferential issuance under the Companies Act. The Reconstituted Board shall be entitled to issue and allot the appropriate debt instruments pursuant to this Clause 22.2 upon receipt of the corresponding subscription amount from the Resolution Applicant.*
- (iii) *The Resolution Applicant may cause the Corporate Debtor to raise funds from such banks and financial institutions identified by it of such amounts as shall be determined by the Resolution Applicant to fulfil its obligations under Clause 12.*

(e) *Hand-over by the Resolution Professional*

*The Resolution Professional shall, simultaneous with the appointment of the Reconstituted Board and issuance of shares to the Resolution Applicant pursuant to Clause 22.2(d), be discharged from management of the affairs of the Corporate Debtor upon the complete handover of the books of accounts, records, other relevant documents of the Corporate Debtor, statutory auditors, accounts which were accessed by the statutory auditor, all information relating to the assets, finances and operations of the Corporate Debtor accessed for determining the financial position of the Corporate Debtor, including handover of information relating to:*

- xvii. *business operations of the Corporate Debtor for the previous two years;*
- xviii. *financial and operational payments of the Corporate Debtor for the previous two years;*
- xix. *list of assets and liabilities as of the IC Date;*



- XX. *tax filings made from time to time and proof of payment of taxes in relation to any taxes payable by the Resolution Professional as the person in charge of the Corporate Debtor;*
- XXI. *account books maintained by the Resolution Professional from the date of his appointment to the date of hand-over;*
- XXII. *assets over which the Resolution Professional took control, which were such assets over which the Corporate Debtor had ownership rights as recorded in the balance sheet of the Corporate Debtor or with the depository of securities that records the ownership of assets including:*
  - a) *ownership rights over assets which may be located in a foreign country;*
  - b) *tangible assets, whether movable or immovable;*
  - c) *process manuals and manufacturing instructions or manuals for running of the factory;*
  - d) *securities including shares held in any subsidiary of the Corporate Debtor;*
  - e) *financial instruments, insurance policies;*
  - f) *any records of proceedings undertaken on behalf of the Corporate Debtor with third parties for exercising rights for the benefit of the Corporate Debtor in judicial, quasi-judicial or arbitration proceedings;*
  - g) *any accounts maintained for payments made to the Resolution Professional's accountants, legal or other professionals, which constitute IRP Costs;*
  - h) *particulars of any related party transactions undertaken with the CoC's consent in accordance with Section 28 of the Code; and*
  - i) *all other documents and information as available with the Resolution Professional in relation to the Corporate Debtor, including without limitation: company seal, data bases, passwords etc.*

*On the Completion Date, all documents relating to the Corporate Debtor, including all title deeds in respect of its immoveable property and any documents pertaining to movable property of the Corporate Debtor, held by the Resolution Professional or the members of the CoC, shall be handed over to the Resolution Applicant with a declaration that all such property is free from any mortgages, charges or other encumbrances, which shall stand discharged in accordance with this Resolution Plan.*

*(f) Satisfaction of existing charges*

*On the Completion Date, and in accordance with Clause 7.3(d), the Secured Financial Creditors shall, prior to the disbursement of amounts under this Resolution Plan, issue a certificate of discharge and no-claims to the Corporate Debtor and also return the security documents to the Corporate Debtor and forthwith and unconditionally release all security available to them as on the Completion Date in connection with any amounts payable to them by the Corporate Debtor (including making all requisite filings with the Registrar of Companies for satisfaction of all charges in respect of such security) including any powers of attorney, pledge of shares, guarantees or other encumbrance issued by the Corporate Debtor, or any third party or any of its promoters (other than any personal guarantees and corporate guarantees provided by promoters of the Corporate Debtor or third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor).*

*(g) Other actions*

*With effect from the Completion Date:*

- (A) *All outstanding letters of offers or invitations issued by the Corporate Debtor to any person, including the financial creditors, for subscription to share of the Corporate Debtor shall stand withdrawn, revoked and abandoned.*
- (B) *All key managerial personnel of the Corporate Debtor including the chief executive officer, chief operating officer and chief financial officer shall be deemed to have resigned and new key managerial personnel, including persons to be appointed as the chief executive officer, chief operating officer and chief financial officer of the Corporate Debtor, shall be appointed by the Reconstituted Board.*
- (C) *The control of the Corporate Debtor shall be transferred to the Resolution Applicant and the Reconstituted Board.*
- (D) *All powers of attorney and / or other corporate authorizations or mandates issued by the Corporate Debtor to any person to enable such person to carry out various functions of the Corporate Debtor, to sign and execute various documents and/ or represent the Corporate Debtor, and to operate the bank accounts of the Corporate Debtor shall stand revoked with*

*immediate effect, and the Reconstituted Board shall be entitled to authorize such persons as it deems fit to carry out such functions of the Corporate Debtor, sign and execute various documents and/ or represent the Corporate Debtor, and to operate the bank accounts of the Corporate Debtor.*

- (h) *Authorization to operate bank accounts of Corporate Debtor in existence as on the Completion Date*
- (a) *On the Completion Date, the bank accounts of the Corporate Debtor in existence on the Completion Date shall only be operated by persons authorized by the Resolution Applicant.*
- (b) *Further, on the Completion Date, board resolutions will be passed by the new management of Corporate Debtor to open new bank accounts along with approval of their operation by the officials of the new management of the Corporate Debtor.*

### 19.3 **Dissolution of the CoC**

- (a) *The Resolution Professional was appointed by the NCLT and the CoC was formed by the Resolution Professional pursuant to the corporate insolvency resolution process.*
- (b) ***The Resolution Professional shall be released of his duties and responsibilities in accordance with Clause 18.1ii. The CoC shall be dissolved with effect from the effective date.***

### 19.4 **Reconstituted board of directors**

- (a) *In the application to be made to the NCLT for approval of this Resolution Plan by the CoC, a specific prayer will be made for cessation of directorships of the erstwhile management of the Corporate Debtor with immediate effect and the simultaneous appointment of a reconstituted board of directors.*
- (b) *The Resolution Professional (for the period up to the Effective Date) and the members of the erstwhile board of directors of the Corporate Debtor shall continue to be responsible for the final accounts and preparation thereof of the Corporate Debtor and the Reconstituted Board shall be responsible for the final accounts and preparation thereof for the succeeding financial period. The directors on the Reconstituted Board shall be appointed on the Completion Date, without any additional approval from the Shareholders, and will be accountable for the day to day operations of the Corporate Debtor and shall be bound as per applicable law to protect and preserve the value in the Corporate Debtor.*
- (c) *It is hereby clarified that the directors on the Reconstituted Board shall not be liable for any past non-compliances with the provisions of applicable laws by the erstwhile board of directors of the Corporate Debtor.*
- (d) *Upon approval of this Resolution Plan by the NCLT, the existing directors and key managerial personnel of the Corporate Debtor as on the Completion Date shall be deemed to have resigned without any additional approval from the Shareholders.*
- (e) *It is hereby clarified that on and from the Completion Date, the day-to-day operations and management of the Corporate Debtor shall be carried out by the Resolution Applicant.*

### 19.5 **Corporate Actions and Other Compliances**

- (a) *The Corporate Debtor shall take appropriate corporate actions necessary for implementation of the all the provisions of the Resolution Plan, which includes (i) filing of appropriate documents or forms with amongst others, the Registrar of Companies and Ministry of Corporate Affairs; (ii) issuance of shares and instruments as provided in the Resolution Plan; and (iii) other compliances as per the governing law.*

- (b) *Exemptions under existing applicable laws*

- (a) Companies Act

*Pursuant to the General Circular No. IBC/01/2017 dated October 25, 2017 released by the MCA ("October 25 Circular"), it has been clarified by the MCA that "the approval of shareholders/ members of the corporate debtor/ company for a particular action required in the resolution plan for its implementation, which would have been required under the Companies Act, 2013 or any other law if the resolution plan of the company was not being considered under the Code, is deemed to have been given on its approval by the Adjudicating Authority". Accordingly, in light of the October 25 Circular, the requirement of procuring approval of the shareholders of the Corporate Debtor has been dispensed with for any of the actions proposed to be undertaken pursuant to this Resolution Plan.*

- (b) Takeover Code

*Regulations 3, 4 and 5 of Takeover Code inter alia, require an acquirer to make an open offer for acquisition of shares of a listed company if (a) an acquirer acquires shares or voting rights in a listed company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such listed company, entitle them to exercise 25% or more*

of the voting rights in such listed company; or (b) irrespective of acquisition or holding of shares or voting rights in a listed company, an acquirer acquires, directly or indirectly, control over such listed company; or (c) the acquirer acquires shares or voting rights in, or control over, any company or other entity, that would enable any person and persons acting in concert with him to exercise or direct the exercise of such percentage of voting rights in, or control over, a listed company, the acquisition of which would otherwise attract the obligation to make an open offer.

As per Regulation 10(1)(da) of the Takeover Code, an 'acquisition pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016)' is exempt from the obligation to make an open offer under Regulations 3 and 4 of the Takeover Code.

Accordingly, the acquisition of shares and voting rights by the Resolution Applicant in the Company will be exempt from making an open offer in accordance with the Takeover Code under Regulation 10(1)(da) of the Takeover Code. However, being a private limited company which has no public holdings, the provisions of SEBI Act or guidelines framed thereunder are not applicable.

## **PART G: MANAGEMENT OF THE CORPORATE DEBTOR BY RESOLUTION APPLICANT POST THE COMPLETION DATE AND INFUSION OF FUNDS**

### **20 MANAGEMENT OF THE CORPORATE DEBTOR**

- i. With effect from the Completion Date, the Corporate Debtor shall be managed by professionals/persons nominated by the Resolution Applicant. The details of the experienced persons who will be in management of the Corporate Debtor with effect from the Completion Date are set out in **Schedule 7 (Details of management of the Resolution Applicant and management of the Corporate Debtor post acquisition of control by the Resolution Applicant)**.
- ii. It is hereby clarified that the managerial personnel appointed by the Resolution Applicant pursuant to this Clause 20 shall not be liable for any past non-compliances with the provisions of applicable laws by the erstwhile key managerial personnel of the Corporate Debtor.
- iii. The Resolution Applicant reserves the right to change the name of the Corporate Debtor after the Completion Date.

### **21 RETENTION OF EMPLOYEES**

On acquisition of control over the Corporate Debtor by the Resolution Applicant in accordance with this Resolution Plan, the Resolution Applicant proposes that the workmen and employees of the Corporate Debtor will be employed by the Corporate Debtor on their suitability and as per operational requirements. Suitable augmentation of human resources to implement the Resolution Plan will be undertaken by the Resolution Applicant. The Resolution Applicant reserves the right to replace/remove existing employees to bring in operational efficiencies in the operations of the Corporate Debtor. The Resolution Applicant may also enter into appropriate agreements with the employees of the Corporate Debtor in respect of their terms of employment.

### **22 INFUSION OF FUNDS**

- 22.1 The Resolution Applicant has noted that the business of the Corporate Debtor will require significant amount of capital expenditure for revival and improvement/enhancement of efficiency of manufacturing units and for operating the plant at full capacity and additional working capital investment to revive the business and to reach a consistent reasonable level of production and sales quantity.
- 22.2 The Resolution Applicant may undertake further capital expenditure, including working capital, of amounts up to approximately Rs. 50 Crore to improve the efficiency of the plant and for expansion of the capacity and products and will implement suitable projects to make the operations more competitive within 3-5 years from the Completion Date.
- 22.3 The Resolution Applicant reserves the right to streamline / restructure its holding in the Corporate Debtor and / or the operations, assets, liabilities and/or businesses of the Corporate Debtor and / or its subsidiaries through arrangements, reconstructions, restructurings, mergers (including but not limited to, mergers with or between its subsidiaries), demergers, sale of assets or undertakings and / or re-negotiation or termination of existing contractual / operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out under applicable law, pursuant to business requirements and in line with opportunities or changes in economic circumstances, from time to time.

**PART H: IMPLEMENTATION AND SUPERVISION OF THE RESOLUTION PLAN; OTHER TERMS****23 IMPLEMENTATION AND SUPERVISION OF THE RESOLUTION PLAN**

The Monitoring Agency shall supervise the Resolution Plan during the Interim Period, in accordance with Clause 18.1.

**24 TERM OF THE PLAN AND IMPLEMENTATION SCHEDULE**

24.1 The term of this Resolution Plan shall be from the Effective Date until the Completion Date (and shall not be deemed to have been extended until the funding proposed for by the Resolution Applicant for Phase I and Phase II as described in Clause 14 above, has been brought in by the Resolution Applicant or third parties).

24.2 The indicative implementation schedule for this Resolution Plan is set-out below:

#	Activity	Timeline (Days)
1.	Effective Date	Approval of this Resolution Plan by the NCLT
2.	Completion Date	Effective Date + 60 days or such other date as may be mutually agreed between the Resolution Applicant and the members of the CoC who consent to this Resolution Plan

24.3 The aforementioned timeline is indicative and a delay on account of regulatory or other reasons shall not be considered to be a contravention of this Resolution Plan, if all the steps are completed prior to the expiry of the Completion Date.

**25 OTHER TERMS AND CONDITIONS****25.1 Governing Law**

The Corporate Debtor and the new management shall be governed by the laws of India giving effect to NCLT order approving the Resolution Plan and any agreements, documents and instruments executed in connection with the Resolution Plan.

**25.2 Binding Effect**

Subject to receipt of the approval of NCLT and subject to applicable law, this Resolution Plan, once approved by the CoC and the NCLT, **shall be binding** on the Corporate Debtor, all holders of claims, creditors, members, promoters and all other parties in interest and each of their respective successors and assigns in accordance with Sections 31(1) and 238 of the Code. A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall be conclusive evidence that the Plan has been duly approved in accordance with Section 31(1) and Section 238 of the Code.

**25.3 Implementation**

If this Resolution Plan cannot be implemented for any reason not attributable to the Resolution Applicant, then the Resolution Applicant shall have no liability on this account. If the Resolution Applicant has issued any guarantees, then such guarantees shall not be invoked on this account and shall be returned forthwith to the Resolution Applicant.

**25.4 Severability and right to modify**

- i. In the event it is determined that any provision of the Resolution Plan is unenforceable either on its face or as applied to any claims or transaction and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach of any party, the new management of the Corporate Debtor may apply to the NCLT for appropriate modification of such provisions of the Resolution Plan, to satisfaction of the NCLT, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective, unless otherwise directed by the NCLT by order.
- ii. In case any such modification is required in the Resolution Plan after the receipt of NCLT approval, to comply with any laws currently in force or to apply for certain approvals as required under the Resolution Plan or for any other requirements, not jeopardising the rights of the creditors under the current plan, the new management of the Corporate Debtor can do so only after approval of NCLAT.
- iii. However, any reference to NCLT for any modification to the plan under this clause shall also be informed to RP and Secured Financial creditors in advance through a letter in writing and also through emails.

**25.5 Assignment of Interest**

Any financial creditor may assign its rights under this Resolution Plan, subject to the transferee unconditionally agreeing to be bound by the terms of this Resolution Plan. Provided that prior to such assignment, a financial creditor must provide a 7 Business Day notice in writing to the Corporate Debtor and the Resolution Applicant.

**25.6 Validity**

*This Resolution Plan is valid until rejected by the NCLT*

**25.7 Effect of the order of NCLT**

- i. *A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence of the rights and entitlements of the Corporate Debtor as provided in the Resolution Plan and the settlement of claims with the financial creditors and discharge and extinguishment of all other claims and obligations, rights and entitlements of financial creditors, operational creditors and other creditors in accordance with the Resolution Plan by deemed satisfaction, discharge or extinguishment. A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall, where applicable, constitute conclusive evidence of any modifications or cancellation or abandonment of contractual arrangements or agreements or leases or licenses as recorded in the Resolution Plan. The mere production and delivery of a certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute proof of amendment of any constitutional documents of the Corporate Debtor, the authority to create security over the assets of the Corporate Debtor in favour of any refinancing creditor, change in the shareholding of the Corporate Debtor or its loan capital, change in the management of the Corporate Debtor, cancellation of the share capital of the Corporate Debtor and deemed delisting of the shares of the Corporate Debtor, appointments of key managerial personnel of the Corporate Debtor, removal of the statutory auditor of the Corporate Debtor or revisions in agreements or arrangements by modification or cancellation or abandonment thereof, without any further act or deed.*
- ii. *The mere production and lodgement of a certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan or a notarially certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan before any court or tribunal or regulator or government or arbitral tribunal or any administrative authority or any other authority shall be adequate and sufficient for such authorities (or the counter parties to the Corporate Debtor to constitute the revised agreements or arrangements or deemed modification or cancellation or abandonment thereof) to cause the abatement of any cause of action against the Corporate Debtor, or discharge or abatement of any suit or action or claim made in arbitration against the Corporate Debtor, or in any other judicial, quasi-judicial, regulatory, administrative or government proceedings of whatsoever nature in accordance with the approved Resolution Plan. Any pending or future proceedings against the Corporate Debtor which are contrary to or inconsistent with the terms of the Resolution Plan shall be deemed to be not maintainable or to have been terminated and closed upon the production and lodgement of the certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan or a notarially certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan. The certified copy of the approved Resolution Plan shall be posted on the website of the Corporate Debtor and the website of the Resolution Applicant.*

**Schedule 1: Members of the CoC**

<b>S.No.</b>	<b>Member of CoC</b>	<b>Verified Claim (in Rs. lacs )</b>
1.	Oriental Bank of Commerce	5933.94
2.	Punjab National Bank	3260.36
3.	State Bank of India	1251.64
<b>Total (1+2+3)</b>		<b>10445.95</b>
4.	State bank of India (Unsecured Creditor)	11409.31
<b>Total (1+2+3+4)</b>		<b>21855.25</b>

*Above table as per IM dated 20/12/2018.*

**Schedule 2: Interpretation**

*In this Resolution Plan, unless a contrary intention appears:*

- (a) *Expressions defined in the Code or the CIR Regulations, have the meaning assigned therein.*
- (b) *Any reference to any statute or statutory provision shall include:*
  - (i) *all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);*
  - (ii) *such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Resolution Plan) to the extent such amendment, modification, re-enactment or*

consolidation applies or is capable of applying to any transactions entered into under this Resolution Plan prior to the Effective Date and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced;

- (c) Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- (d) References to the masculine, the feminine and the neuter shall include each other.
- (e) References to a “**company**” shall include a company, corporation or other body corporate, wherever and however incorporated or established.
- (f) The background and schedules form part of this Resolution Plan and shall have the same force and effect as if expressly set out in the body of this Resolution Plan, and any reference to this Resolution Plan shall include any background and schedules to it. Any references to Clauses and schedules are to Clauses and schedules to this Resolution Plan. Any references to parts or paragraphs are, unless otherwise stated, references to parts or paragraphs of the schedule in which the reference appears.
- (g) A reference to **this Resolution Plan** or **any other document** shall be construed as references to this Resolution Plan or that other document as amended, varied, novated, supplemented or replaced from time to time.
- (h) A reference to **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-clause, paragraph or other provision) in which the expression occurs.
- (i) A reference to a **person** shall include that party's personal representatives, successors and permitted assigns.
- (j) Headings to Clauses, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of this Agreement.
- (k) A reference to “**in writing**” includes any communication made by letter or fax or email (unless otherwise expressly provided in this Resolution Plan.).
- (l) Unless otherwise specified, any reference to a time of day is to Indian Standard Time.
- (m) Any words following the terms **including, include, in particular, for example or any similar expression** shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- (n) Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

### Schedule 3: Existing shareholders of the Corporate Debtor

#### DETAILS OF SHAREHOLDERS

Sr. no.	Name of the Share Holders	No. of Shares	Value of share (Rs.)	Holding (%)	Amount (in Rs.)
1	<b>Mr. Pawan Mahavir Prasad Lila</b> Address: House No 303 A, House of Lords, Opp. Hotel Goa Marriotts, Landscape Building, Miramar, Panaji, Goa - 403 001	2,01,500	100	40.30%	2,01,50,000
2	<b>Mrs. Sunita Pawan Lila</b> Address: House No 303 A, House of Lords, Opp. Hotel Goa Marriotts, Landscape Building, Miramar, Panaji, Goa - 403 001	2,11,000	100	42.20%	2,11,00,000
3	<b>Scorpio Iron Limited</b> Address: 505 A Dempo Trade Centre, Patto, Panaji, Goa.	61,250	100	12.25%	61,25,000
4	<b>Jagdish Prasad Lila (HUF)</b> Address: BN - 55, West shalimar Bagh, Delhi - 110088	10	100	0.00%	1,000

5	<b>Mrs. Geeta Devi Lila</b>	10	100	0.00%	1,000
6	<b>Pawan Kumar Lila (HUF)</b>	5000	100	1.00%	5,00,000
	Address: BN - 55, West shalimar Bagh, Delhi - 110088				
7	<b>Mrs. Kusum Jeendgar</b>	2500	100	0.50%	2,50,000
8	<b>Mrs. Shashi Bansal</b>	2470	100	0.49%	2,47,000
9	<b>Master Raghav Pawan Lila</b>	5010	100	1.00%	5,01,000
10	<b>Jhunjhunwala Resources</b>	11250	100	2.25%	11,25,000
	Address: A-104/13, Wazipur Industrial Area, Delhi				
	<b>Total -</b>	<b>5,00,000</b>		<b>100.00%</b>	<b>5,00,00,000</b>

**Schedule 4: Details of claims of operational creditors other than workmen and employees (but including government agencies)**

Please refer to Annexure 1 annexed with this Resolution Plan.

Name of operational Creditor	Amount Claimed	Amount admitted	Under Verification	Claim rejected
BMM Ispat Limited	68.19	68.19	-	-
Office of the Commissioner of Customs	24.47	-	24.47	-
Dy. Commissioner of State tax VAT-E-003, Maharashtra GST dept., Solapur	1006.26	1006.26	-	-
Asst. Commissioner, Central Goods and Service Tax, Solapur Division	51.55	47.10	-	4.45
Shree Agarwal Coal India Pvt. Ltd.	44.79	27.02	-	17.76

**Schedule 5: Details of Claims of Employees and Workmen**

**Schedule 6: Credibility of the Resolution Applicant**

**BRIEF PROFILE OF THE COMPANY**

BHADRASHREE STEEL AND POWER LIMITED (BSPL) is incorporated under Companies Act, 1956 on 24th November 2004. The Company has started the commercial production on July-2010.

The company has its Manufacturing Unit at Kunikeri Village, Koppal Taluk & Dist, and Registered office at 2/37, 4th Floor, Ansari Road, Daryaganj, New Delhi, Coporate Office at "Ananda Nilay" Jain Colony, Hospet – 583202 – Karnataka and Branch Office at 15-2-302/1, Maharaj Ganj, Hyderabad.

The Main object of the company is to manufacture Sponge Iron. The main promoters of the company are Shri Mukesh Goel & Shri Mudit Goel & Mr. Amit Agarwal. The Company belongs to Group which has diversified business like steel manufacturing, Paper Manufacturing, trading of Petroleum Product, Trading of Iron and Steel, Pulp & Paper Products etc. The company has land around 35 Acres. This site is located at Kunikeri, Distt. Koppal, Karnataka.

The company has production capacity of 60,000 tonnes per annum. Further, BSPL is going for expansion by increasing the existing capacity of 60,000 to 1,20,000 tonnes per annum and 2 Kilns has already been purchased other orders are in pipeline. The company has acquired 70 acre land in District Jharsuguda, Odisha, for its future plans.

In the month of August, the company has acquired the Assets of M/s. Benka Sponge Pvt Ltd under SARFAESI ACT through Ratnakar Bank Ltd (RBL), in the name of M/s. Tunicas Sponge Pvt Ltd which has a capacity of 60,000 tonne per annum; the commercial production will start in the month of Feb-2019. Hence, total capacity of DRI production will be 1,80,000 tonnes per

annum in 2019. BSPL has interest in taking over Ambey Iron Pvt Ltd, which is having production capacity of 90,000 tonnes per annum to acquire leadership in Sponge Iron Market in South and Western India.

#### **PROJECT AT A GLANCE**

Name of the Company	BHADRASHREE STEEL & POWER LTD	
Name of the Board of Directors	Shri. MukeshGoel Shri. Mudit Goel Shri. Amit Agarwal Shri. Piyush Goel Shri. Rashid Iqbal	
Plant location	Kunikeri, Distt. Koppal (Karnataka)	
Installed capacity of Sponge Iron Plant	200 TPD or 60000 TPA	
Project Cost	Rs. 3693.30 lakhs	
Commencement of Production	July-2010	
Turnover Achieved for the Year	2014 – 15	Rs. 1,31,90,65,400.00
	2015 – 16	Rs. 1,15,11,58,349.00
	2016 – 17	Rs. 1,13,67,68,715.00
	2017 – 18	Rs. 1,99,71,60,080.00
	2018 – 19 (Nov-19)	Rs. 1,91,02,50,409.00

#### **PROMOTERS PROFILE**

The promoters have rich industrial background having vivid business experience and excellent track record. The promoters have sound financial position with sufficient liquidity to promote new ventures. They are having vast business network in various field of business since long and are having good business developments along with securing all availed limits enjoyed from various banks in an excellent manner. The strength of their records shows that they are enjoying good market reputation in the business and industry of their related fields. A brief profile of the directors is given below

- i. **MR. MUKESH GOEL:** Mr. Mukesh Goel is a veteran player in Steel manufacturing Sector, a graduate and a highly experienced businessman, based in Muzaffarnagar (U.P.). He is Promoter Director of M/s. Bhadrashree Steel & Power Ltd (BSPL). He is Promoter Director of M/s Cone Craft Paper Pvt. Ltd, Delhi, availing CC Limit in Allahabad Bank, Muzaffarnagar. & He is Director in M/s New Bonanza India Ltd (NBIL) Paper manufacturing Unit in Meerut, availing Banking Facility from State Bank of India, Meerut. He is engaged in manufacturing Iron and Steel since 1982. He has installed a first Induction Furnace in the name of Vaishnav Steel Pvt Ltd 1982. He is Promoter Director of Utrayan Steel Pvt Ltd, Roorkee, Uttaranchal, availing Credit Facility from Punjab National Bank, Muzaffarnagar. His family is in Steel Industries since 37 years, he has the capacity to turn around the sick Steel Unit into a successful venture. Recently in the month Nov-18 purchased the assets of M/s. Abmbadevi Paper Mills Pvt Ltd, paper manufacturing unit, having capacity of 200mt per day. The Unit went sick in 2010, The production will start by March-19.
- ii. **MR. MUDIT GOEL:** Mr. Mudit Goel, is MBA, he is actively associated in BSPL with day to day activities. He is well qualified and technically sound in sponge iron industry. He is director in M/s. Vedant Universal Tradex Pvt Ltd, having CC facility in Allahabad Bank, Muzaffarnagar.
- iii. **MR. AMIT AGARWAL:** Mr. Amit Agarwal, is Graduate from Saint Xavier College, Kolkata, is a well-known name in the Iron and Steel market of Hyderabad and He is into the business of iron ore & steel products for over 20 years through his concerns viz. 1) M/s Aashirwad Mines & Minerals & 2) Adarsh Enterprises, engaged in Trading of Iron Ore with turnover of Rs.800 lacs. He is having excellent experience in the field of Iron & Steel and is well versed in negotiating about procurement of materials etc.

#### **Schedule 7: Details of management of the Resolution Applicant and management of the Corporate Debtor post acquisition of control by the Resolution Applicant**

1. Mr. MukeshGoel
2. Mr. Mohit Goel



**Schedule 8: Details of the business turnaround of the Corporate Debtor**

The Resolution Applicant will contribute in the following way (however, this is subject to review and modification by the Resolution Applicant at its sole discretion depending upon business exigencies and other relevant considerations, and non-adherence hereto shall not be deemed to be a non-compliance of the terms of this Plan):

SN	Description	Quantum
1	Increase in Production/Capacity Utilization	<ul style="list-style-type: none"> <li>i. Increase the capacity of Induction furnace to 25 MT per charge (250 MT per day) amounting to approximately Rs. 15.00 crores</li> <li>ii. Replace the 50 TPD Kiln with 100 TPD Kiln amounting to approximately Rs. 6.00 crores</li> </ul>
2	Value of Annual Purchase of raw material	After the expansion, the value of the Raw material i.e. Iron ore, Coal & MS Scrap to be purchased per annum will be approximately Rs. 31 crores
3	Contribution to Exchequer	Approximately Rs. 40 Crores will be paid to the Exchequer in the form of GST and other taxes, charges, fees.
5	Retention of direct jobs, workers, officers and staff	300 direct employment and 600 indirect employment will be generated
7	Additional Gross Investments	Rs. 50 crores will be additionally spent for increase in capacity and development of other products
8	Completely Compliant with Environment Norms	
10	Revival of the Local Economy	

**Business Turnaround:**

The Resolution Applicant has extensive knowledge and experience in the field of Sponge Iron manufacturing as is evident from its history and profile provided above. The resolution applicant with the help of this knowledge and infusion of ample funds will be in a commanding position in the market and can control prices. Knowledge and funds will allow the Resolution Applicant to buy and sell at favorable rates. Knowledge of the market and its trends will also allow the Resolution Applicant to recover payments faster and hence decrease its turnaround time. With the help of a well experienced technical team, the Resolution Applicant can also attain optimum production thereby reducing the production costs. With these factors in mind, the Resolution Applicant is confident that they can turn the business around as quickly as possible.

**Schedule 9: Indicative list of consents required by the Corporate Debtor**

S No.	Particulars
1	Consent to Operate
3	Registration Certificate of Establishment
5	Consent to operate from Pollution Control Board
6	Factory License
8	Fire NOC
9	Weights and Measures approval
11	Up to date approved plans & Layout of the factory - Director of Factories & Boilers
12	Test Certificates of Equipment - Competent Person under Factories Act
13	Licenses of existing contractor – Under Contract Labour (Regulation & Abolition ) Act,
14	Registration Certificate under Inter State Migrant Workman Act - DistLabour Officer under Contract Labour (Regulation & Abolition ) Act, 1970
15	Letter of allotment of Establishment Code under ESI Act - DyDirector ESI
16	Letter of allotment of PF code for Establishment - Asst Provident Fund Commissioner
17	Registration certificate - DistLabour Officer under Contract Labour (Regulation & Abolition ) Act, 1970
18	GST registration
20	Water and air pollution consent orders
22	Electrical license and inspection renewal fee

**Schedule 10: Completion Date Actions****1.1 Change in authorized share capital**

- (a) On the Completion Date, the authorized share capital of the Corporate Debtor shall stand at **₹5,00,00,000 (Rupees Five Crores)**, divided into an equity share capital of **₹5,00,00,000 (Rupees Five Crores)** (face Value of ₹10 (Rupees Ten) per equity share), pursuant to the order of the NCLT, without any further act or deed.

- (b) *On the Completion Date, the Memorandum of Association of the Corporate Debtor shall stand appropriately revised. The amendment to the Memorandum of Association, including the revisions to the capital clause therein, shall be pursuant to the order of the NCLT and shall not require any additional approval from the shareholders, regulatory authorities or otherwise.*

## 1.2 **Completion Day Corporate Actions**

*On the Completion Date, the following actions shall be completed substantially simultaneously:*

### (a) Reconstitution of the board of directors:

- xxiii. *Pursuant to the approval of the NCLT, the suspended board of directors shall stand dissolved and the directors of the Corporate Debtor immediately prior to the Completion Date, shall be deemed to have resigned and shall vacate their office, without the need for any further act or deed, and without any additional payment or compensation. Provided however that, such directors shall not be released from any liability in their capacity as directors, for any period prior to the Completion Date.*
- xxiv. *The persons nominated by the Resolution Applicant and the Secured Financial Creditors pursuant to the clauses hereunder, including whole-time director, if any, shall be appointed as directors of the Corporate Debtor, without any further act or deed, pursuant to the order of the NCLT.*
- xxv. *Within 7 Business Days of the Completion Date, the Corporate Debtor shall file Form No DIR 12, as specified in Companies (Appointment and Qualification of Directors) Rules, 2014 to report:*
- (A) *the vacation of office by the directors pursuant to the order of the NCLT; and*
- (B) *appointment of the directors nominated by the Resolution Applicant, pursuant to order of the NCLT.*

### (b) Meeting of the Reconstituted Board

*On the Completion Date, the Reconstituted Board shall conduct a meeting to implement the actions set-out in this paragraph 1.2 of **Schedule 13** and adopt the revised memorandum of association and articles of association of the Corporate Debtor without any further act or deed and shall not require any additional approval from the shareholders, regulatory authorities or otherwise.*

### (c) Cancellation of existing share capital

- xxvi. *As per the MCA website, as of 06 February, 2017, the Corporate Debtor had a total issued, subscribed and paid-up equity share capital of **₹5,00,00,000 (Rupees five Crore only)***
- xxvii. *On the Completion Date, the Corporate Debtor shall undertake a capital reduction and cancellation of its entire existing equity shareholding whereby the entire equity share capital of the Corporate Debtor shall stand cancelled without the requirement of writing the words "and reduced" in the corporate name and style of the Corporate Debtor. A simultaneous reissue of equity shares and preference shares shall occur simultaneously in accordance with sub-clause (d).*
- xxviii. *For the purpose hereof, in addition to the procedure set out in paragraph 1.2(d)(iv), the following shall also apply to cancellation of shares and capital reduction,:*
- (A) *the cancellation shall be applicable to all shareholders of the Corporate Debtor;*
- (B) *the cancellation shall not require any payment by the Corporate Debtor to any of the shareholders;*
- (C) *the cancellation shall be pursuant to the order of the NCLT and shall not require any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or any other applicable regulations including regulation of SEBI;*
- (D) *shall not require the consent of any of the creditors of the Corporate Debtor or approval of the shareholders of the Corporate Debtor, as the Resolution Plan, upon being approved by the NCLT shall be binding on the Corporate Debtor and its stakeholders (including its creditors and shareholders), and in addition in accordance with the October 25 Circular, approval of the shareholders/members of the corporate debtor/company, which would have been required under Companies Act, 2013 or any other law if the resolution plan was being considered outside the scope of the Code, shall not be required for cancellation and issuance of shares and any other action under the Resolution Plan for its implementation.*
- xxix. *Allotment of shares to the Resolution Applicant On the Completion Date and simultaneously with cancellation of shares pursuant to sub-clause (c) above, the Corporate Debtor shall issue, and the Resolution Applicant shall subscribe to an appropriate number of equity shares of the Corporate Debtor.*

- xxx. *On the Completion Date and simultaneously with cancellation of shares pursuant to sub-clause (c) above, and subject to fulfillment of the conditions specified in Clause 7.3(d) above. The issuance of shares pursuant to this Resolution Plan shall be pursuant to the order of the NCLT and shall not be subject to the procedure for preferential issuance under the Companies Act. The Reconstituted Board shall be entitled to issue and allot shares pursuant to this paragraph 1.2 upon receipt of the corresponding subscription amount from the Resolution Applicant.*
- xxxí. *Since the entire existing issued equity share capital of the Corporate Debtor shall be cancelled contemporaneous with the issue of fresh capital as provided in this sub-clause (d), the Resolution Applicant shall, for good order, seek the confirmation of SEBI for deemed delisting of the shares of the Corporate Debtor on the Completion Date upon cancellation of the entire existing share capital of the Corporate Debtor in existence on the date of approval of the Resolution Plan by the NCLT in accordance with Clause 17.9.*
- xxxíí. *As there will be substitution of shares, through cancellation and reissuance, the Corporate Debtor shall be entitled to benefit from stamp duty already paid on the cancelled equity shares and shall not be required to pay any additional stamp duty on the new shares to be issued to the Resolution Applicant.*
- xxxííí. *The Resolution Applicant shall have the right but not the obligation to subscribe to additional equity shares of the Corporate Debtor at the face value of **Rs 10 (Rupees ten only)** per share up to a maximum amount of **Rs 50,00,00,000 (Rupees Fifty Crores)**, at any time within five years from the Completion Date without requiring any further consents from the other shareholders of the Corporate Debtor or other regulatory authorities.*
- xxxíííí. *Upon simultaneous cancellation of existing equity shares and re-issuance of shares to the Resolution Applicant and Secured Financial Creditors, the promoters and / or promoter group and the public shareholders of the Corporate Debtor shall not hold any share capital of the Corporate Debtor.*

**(d) Raising of debt from/by the Resolution Applicant**

- (i) *On the Completion Date, the Corporate Debtor may issue, and the Resolution Applicant may subscribe appropriate debt instruments of the Corporate Debtor at such price as shall be determined by the Resolution Applicant to fulfill its obligations under Clause 12.*
- (ii) *The issuance, if any, pursuant to this paragraph 1.2 shall be pursuant to the order of the NCLT and shall not be subject to the procedure for preferential issuance under the Companies Act. The Reconstituted Board shall be entitled to issue and allot the appropriate debt instruments pursuant to this paragraph 1.2 upon receipt of the corresponding subscription amount from the Resolution Applicant.*
- (iii) *The Resolution Applicant may cause the Corporate Debtor to raise funds from such banks and financial institutions identified by it of such amounts as shall be determined by the Resolution Applicant to fulfill its obligations under Clause 12.*

**(e) Hand-over by the Resolution Professional**

*The Resolution Professional shall, simultaneous with the appointment of the Reconstituted Board and issuance of shares to the Resolution Applicant pursuant to paragraph 1.2(d), be discharged from management of the affairs of the Corporate Debtor upon the complete handover of the books of accounts, records, other relevant documents of the Corporate Debtor, statutory auditors, accounts which were accessed by the statutory auditor, all information relating to the assets, finances and operations of the Corporate Debtor accessed for determining the financial position of the Corporate Debtor, including handover of information relating to:*

- xxxv. *business operations of the Corporate Debtor for the previous two years;*
- xxxví. *financial and operational payments of the Corporate Debtor for the previous two years;*
- xxxvii. *list of assets and liabilities as of the IC Date;*
- xxxviii. *tax filings made from time to time and proof of payment of taxes in relation to any taxes payable by the Resolution Professional as the person in charge of the Corporate Debtor;*
- xxxíx. *account books maintained by the Resolution Professional from the date of his appointment to the date of hand-over;*
- xl. *assets over which the Resolution Professional took control, which were such assets over which the Corporate Debtor had ownership rights as recorded in the balance sheet of the Corporate Debtor or with the depository of securities that records the ownership of assets including:*
- i. *ownership rights over assets which may be located in a foreign country;*
  - ii. *tangible assets, whether movable or immovable;*
  - iii. *process manuals and manufacturing instructions or manuals for running of the factory;*

- iv. *securities including shares held in any subsidiary of the Corporate Debtor;*
- v. *financial instruments, insurance policies;*
- vi. *any records of proceedings undertaken on behalf of the Corporate Debtor with third parties for exercising rights for the benefit of the Corporate Debtor in judicial, quasi-judicial or arbitration proceedings;*
- vii. *any accounts maintained for payments made to the Resolution Professional's accountants, legal or other professionals, which constitute IRP Costs;*
- viii. *particulars of any related party transactions undertaken with the CoC's consent in accordance with Section 28 of the Code; and*
- ix. *all other documents and information as available with the Resolution Professional in relation to the Corporate Debtor, including without limitation: company seal, data bases, passwords etc.*

*On the Completion Date, all documents relating to the Corporate Debtor, including all title deeds in respect of its immovable property and any documents pertaining to movable property of the Corporate Debtor, held by the Resolution Professional or the members of the CoC, shall be handed over to the Resolution Applicant with a declaration that all such property is free from any mortgages, charges or other encumbrances, which shall stand discharged in accordance with this Resolution Plan.*

**(f) Satisfaction of existing charges**

*On the Completion Date, and in accordance with Clause 7.3(d), the Secured Financial Creditors shall, prior to the disbursement of amounts under this Resolution Plan, issue a certificate of discharge and no-claims to the Corporate Debtor and also return the security documents to the Corporate Debtor and forthwith and unconditionally release all security available to them as on the Completion Date in connection with any amounts payable to them by the Corporate Debtor (including making all requisite filings with the Registrar of Companies for satisfaction of all charges in respect of such security) including any powers of attorney, pledge of shares, guarantees or other encumbrance issued by the Corporate Debtor, or any third party or any of its promoters (other than any personal guarantees and corporate guarantees provided by promoters of the Corporate Debtor or third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor).*

**(g) Other actions**

*With effect from the Completion Date:*

- (A) *All outstanding letters of offers or invitations issued by the Corporate Debtor to any person, including the financial creditors, for subscription to share of the Corporate Debtor shall stand withdrawn, revoked and abandoned.*
  - (B) *All key managerial personnel of the Corporate Debtor including the chief executive officer, chief operating officer and chief financial officer shall be deemed to have resigned and new key managerial personnel, including persons to be appointed as the chief executive officer, chief operating officer and chief financial officer of the Corporate Debtor, shall be appointed by the Reconstituted Board.*
  - (C) *The control of the Corporate Debtor shall be transferred to the Resolution Applicant and the Reconstituted Board.*
  - (D) *All powers of attorney and / or other corporate authorizations or mandates issued by the Corporate Debtor to any person to enable such person to carry out various functions of the Corporate Debtor, to sign and execute various documents and/ or represent the Corporate Debtor, and to operate the bank accounts of the Corporate Debtor shall stand revoked with immediate effect, and the Reconstituted Board shall be entitled to authorize such persons as it deems fit to carry out such functions of the Corporate Debtor, sign and execute various documents and/ or represent the Corporate Debtor, and to operate the bank accounts of the Corporate Debtor.*
- (i) Authorization to operate bank accounts of Corporate Debtor in existence as on the Completion Date*
- (a) *On the Completion Date, the bank accounts of the Corporate Debtor in existence on the Completion Date shall only be operated by persons authorized by the Resolution Applicant.*
  - (b) *Further, on the Completion Date, board resolutions will be passed by the new management of Corporate Debtor to open new bank accounts along with approval of their operation by the officials of the new management of the Corporate Debtor.*

**1.3 Dissolution of the CoC**

- (a) *The Resolution Professional was appointed by the NCLT and the CoC was formed by the Resolution Professional pursuant to the corporate insolvency resolution process.*

- (b) *The Resolution Professional shall be released of his duties and responsibilities in accordance with Clause 18.1ii. The CoC shall be dissolved with effect from the effective Date.*

#### 1.4 **Reconstituted board of directors**

- (a) *In the application to be made to the NCLT for approval of this Resolution Plan by the CoC, a specific prayer will be made for cessation of directorships of the erstwhile management of the Corporate Debtor with immediate effect and the simultaneous appointment of a reconstituted board of directors.*
- (b) *The reconstituted board of directors of the Corporate Debtor shall constitute of such number of directors as shall be determined by the Resolution Applicant and one director to be nominated by the Secured Financial Creditors, collectively ("**Reconstituted Board**"). Such directors shall be nominated by the Resolution Applicant and the Secured Financial Creditors prior to making such application and shall be substituted in place and instead of the erstwhile board of directors of the Corporate Debtor with effect from the Completion Date. To this end, all requisite documents for appointment of the Reconstituted Board shall be attached with the application made for this purpose. None of the members of the Reconstituted Board shall be persons disqualified under Section 29A of the Code.*
- (c) *The Resolution Professional (for the period up to the Effective Date) and the members of the erstwhile board of directors of the Corporate Debtor shall continue to be responsible for the final accounts and preparation thereof of the Corporate Debtor and the Reconstituted Board shall be responsible for the final accounts and preparation thereof for the succeeding financial period. The directors on the Reconstituted Board shall be appointed on the Completion Date, without any additional approval from the Shareholders, and will be accountable for the day to day operations of the Corporate Debtor and shall be bound as per applicable law to protect and preserve the value in the Corporate Debtor.*
- (d) *It is hereby clarified that the directors on the Reconstituted Board shall not be liable for any past non-compliance with the provisions of applicable laws by the erstwhile board of directors of the Corporate Debtor.*
- (e) *Upon approval of this Resolution Plan by the NCLT, the existing directors and key managerial personnel of the Corporate Debtor as on the Completion Date shall be deemed to have resigned without any additional approval from the Shareholders.*
- (f) *It is hereby clarified that on and from the Completion Date, the day-to-day operations and management of the Corporate Debtor shall be carried out by the Resolution Applicant.*

#### 1.5 **Corporate Actions and Other Compliances**

- (a) *The Corporate Debtor shall take appropriate corporate actions necessary for implementation of the all the provisions of the Resolution Plan, which includes (i) filing of appropriate documents or forms with amongst others, the Registrar of Companies and Ministry of Corporate Affairs; (ii) issuance of shares and instruments as provided in the Resolution Plan; and (iii) other compliances as per the governing law.*

- (b) *Exemptions under existing applicable laws*

- (a) Companies Act

*Pursuant to the General Circular No. IBC/01/2017 dated October 25, 2017 released by the MCA ("**October 25 Circular**"), it has been clarified by the MCA that "the approval of shareholders/ members of the corporate debtor/ company for a particular action required in the resolution plan for its implementation, which would have been required under the Companies Act, 2013 or any other law if the resolution plan of the company was not being considered under the Code, is deemed to have been given on its approval by the Adjudicating Authority". Accordingly, in light of the October 25 Circular, the requirement of procuring approval of the shareholders of the Corporate Debtor has been dispensed with for any of the actions proposed to be undertaken pursuant to this Resolution Plan.*

- (b) Takeover Code

*Regulations 3, 4 and 5 of Takeover Code inter alia, require an acquirer to make an open offer for acquisition of shares of a listed company if (a) an acquirer acquires shares or voting rights in a listed company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such listed company, entitle them to exercise 25% or more of the voting rights in such listed company; or (b) irrespective of acquisition or holding of shares or voting rights in a listed company, an acquirer acquires, directly or indirectly, control over such listed company; or (c) the acquirer acquires shares or voting rights in, or control over, any company or other entity, that would enable any person and persons acting in concert with him to exercise or direct the exercise of such percentage of voting rights in, or control over, a listed company, the acquisition of which would otherwise attract the obligation to make an open offer.*

*As per Regulation 10(1)(da) of the Takeover Code, an 'acquisition pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016)' is exempt from the obligation to make an open offer under Regulations 3 and 4 of the Takeover Code.*

Accordingly, the acquisition of shares and voting rights by the Resolution Applicant in the Company will be exempt from making an open offer in accordance with the Takeover Code under Regulation 10(1)(da) of the Takeover Code."

### **OBSERVATIONS/ FINDINGS :-**

9. That in the light of the Resolution Plan reproduced above, certain salient features of the Resolution Plan are worth reproduction herein below:

10. The RP states that following members are included in the CoC of the Corporate Debtor and their claims are given herein below:

<b>S.No.</b>	<b>Member of CoC</b>	<b>Verified Claim (in Rs. lacs )</b>
1.	Oriental Bank of Commerce	5933.94
2.	Punjab National Bank	3260.36
3.	State Bank of India	1251.64
<b>Total (1+2+3)</b>		10445.95
4.	State bank of India (Unsecured Creditor)	11409.31
<b>Total (1+2+3+4)</b>		21855.25

\*Above table stated to be as per IM dated 20/12/2018.

11. In the estimate submitted as per the Resolution Applicant, the verified claims of Secured Financial Creditors are more than the aggregate Liquidation Value and consequently, the **proportionate liquidation value** for the operational creditors (other than workmen's dues for the period of 24 months preceding the commencement date) including claims from the government, government agencies, and all other claims, debts and dues, and the shareholders is 'nil'.

12. Payments and full and final settlement of all claims:

#### **12.1. Insolvency resolution process cost**

- iii. On the Effective Date, the Resolution Professional shall provide a certified statement containing details of the IRP Costs to the Resolution Applicant.
- iv. As per the information shared by the RP, the CIRP cost is Rs. 61.92 Lacs
- v. Section 30(1)(a) of the Code requires payment of IRP Costs in priority to other creditors. The IRP Costs shall be paid within 30 days from the date of approval of this Plan by the NCLT, simultaneously (but in priority) with payments to any other Creditor.
- vi. Further, the Resolution Applicant shall pay the final IRP Costs from the part of lenders cash settlement amount to be paid upfront by the Resolution Applicant and accordingly, the amounts payable to the financial creditors, employees and workmen under this Resolution Plan may be adjusted accordingly.
- vii. Provident Fund amounting to Rs. 1,05,000 and Professional Tax amounting to Rs. 47,000 shall be paid in full before the Secured Financial Creditors upon the approval of this plan by the NCLT.
- viii. Payments to Unsecured Financial Creditors i.e. SBI is NIL

12.2. **Workmen's Priority Dues**

There are no workmen's dues owed by the corporate debtor

12.3. **Debt owed to Secured Financial Creditors**

- The Resolution Professional has informed the Resolution Applicant that the verified debt owed to secured financial creditors is **Rs. 104,45,95,000 (Rupees One Hundred and four crores, forty five lacs and ninety five thousand only)**, and this amount is payable to the following financial creditors: (i) Oriental Bank of Commerce, (ii) Punjab National Bank, and (iii) State Bank of India (collectively the "**Secured Financial Creditors**").
- The claims of the Secured Financial Creditors shall be paid/settled in the manner set out below:

Amount:

- (C) The Resolution Applicant shall pay a total amount of Rs. 12 Crores (Rs. Twelve Crores only) ("**Lender Cash Settlement Amount**") which shall be paid **within 60 days (sixty days)** of the approval of this Plan by NCLT and after deducting the IRP Costs/RP costs/Valuation Costs/insurance costs/all other costs incurred by the RP and the Secured Financial Creditors after the insolvency commencement date (as defined above) i.e. 22<sup>nd</sup> March, 2018 till the completion date (as defined above) will be deducted and the **remaining amount shall be paid to the Secured Financial Creditors in proportion to their admitted claims.**

13. Further incremental CIRP cost upto Rs. 8.08 Lacs shall be paid by the Resolution Applicant over and above the "Lender Cash Settlement Amount" as mentioned above.
14. The Resolution Applicant has sought extinguishment of all claims, however, it is clarified that only crystallised liabilities of the Corporate Debtor up to the cut-off date i.e. approval of the Resolution Plan, shall stand extinguished on the approval of this resolution plan. The contingent liabilities shall exist and no waiver can be provided for them.
15. The Resolution Applicant has sought extinguishment of all claims along with abatement of any related legal proceeding including criminal proceedings; **however, this Adjudicating Authority cannot grant any such blanket reliefs pertaining to the period after taking of the charge by the new Management**, such proceedings shall proceed in accordance with the law, if any. However, the proceedings which were kept in abeyance in view of the insolvency process or otherwise shall not be revived post the order of NCLT.
16. The Resolution Applicant is seeking relief in respect of C Form which ought to be allowed being permissible under the said provisions of the Act, as mentioned below:-

"

*16.1.1.1. However, as the Corporate Debtor will have to continue its business relationship with certain Operational Creditors, certain Operational Creditors other than employees and workmen (as set out in 6.4 above) as identified by the Resolution Applicant only have claims regarding C-forms with the corporate debtor, NCLT may direct the authorities for release of the said C- Forms to satisfy/ settle the claims of the said operational creditor and once the same are released, the Operational creditor will not have any other/ further claim against the corporate debtor."*

17. The existing shareholders, whether equity or preference, shall not be paid any amount for the cancellation and reduction of their share capital and any claims in relation thereto shall stand extinguished without any payment or recourse. Payment to the existing shareholder is **NIL** as noted and suggested in the Resolution Plan.
18. That, the Resolution Applicant in one of the Clauses has raised an apprehension about the claim of any Creditor, yet to be raised, being not lodged during Corporate Insolvency Resolution Process period before the Ld. RP. It is hereby made clear that all the claims lodged, considered and accepted during the Corporate Insolvency Resolution Process are already made part of the Resolution Plan, therefore, subsequent to the approval of the Resolution Plan by the CoC, no such claim can be added in the proposed Resolution Plan presently under discussion.
19. In one of the Clauses of the Resolution Plan i.e. Clause No.10.4, it is provided that all claims that may arise in the future, including any claims from dues arising under any law for the time being in force and payable to any person, including a counterparty to a contract or to the Central Government, any State Government or any local authority, resulting from a contract, statute, judicial proceeding or otherwise, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date, shall be subject to the limit specified in this Clause 10 in so far as they relate to the period after the acceptance of the Resolution Plan.
20. The payments proposed to be made under this Plan are as follows:

#	Description of payment	Amount (in INR)
8.	IRP Costs	As per details provided by IRP
9.	Provident Fund	Rs. 1.05 lacs
10.	Professional Tax	Rs. 0.47 lacs
11.	Secured Financial Creditors	Balance after adjusting IRP Costs (Rs. 61.92 Lacs) from Rs. 12 Crore, the lenders settlement amount in proportion to the claims admitted by the Secured Financial Creditors
12.	Unsecured Financial Creditors (SBI)	NIL
13.	Operational Creditors (other than workmen and employees but including government agencies)	Concerned department to be instructed to issue C-Forms. Payment to operational creditors to be NIL



#	Description of payment	Amount (in INR)
14.	Contingent liabilities	NIL
<b>Total</b>		<b>Rs. 12,01,52,000</b>

21. It has been brought to notice that one of the justifications for approval of the Resolution Plan is that the Liquidation Value is less comparing the proposals made in the Resolution Plan. The RP has appointed two valuers, namely Ravindra Bapat and Amol Bora & Co., in order to ascertain the Liquidation value and Fair Market value of the Corporate Debtor. Following is the chart showing the Liquidation value and the Fair Market Value according to the two valuers:

Name of Valuer	Ravindra Bapat	Amol Bora & Co.
Liquidation Value (₹)	5,68,00,000/-	5,58,72,568/-
Fair Market Value (₹)	8,20,00,000/-	9,43,10,137/-

So, the claim is that the Resolution Applicant is paying more than ₹12 crores as against the Liquidation and Fair Market Value as determined by the approved valuers. The members of the CoC have approved the Resolution Plan which in terms of valuation is greater than the Fair Market Value. At this juncture it is also worth to place on record that on the other hand the Secured Financial Debt admittedly is to the tune of Rs. 105 Cr.( apx.). So the CoC has decided to approve Rs. 105 Cr. Debt for a meagre sum of about Rs. 12 Cr ( apx.), now to be approved vide this Order.

22. The indicative implementation schedule for this Resolution Plan is set-out below:

#	Activity	Timeline (Days)
3.	Effective Date	Approval of this Resolution Plan by the NCLT
4.	Completion Date	Effective Date + 60 days or such other date as may be mutually agreed between the Resolution Applicant and the members of the CoC who consent to this Resolution Plan

23. The Resolution Plan duly provides for the appointment of a **'monitoring agency'** to manage the affairs of the Corporate Debtor during the interim period (period between the effective date and the completion date) is hereby approved.

24. The Resolution Applicant is directed to give a declaration under Regulation 38(1B) of the IBBI(CIRP) Regulations, 2016 that neither the RA nor any of its related party has failed to implement or contributed to the failure of the implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.

25. There are no objections to the approval of this resolution plan as submitted by the Applicant. **100% of the CoC members have approved the plan.** The Procedure as prescribed under The Code is that a Resolution Plan is required to be submitted by a **Resolution Application**

**U/s 30 of The Code.** On approval, the Resolution Professional is to submit U/s 30(6) the Resolution Plan, as approved by the Committee of Creditors, to the AA. Thereafter, u/s 31, as reproduced *supra*, AA is to examine the contents of the Resolution Plan. The mandate of this section is that if the AA is “**satisfied**” that the Resolution Plan as approved by the Committee of Creditors meets the requirement as referred to in section 30(2), shall by an Order, approve the Resolution Plan. So the prerequisite is that recording of “**satisfaction**” by AA is a condition precedent. A “satisfaction” is to be recorded in writing in the Judgment approving the Resolution Plan. “Satisfaction” is required to be based upon a conscious decision on examination of the terms of the Resolution Plan. In our humble opinion a thorough study of a Resolution Plan is required before recording a “**satisfaction**” in writing by AA. The ‘**satisfaction**’ as mandated in the statute can either objective or subjective or both, but it is a condition precedent. Naturally ‘satisfaction’ is to be recorded in writing with reasons after proper application of mind. The **pros and cons** of the scheme is required to be studied before recording subjective satisfaction. If the CoC has submitted the scheme of Resolution after visualising the advantage and disadvantage then such proposal can be termed as just and equitable fit for according satisfaction. An ‘**objective satisfaction**’ revolves around the object of enactment of the Code as enshrined in the Preamble of the I & B Code i.e. to revive the financially stressed corporate body. And the ‘**subjective satisfaction**’ depends upon logical analysis of the Financial Data supplied so as to match with the business model of the Corporate Debtor. A methodical scrutiny of Financial Statement is expected before concurring with approval of the CoC. Per contra, absence of recording of subjective satisfaction may lead to situation that, being sanctioned without judicial analysis, thus may not be sustainable in the eyes of law. There are no two views, and must not be, that this I & B Code provides greater accountability both on the Insolvency Professional, as also on CoC, mainly comprise of lender Banks. Their approval of a Resolution Plan ought to be judged with due diligence. To sum up, in our humble interpretation the recording of an analytical ‘satisfaction’ is a condition precedent before granting of approval.

26. **To sum up** the above discussion, the Resolution Plan as approved by the Committee of Creditors is by and large hereby sanctioned by this Order in view of the recent judgement of the apex court in *K Sashidhar & Indian Overseas Bank & ors.*[Civil Appeal No. 10673/2018], Date of order: 05.02.2019. The Hon’ble Supreme Court in the said order has made the role of COC quite vital for deciding the fate of the company. It has been held that the Adjudicating authority is not required to go into the merits or reasoning of the decision taken by the COC for approval or rejection of a resolution plan. The only benchmark which is set up to be determined by the AA is to see whether the plan has been approved by 75% voting of the COC or not. Therefore, the commercial wisdom is not allowed to be interfered with. The relevant portion of the said judgement is reproduced herein below:

*“As aforesaid, upon receipt of a “rejected” resolution plan the adjudicating authority (NCLT) is not expected to do anything more; but is obligated to initiate liquidation process under Section 33(1) of the I&B Code. The legislature has not endowed the adjudicating authority (NCLT) with the jurisdiction or*

*authority to analyse or evaluate the commercial decision of the CoC muchless to enquire into the justness of the rejection of the resolution plan by the dissenting financial creditors. From the legislative history and the background in which the I&B Code has been enacted, it is noticed that a completely new approach has been adopted for speeding up the recovery of the debt due from the defaulting companies. In the new approach, there is a calm period followed by a swift resolution process to be completed within 270 days (outer limit) failing which, initiation of liquidation process has been made inevitable and mandatory. In the earlier regime, the Corporate debtor could indefinitely continue to enjoy the protection given under Section 22 of Sick Industrial Companies Act, 1985 or under other such enactments which has now been forsaken. Besides, the commercial wisdom of the CoC has been given paramount status without any judicial intervention, for ensuring completion of the stated processes within the timelines prescribed by the I&B Code. There is an intrinsic assumption that financial creditors are fully informed about the viability of the corporate debtor and feasibility of the proposed resolution plan. They act on the basis of thorough examination of the proposed resolution plan and assessment made by their team of experts. The opinion on the subject matter expressed by them after due deliberations in the CoC meetings through voting, as per voting shares, is a collective business decision. The legislature, consciously, has not provided any ground to challenge the “commercial wisdom” of the individual financial creditors or their collective decision before the adjudicating authority. That is made non-justiciable”.*

27. **To conclude**, the approval of a Resolution Plan by the CoC is to be accepted as far as possible by the Adjudicating Authority if a 66% voting share approves the said plan. Because of the latest decision, the scope of any suggestion or alteration in the impugned resolution plan is very limited. As far as the procedure is concerned, in this case, the same has been followed as per the provisions of the Insolvency Code, therefore, the Resolution Plan has to be approved. The Resolution Applicant has submitted an affidavit as required U/s 30(1) of the Code stating that he is eligible U/s 29A of the Code.
28. That regarding the exemptions sought about Government liabilities and statutory dues, it is worth to observe that the waiver should be restricted to those Government liabilities which are ascertained and crystallised as on the date when the CIRP commenced. Further, on commencement of CIRP, due to pronouncement of moratorium if any tax is levied, the same to be considered for waiver as held in the decision of NCLT, Chandigarh Bench, in the case of **“State Bank of India V. MOR Farms Pvt. Ltd.”** dated 15.06.2018 in CA No.s 71/2018 & 171/2018 in CP(IB)-51/Chd/Hry/2017 wherein waiver is granted in respect of tax dues as

on the commencement of CIRP. Although, the question of waiver has been dealt with in this order by the respected Coordinate Bench, NCLT, Chandigarh, however, further it requires more clarification in this case because of the reason that the R.A. is seeking waiver in respect of all those dues not in existence but yet to arise in future .The incumbent can not be held responsible for an action, commission or omission of the ex-management. The new management is responsible for the action, commission or action henceforth on approval of the Resolution Plan by this order.

29. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect. The “Moratorium” imposed under section 14 shall cease to have any effect henceforth. The Resolution Professional shall submit the records collected during the commencement of the Proceedings to the Insolvency & Bankruptcy Board of India ( IBBI ) for their record and also return to the Resolution Applicant or New Promoters. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance as per NCLT Rules.
30. That liberty is hereby granted that if deem fit and legally permissible, can move Miscellaneous Application if required in connection with implementation of this Resolution Plan.
31. That in respect of stepping by the New Promoters/Resolution Applicant into the shoes of the erstwhile Company and taking over the business, the provisions of Companies Act, 2013 shall be applicable and because of this reason a copy of this Order is to be submitted in the Office of the Registrar of Companies, Mumbai.
32. The directions embodied and period of implementation provided hereinabove shall be effective from the date of receipt of this Order.

**Sd/-**

**M.K. SHRAWAT**  
Member (Judicial)

Date : 14.10.2019  
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