

Padma Priyanka Vangala
Insolvency Professional & Company Secretary
Liquidator of BEML Midwest Limited
IBBI Regn: IBBI/IPA-002/IP-N00980/2020-21/13143

Empire Square, TF-8, 3rd Floor
Above RBL Bank, Road No 36
Jubilee Hills, Hyderabad - 500033
E-mail: liquidator.bemlmidwest@gmail.com
(M): 9052734747

Reference No – BMWL/LIQ/CLAIM/ 006/2023

Dated - 19.12.2023

To,

Mr. Ivan Singh,
Proprietor, M/s. Action Group Associates
S-6, The Grand Landscape
Ground Floor, Behind Mahalaxmi Temple
Panaji, Goa – 403001
Email – actiongroupgoa@gmail.com

Respected Sir,

**Subject: LIQUIDATION/CIRP of BEML Midwest Limited –
Communication of the outcome of the claim dated 21.11.2023 in
respect of operational debt of Rs. 10,63,30,146 after verification
of claim.**

With reference to the subject cited, I have received your claim Form in Form – C (“Claim Form”) dated 21.11.2023 arising from operational debt of the M/s. BEML Midwest Limited (“**Company**”).

Please note that it is my duty and responsibility to receive and collate all the claims submitted by creditors pursuant to the public announcement made under Section 13 and 15 of the IBC, 2016. After collation of the claims, I have come to the conclusion that your claim of Rs. 10,63,30,146/- (Rupees Ten Crore Sixty-Three Lakhs Thirty



Thousand One Hundred and Forty Six only) is partially admitted based on the following:-

1. As per Section 53 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), upon liquidation of the Company, the proceeds of the sale of the liquidation assets of the Company shall be distributed in the following manner:

53. (1) Notwithstanding anything to the contrary contained in any law enacted by the Parliament or any State Legislature for the time being in force, the proceeds from the sale of the liquidation assets shall be distributed in the following order of priority and within such period and in such manner as may be specified, namely: -

- (a) the insolvency resolution process costs and the liquidation costs paid in full;*
- (b) the following debts which shall rank equally between and among the following:*
 - (i) workmen's dues for the period of twenty-four months preceding the liquidation commencement date; and*
 - (ii) debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in section 52;*
- (c) wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date;*
- (d) financial debts owed to unsecured creditors;*
- (e) the following dues shall rank equally between and among the following :-*

- (i) any amount due to the Central Government and the State Government including the*



amount to be received on account of the Consolidated Fund of India and the Consolidated Fund of State, if any, in respect of the whole or any part of the period of two years preceding the liquidation commencement date;

(ii) debts owed to a secured creditor for any amount unpaid following the enforcement of security interest;

(f) any remaining debts and dues;

(g) preference shareholders, if any; and

(h) equity shareholders or partners, as the case may be.

It is clear from the Award of the Arbitrator dated 11.10.2018 attached as Annexure 3 in page 20 to 31 of the Claim Form along with Award dated 05.01.2019 attached as Annexure 3 in page 32 to 35 of the Claim Form, that the Company is liable to pay Rs. 3,76,12,176 /- along with 12% interest from 31.03.2009 till date of payment of dues. Thus, the Company is liable to pay Rs. 10,33,10,858/- (Rupees Ten crore Thirty-Three Lakhs Ten Thousand Eight Hundred Fifty-Eight only).

As per the holding of the Hon'ble National Company Law Appellate Tribunal (NCLAT) in **Mr. Prashant Agarwal v. Vikash Parasrampur** **(Company Appeal (AT) (Ins) No. 690 / 2022)**, there is a clear "right to payment" of interest in accordance with the aforementioned Awards and thus can be admitted as part of claim under Section 3(6) of the IBC.



However, it is stated that the CIRP costs are separate under Section 53 of the IBC and are paid out prior to payment of debts in accordance with Section 53(1)(a). They shall not form part of the Claim Form.

Therefore, **I admit the dues of Rs. 10,33,10,858/-** (Ten Crores Thirty-Three Lakhs Ten Thousand Eight Hundred and Fifty-Eight only) with respect to the dues towards operational debt. However, I state that a separate Claim Form shall need to be submitted removing the CIRP costs of Rs. 30,19,288/- (Rupees Thirty lakhs Nineteen thousand Two Hundred and Eighty-eight only) as they are separate under IBC.

Thanks & Regards

V. Priyanka



Padma Priyanka Vangala
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