

**NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH (COURT-II)**

**IA. NO. 1067/ND/2023**  
**IN**  
**Company Petition No. (IB)-1088(ND)/2020**

**IN THE MATTER OF:**

**Axis Bank Limited**

**... Applicant/Financial Creditor**

**Versus**

**JMT Auto Limited**

**... Respondent**

**AND IN THE MATTER OF IA. NO. 1067/ND/2023:**

**Mr. Pardeep Kumar Sethi**

Resolution Professional of JMT Auto Limited

Having office at: RBSA Restructuring Advisors LLP,

1211, Building No.11, Solitaire Corporate Park,

Andheri Kurla Road, Andheri East,

Mumbai, Maharashtra - 400093

**... Applicant**

**Order Delivered on: 21.08.2023**

**SECTION:**      **Section 30(6) of IBC 2016**

**CORAM:**

**SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)**

**SH. L. N. GUPTA, HON'BLE MEMBER (T)**

**PRESENT:**

**For the Applicant**      : Adv. Prateek Kumar, Adv. Raveena Rai, Adv.  
Apeksha Dhanvijay for SRA

**For the RP**                : Adv. Rajendra Beniwal, Adv. Rajat Kashyap, Mr.  
Pradeep Sethi, RP

## **ORDER**

**PER: SH. L. N. GUPTA, MEMBER (T)**

The present IA No. 1067 of 2023 has been filed by Mr. Pardeep Kumar Sethi, Resolution Professional of JMT Auto Limited (hereinafter referred to as, the ‘**Applicant**’) under Section 30(6) of IBC, 2016, seeking the following reliefs:

- “a) Consider and allow the instant IA. No. \_\_ of 2023 seeking approval of Resolution Plan under Section 30(6) read with Section 31;*
- b) Consider and approve the revised Resolution Plan dated 11 November 2022 submitted by Ramkrishna Forgings Ltd which has been approved by the Committee of Creditors (CoC) u/s 31(1) of the Code;*
- c) Consider closure of the corporate insolvency and resolution process of the Corporate Debtor on approval of the Resolution Plan under the Code;*
- d) Consider declaring u/s 31(3)(a) of the Code that the moratorium u/s 14(1) of the Code shall cease to have effect from the date the Hon’ble NCLT passes an order approving the Resolution Plan.*
- e) Pass such other order(s) and/or direction(s) in the interest of justice which this Hon’ble Tribunal deems fit.”*

2. To put the facts succinctly, the underlying main Petition CP (IB)-1088/(ND)/2018 was filed by Axis Bank Limited against the Corporate Debtor namely, JMT Auto Limited under Section 7 of IBC, 2016, which was admitted vide Order dated 23.02.2022 of this Adjudicating Authority and the Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor was initiated. Mr. Pradeep Kumar Sethi was appointed as IRP, who was later confirmed as RP in the first CoC meeting held on 22.03.2022.

3. It is submitted by the Applicant that in terms of Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the IRP made a Public Announcement in Form-A on 28.02.2022 to invite claims, which was also uploaded on the website of Insolvency and Bankruptcy Board of India (IBBI). The Applicant has submitted that he received claims aggregating to Rs. 52,40,52,376/- including the claim received from workmen and employees.

4. It is further submitted that the RP constituted a Committee of Creditors (CoC) comprising the following members:

*(Amount in INR)*

Sr. No.	Financial Creditor	Amount Claimed	Amount Admitted	Voting %
1	Axis Bank Ltd	769,386,824	769,386,824	45.69%
2	IDBI Bank Ltd	581,490,795	581,202,697	34.52%
3	State Bank of India	259,091,932	259,091,932	15.39%
4	Bank of India	73,999,899	73,999,899	4.40%
	<b>Total</b>	<b>168,39,69,450</b>	<b>1,68,36,81,352</b>	<b>100%</b>

5. It is stated by the Applicant that the 'Form-G' was published on 11.05.2022 to invite Expressions of Interest from the potential Resolution Applicants. It is added that as per Form G, the last date for submission of EOI was 26.05.2022, and for submission of Resolution Plans was 10.07.2022, which was subsequently extended from time to time.

6. It is stated by the Applicant that it received a total 7 EOIs from Prospective Resolution Applicants ("PRAs"). Out of the 07 PRAs, only 2 PRAs namely, Ramkrishna Forgings Limited and RKG Fund I submitted the Resolution Plans.

7. It is further submitted by the Applicant that due to the negotiations between the PRAs and CoC, the last date to submit the Resolution plan was finally extended to 11.11.2022. The applicant has submitted that the Resolution Plans as received from both the PRAs were placed before and put to vote in the 12<sup>th</sup> CoC meeting held on 17.11.2022. The relevant Resolutions placed before the CoC for voting read thus:

**B. LIST OF ISSUES TO BE VOTED UPON AFTER DISCUSSION**

**Item No. B-1:**

**To approve the Revised Resolution Plan submitted by Ramkrishna Forgings Ltd:**

In view of discussion under Agenda A5 above and timeline for putting plan to vote as agreed in the 11<sup>th</sup> CoC meeting, the CoC may discuss, deliberate and pass the following proposed resolution:

**Resolution B-1:**

**“RESOLVED THAT** the Revised Resolution Plan dated 11<sup>th</sup> November, 2022 submitted by the Resolution Applicant M/s. Ramkrishna Forgings Ltd. is hereby approved by the Committee of Creditors without modification.

**RESOLVED FURTHER THAT** the resolution professional be and is hereby authorized to submit the decision of Committee of Creditors to the Adjudicating Authority, if any required, as per the provisions of the IBC, 2016 and Regulations thereto.”

As per E- voting results dated 16<sup>th</sup> January, 2023, the resolution has been agreed with 84.612% voting and disagreed with 15.388% voting. Hence, the resolution is “approved”. The e-voting result is forming part of these minutes & is attached as **Annexure B**.

**XXXX**

**XXXX**

**XXXX**

**XXXX**

**XXXX**

**Item No. B-2:**

**To approve the Resolution Plan submitted by RKG Fund I:**

In view of discussion under Agenda A5 above and timeline for putting plan to vote as agreed in the 11<sup>th</sup> CoC meeting, the CoC may discuss, deliberate and pass the following proposed resolution: -

**Resolution B-2:**


**“RESOLVED THAT** the Resolution Plan dated 22nd July, 2022 submitted by the Resolution Applicant M/s. RKG Fund I is hereby approved by the Committee of Creditors with or without modification.

**RESOLVED FURTHER THAT** the resolution professional be and is hereby authorized to submit the decision of Committee of Creditors to the Adjudicating Authority, if any required, as per the provisions of the IBC, 2016 and Regulations thereto.”

As per E- voting results dated 16<sup>th</sup> January, 2023, the resolution has been disagreed with 100% voting. Hence, the resolution is “not approved”. The e-voting result is forming part of these minutes & is attached as **Annexure B**.

8. The E-voting results of the CoC over the said 02 Resolutions, as annexed by the Applicant/RP, read as under:

Annex 26



Name of IRP/RP/AR : Pardeep Sethi

IBBI NO : IBBI/IPA-001/IP-P00711/2017-2018/11265

Name of the Matter : JMT Auto Limited

Title of the Meeting : 12th Meeting of the Committee of Creditors ("CoC") of JMT Auto Limited

Start date : 2022-11-19 15:00:00

End Date : 2023-01-16 21:00:00

Sr NO	Description of Resolution	Agree	Disagree	Present And Abstain from voting	Not Present And Abstain from voting	Total
1	Agenda Item No. B-1 Approval upon the revised Resolution Plan submitted by Ramkrishna Forgings Ltd	84.612	15.388	0	0	100
<p>Proposed Resolution:</p> <p><b>"RESOLVED THAT</b> the Revised Resolution Plan dated 11<sup>th</sup> November, 2022 submitted by the Resolution Applicant M/s. Ramkrishna Forgings Ltd. is hereby approved by the Committee of Creditors without modification.</p> <p><b>RESOLVED FURTHER THAT</b> the resolution professional be and is hereby authorized to submit the decision of Committee of Creditors to the Adjudicating Authority, if any required, as per the provisions of the IBC, 2016 and Regulations thereto."</p>						
2	Agenda Item No. B-2 Approval upon the Resolution Plan submitted by RKG Fund I	0	100	0	0	100

On combined perusal of the abovesaid resolutions and e-voting sheets, it is observed that the Resolution Plan submitted by Ramkrishna Forgings Limited (hereinafter referred to as **"Successful Resolution Applicant"** or **"SRA"**) was approved by the CoC with 84.61% votes in its favour.

9. The details of the CIRP, fair value and liquidation value of the CD, the distribution of the resolution plan amount amongst the stakeholders, and compliances are given in the "Compliance Certificate" filed by the RP in Form 'H', which is reproduced overleaf for the purpose of immediate reference:

## FORM H

### COMPLIANCE CERTIFICATE

(Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

I, Mr. Pardeep Kumar Sethi, an insolvency professional enrolled with Indian Institute of Insolvency Professionals of ICAI and registered with the Board with registration number IBBI/IPA-001/IP-P00711/2017-2018/11265, am the resolution professional for the corporate insolvency resolution process (CIRP) of JMT AUTO LIMITED.

2. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	JMT AUTO LIMITED
2	Date of Initiation of CIRP	25/02/2022 (The order was passed by Hon'ble NCLT, Delhi Bench on 23/02/2022 which was received on 25/02/2022)
3	Date of Appointment of IRP	25/02/2022
4	Date of Publication of Public Announcement	28/02/2022
5	Date of Constitution of CoC	15/03/2022
6	Date of First Meeting of CoC	22/03/2022
7	Date of Appointment of RP	22/03/2022
8	Date of Appointment of Registered Valuers	13/04/2022
9	Date of Issue of Invitation for EoI	11/05/2022
10	Date of Final List of Eligible Prospective Resolution Applicants	20/06/2022
11	Date of Invitation of Resolution Plan	11/05/2022
12	Last Date of Submission of Resolution Plan	10/7/2022 (As mentioned in Form G) 22/07/2022 (1st Extended last date with CoC's approval for submission of First Plan) 11/11/2022 (2nd & Last extended last date with CoC's approval for submission of Final Plan)
13	Date of Approval of Resolution Plan by CoC	16/01/2023
14	Date of Filing of Resolution Plan with Adjudicating Authority	20/01/2023
15	Date of Expiry of 180 days of CIRP	24/08/2022
16	Date of Order extending the period of CIRP	20/09/2022 (1 <sup>st</sup> extension order passed). 13/12/2022 (2 <sup>nd</sup> extension order passed)
17	Date of Expiry of Extended Period of CIRP	22/11/2022 (Expiry of CIRP as per 1 <sup>st</sup> extension order on 20/09/2022) 21/01/2023 (Expiry of CIRP as per 2 <sup>nd</sup> extension passed on 13/12/2022)
18	Fair Value	INR 144.19 crores
19	Liquidation value	INR 105.03 crores
20	Number of Meetings of CoC held	13 CoC meetings

3. I have examined the Resolution Plan received from Resolution Applicant M/s. Ramkrishna Forgings Ltd. and approved by the Committee of Creditors (CoC) of JMT Auto Ltd.

4. I hereby certify that-

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



(ii) the Resolution Applicant M/s. Ramkrishna Forgings Ltd. has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.

(iii) the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 84.612% of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.

(iv) I sought vote of members of the CoC by electronic voting system which was kept open at least for 24 hours as per the regulation 26.

5. The list of financial creditors of the JMT AUTO LIMITED being members of the CoC and distribution of voting share among them is as under:

Sl. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for / Dissented / Abstained)
1	Axis Bank Limited	45.69	Assent
2	IDBI Bank Limited	34.52	Assent
3	State Bank of India	15.39	Dissent
4	Bank of India	4.40	Assent

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

7. The amounts provided for the stakeholders under the Resolution Plan is as under:  
(Amount in INR)

Sl. No.	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount Provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors (SFCs)	(a) Creditors not having a right to vote under sub-section (2) of section 21	-	-	-	-
		(b) Other than (a) above: (i) who did not vote in favour of the resolution Plan	25,90,91,932	25,90,91,932	Minimum amount required as per Section 30(2)(b) of the Code and Regulation 38(1)(b) §§	-
		(ii) who voted in favour of the resolution plan	142,48,77,518	142,45,89,420	111,24,40,394 less of minimum amount payable to SFCs who did not vote in favor of the resolution Plan §§	66%
		Total[(a) + (b)]	168,39,69,450	168,36,81,352	1,11,24,40,394	

2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	-	-	-	-
		(b) Other than (a) above: (i) who did not vote in favour of the resolution Plan (ii) who voted in favour of the resolution plan	-	-	-	-
		Total[(a) + (b)]	-	-	-	-
3	Operational Creditors	(a) Related Party of Corporate Debtor	-	-	-	-
		(b) Other than (a) above:				
		(i) Government	43,21,78,653	18,72,42,052	8,22,90,131	19
		(ii) Workmen	1,02,39,732	1,02,24,742	1,02,39,732	100
		(iii) Employees	9,41,16,803	9,27,71,650	1,41,17,535	15
		(iv) Other	26,10,54,063	23,38,13,932	2,12,74,408	8
		Total[(a) + (b)]	79,75,89,250	52,40,52,376	12,79,21,806	17%
4	Other debts and dues		-	-	96,37,800**	-
Grand Total			2,48,15,58,701	2,20,77,33,728	125,00,00,000	50%

\*\*As mentioned in Plan, based on the diligence conducted by Resolution Applicant, they understand that there may be additional indirect tax liability of INR 8,94,19,000/- and a direct Tax liability of up to INR3,10,53,504/- The plan proposes payment of INR 96,37,800/- towards this additional tax liability which does not form part of Claims SS As mentioned in Plan, the Insolvency Resolution Process (IRP) Cost shall be paid out of the internal accruals of the Corporate Debtor, and in the event such internal accruals are insufficient, any outstanding IRP Costs shall be paid by the Resolution Applicant and the Amount to Secured Financial creditors shall stand accordingly reduced.

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

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

8. The interests of existing shareholders have been altered by the Resolution plan as under:

Sl. No	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
1	Equity	503832140	NIL	100%	NIL
2	Preference	NIL	NIL	NIL	NIL



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

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	-	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?	The details are provided at Page 35 of the Resolution Plan, para 10 of Part II "Section 29A compliance"	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Signed and notarised affidavit u/s 29A is provided separately by the PRA to Resolution Professional.	Yes
Section 30(2)	Whether the Resolution Plan- (a) provides for the payment of insolvency resolution process costs?	The details are provided at Page 32, Para 1 under Part II of the Resolution Plan, "Payment of IRP Costs" The details are provided at Page 2 of the Financial Proposal, Para 3 under Part III "IRP Costs"	Yes
	(b) provides for the payment to the operational creditors?	The details are provided at Page 32, Para 2 of Part II of the Resolution Plan "Payment to Operational Creditors". The details are provided at Page 3 - 13, Para 5 of Part III under Financial Proposal "Workmen Claims and Employee Claims" The details are provided at Page 14 - 25, Para 6 of Part III under Financial Proposal "Operational Creditors". The details are provided at Page 25, Para 7 of Part III under Financial Proposal "Shareholders and other Persons"	Yes
	(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	The details are provided at Page 3, Para 4.1.4 of Part III under Financial Proposal "Payment to Financial Creditors" under the Financial Proposal.	Yes
	(d) provides for the management of the affairs of the corporate debtor?	The details are provided at Page 32-35, Para 7 of Part II of Resolution Plan "Mechanism regarding management and control of the affairs of the Corporate Debtor"	Yes
	(e) provides for the implementation and supervision of the resolution plan?	The details are provided at Page 34-35, Para 7.2 of Part II of Resolution Plan "Manner of supervision and implementation of the Plan" The details are provided at Page 48- 53, Schedule 2 of Part II of the Resolution Plan "Implementation Provisions"	Yes

	(f) contravenes any of the provisions of the law for the time being in force?	The details are provided at Page 35, Para 9 of Part II	Yes
Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC? (b) has been approved by the CoC with 66% voting share?		Yes Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	The details are provided at Page 35, Para 11 of Part II of Resolution Plan "Provisions for Effective Implementation" & Schedule 2 under the Plan	Yes
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	The details are provided at Page 32, Para 2 of Part II of Resolution Plan "Payment to Operational Creditors"	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	The details are provided at Page 35, Para 8 of Part II of Resolution Plan "Statement as to how the Resolution Applicant has dealt with the interests of all stakeholders, including Financial Creditors and Operational Creditors"	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	The details are provided at Page 35, Para 12 of Part II of Resolution Plan "Implementation of any other resolution plan"	Yes
Regulation 38(2)	Whether the Resolution Plan provides: (a) the term of the plan and its implementation schedule?  (b) for the management and control of the business of the corporate debtor during its term?  (c) adequate means for supervising its implementation?	The details are provided at Page 34-35, Para 7.2 of Part II of Resolution Plan "Manner of supervision and implementation of the Plan" The details are provided at Page 48- 53, Schedule 2 of Part II of Resolution Plan "Implementation Provisions"  The details are provided at Page 32-35, Para 7 of Part II of Resolution Plan "Mechanism regarding management and control of the affairs of the Corporate Debtor"  The details are provided at Page 34-35, Para 7.2 of Part II of Resolution Plan "Manner of supervision and implementation of the Plan" The details are provided at Page 48- 53, Schedule 2 of Part II of Resolution Plan "Implementation Provisions"	Yes  Yes  Yes
38(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default?	The details are provided at Page 17-18, Para 7.3.1 of Part II of	Yes

	(b) it is feasible and viable?	Resolution Plan "Causes for financial distress"	Yes
	(c) it has provisions for its effective implementation?	The details are provided at Page 36, Para 13.2 of Part II of Resolution Plan "Other confirmations".	Yes
	(d) it has provisions for approvals required and the timeline for the same?	The details are provided at Page 34-35, Para 7.2 of Part II of Resolution Plan "Manner of supervision and implementation of the Plan". The details are provided at Page 48-53, Schedule 2 of Part II "Implementation Provisions"	Yes
	(e) the resolution applicant has the capability to implement the resolution plan?	The details are provided at Page 36, Para 13.4 of Part II of Resolution Plan "Other confirmations" The details are provided at Page 56, Para 1.2.8 of Schedule 3	Yes
		The details are provided at Page 7-16, Para 1 to 6 of Part I of Resolution Plan, "Overview of RKFL"	
		The details are provided at Page 16-24, Para 7 of Part I of Resolution Plan, "Detailed business plan for the Corporate Debtor"	
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	The Avoidance Application was filed by the RP on 26 <sup>th</sup> November 2022	Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.]	The Performance Bank Guarantee is provided by the Successful RA	Yes

10. The CIRP has been conducted as per the timeline indicated as under:

Section of the Code / Regulation No.	Description of Activity	Latest Timeline under regulation 40A	Actual Date
Section 16(1)	Commencement of CIRP and Appointment of IRP	T	25/02/2022
Regulation 6(1)	Publication of Public Announcement	T+3	28/02/2022
Section 15(1)(c) / Regulation 12 (1)	Submission of Claims	T+14	11/03/2022
Regulation 13(1)	Verification of Claims	T+21	18/03/2022
Section 26(6A) / Regulation 15A	Application for Appointment of Authorized Representative, if necessary	T+23	NA
Regulation 17(1)	Filing of Report Certifying Constitution of CoC	T+23	15/03/2022
Section 22(1) and regulation 17(2)	First Meeting of the CoC	T+30	22/03/2022
Regulation 35A	Determination of fraudulent and other transactions	T+115	15/11/2022
Regulation 27	Appointment of two Registered Valuers	T+47	13/04/2022
Regulation 36 (1)	Submission of Information Memorandum to CoC	T+54	20/04/2022
Regulation 36A	Invitation of EoI	T+75	11/05/2022
	Publication of Form G	T+75	11/05/2022
	Provisional List of Resolution Applicants	T+100	05/06/2022



	Final List of Resolution Applicants	T+115	20/06/2022
Regulation 36B	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants	T+105	10/06/2022
Section 30(6) / Regulation 39(4)	Submission of CoC approved Resolution Plan	T+165	20/01/2023
Section 31(1)	Approval of Resolution Plan	T=180	

11. The time frame proposed for obtaining relevant approvals is as under:

Sl. No.	Nature of Approval	Name of applicable Law	Name of Authority who will grant Approval	When to be obtained
1	Approval upon the CoC approved Resolution Plan	IBC, 2016	Hon'ble NCLT, New Delhi Bench	Approval to be obtained immediately after CoC approves the Resolution Plan

12. The Resolution Plan is subject to the following contingency – Nil

13. Following are the deviations / non-compliances of the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made or circulars issued thereunder (If any deviation/ non-compliances were observed, please state the details and reasons for the same):

Sl. No.	Deviation/Non-compliance observed	Section of the Code / Regulation No. / Circular No.	Reasons	Whether rectified or not
1	Filing of Form CIRP 8	CIRP Regulation 35A	The RP had appointed M/s. Amit Ray and Co. as the Transaction Auditor. However, due to non-co-operation from the Erstwhile management of the CD, the finalization of transaction audit got delayed. And the transaction Audit report was received on 15.11.2022.	Yes. Form CIRP 8 was filed on 02.12.2022.

14. The Resolution Plan is being filed 1 day before the expiry of the period of CIRP provided in section 12 of the Code.

14A. Whether the resolution professional has, in accordance with regulation 35A,-

(a) applied to the Adjudicating Authority on or before the one hundred and thirty-fifth day of the insolvency commencement date:

Yes / No. The RP had appointed M/s. Amit Ray and Co. as the Transaction Auditor. However, due to non-co-operation from the Erstwhile management of the CD, the finalization of transaction audit got delayed. And the transaction Audit report was received on 15.11.2022. As soon as the report was received, the undersigned filed an application on 26.11.2022.

(b) filed Form CIRP 8 with the Board on or before the one hundred and fortieth day of the insolvency commencement date:

Yes / No. However, the said Form was filled by the undersigned on 02.12.2022 subsequent to the filing of Avoidance application before Hon'ble NCLT.

15. Provide details of section 66 or avoidance application filed / pending.

Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
1	Preferential transactions under section 43	NA	NA	NA
2	Undervalued transactions under section 45	NA	NA	NA

3	Extortionate credit transactions under section 50	NA	NA	NA
4	Fraudulent transactions under section 66	26/11/2022	The Order of AA is awaited	The Order of AA is awaited

15A. The committee has approved a plan providing for contribution under regulation 39B as under:

- Estimated liquidation cost: Not approved
- Estimated liquid assets available: Not approved
- Contributions required to be made: Not approved
- Financial creditor wise contribution is as under: Not approved

15B. The committee has recommended under regulation 39C as under:

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

The committee has not recommended to the Resolution Professional for sale under clauses of Regulation 39C.

15C. The committee has fixed, in consultation with the resolution professional, the fee payable to the liquidator during the liquidation period under regulation 39D – Not approved

16. I, Pardeep Kumar Sethi hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom.




Pardeep Kumar Sethi  
IP Registration No: IBBI/PA-001/IP-P00711/2017-2018/11265  
RBSA Restructuring Advisors LLP 1121, Building No.11,  
Solitaire Corporate Park, Andheri Kurla Road, Andheri East,  
Mumbai Maharashtra - 400 093  
[peekay.sethi@gmail.com](mailto:peekay.sethi@gmail.com)

Date: 20<sup>th</sup> January, 2023

Place: Mumbai



10. As per the abovementioned Form 'H' filed by the Applicant on record, the Fair Market Value of the Corporate Debtor is Rs.144.19 Crores and the Liquidation Value of the Corporate Debtor is Rs.105.03 Crores. The total amount provided under the CoC-approved Resolution Plan is Rs. 125 Crore which is over 50% of the total amount claimed by various stakeholders and is 119% of the Liquidation Value of the Corporate Debtor.



11. The Applicant/RP has placed on record the Affidavit of the Whole Time Director of the SRA stating that they are not barred under Section 29A to submit the Resolution Plan. The said affidavit reads thus:



**ANNEXURE F - AFFIDAVIT REGARDING SECTION 29A OF IBC**

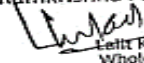
I, Lalit Kumar Khetan, Whole-time Director & CFO (DIN: 00533671) of Ramkrishna Forgings Limited having CIN - L74210WB1981PLC034281 and registered office at 23, Circus Avenue, Kolkata - 700017, son of Shri Purushottam Lal Khetan, aged about 52 years (DOB- 16/03/1970) residing at Silver Spring, 5JBS Halden Avenue, Block - 2, 15<sup>th</sup> Floor, Kolkata - 700105, having PAN - AFTPK1905N and AADHAAR - 4022 5280 4973, under authorization given to me vide resolution of the Board of Directors of Ramkrishna Forgings limited dated 3<sup>rd</sup> May, 2022 ("Applicant" or "Potential Resolution Applicant"), do hereby solemnly affirm and state as follows:

1. I, say that pursuant to the provisions of Section 25(2)(h) of the Insolvency and Bankruptcy Code, 2016, as amended from time to time ("IBC"), Mr. Pardeep Kumar Sethi, the resolution professional for JMT Auto Limited (the "Resolution Professional") had invited expression of interest from interested parties/ resolution applicants vide the advertisement dated 11th May, 2022 for the purposes of seeking resolution plans for the Corporate Debtor during the corporate insolvency resolution process ("CIRP") of JMT Auto Limited ("Invitation for EOI"). Pursuant to the above, we propose to submit our expression of interest within the timelines prescribed under the Invitation for EOI.

2. I, hereby unconditionally state, submit and confirm that we are not disqualified from submitting an expression of interest in respect of the Corporate Debtor pursuant to the provisions Section 29A of the IBC and/or otherwise.
3. I, say that in terms of Section 29A of IBC, certain persons/category of persons have been specified as ineligible for the purposes of submission of resolution plan.
4. I, hereby state, submit and declare that none of (a) us being the Potential Resolution Applicant; (b) any other person acting jointly or in concert with us:
- a) is an un-discharged insolvent;
  - b) is a willful defaulter in accordance with the guidelines of the Reserve Bank of India ("RBI") issued under the Banking Regulation Act, 1949 (the "BR Act");
  - c) at the time of submission of the resolution plan, has an account or an account of a corporate debtor which is under management or control of such person(s) or of whom such person(s) is a promoter, classified as non-performing asset in accordance with the guidelines of the RBI issued under the BR Act or the guidelines of a financial sector regulator issued under any other law for the time being in force and atleast a period of 1 (one) year has lapsed from the date of such classification till the date of commencement of CIRP of the corporate debtor;
  - d) has been convicted for any offence punishable with Imprisonment:
    - (i) for 2 (two) years or more under any Act specified under the Twelfth Schedule of the IBC; or
    - (ii) for 7 (seven) years or more under any law for the time being in force.
  - e) is disqualified to act as a director under the Companies Act, 2013;
  - f) is prohibited by the Securities and Exchange Board of India ("SEBI") from trading in securities or accessing the securities markets;
  - g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under the IBC;
  - h) has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under the IBC and such guarantee has been invoked by the creditor and remains unpaid in full or part;
  - i) is subject to any disability, corresponding to abovementioned clauses (a) to (h) above, under any law in a jurisdiction outside India;
  - j) has a connected person<sup>5</sup> not eligible under the abovementioned clauses (a) to (i). A list of all the connected persons is set out in **Annexure 1** hereto.
5. I, submit to the Resolution Professional, that the list of the connected persons set out in **Annexure 1** hereto is exhaustive in all respects and the names of all the connected persons have been set out thereunder without any omission whatsoever.
6. I, submit that, till the approval of the resolution plan by National Company Law Tribunal, as and when any of the statements made hereunder are invalid, incorrect or misrepresented by us/ any other person acting in jointly or in concert with us, I, agree that such an event shall be considered to be a breach of the terms of the Invitation for EOI and hold the Applicant ineligible from participating in the process of CIRP of JMT Auto Limited.
7. I, submit that, the contents of the Affidavit, as provided above are correct, true, valid and genuine.
8. I, submit that, no information/details, have been concealed while signing the Affidavit and there are no further facts to be disclosed to determine eligibility of Ramkrishna Forgings Limited in terms of Section 29A of the IBC.

Solemnly, affirmed at Kolkata on 19<sup>th</sup> May, 2022.

For Ramkrishna Forgings Ltd.

  
Lalit Kumar Khetan  
Wholetime Director  
and CFO

Before me,

Notary

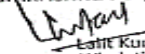
Deponent's Signature

#### VERIFICATION

I, the Deponent hereinabove on behalf of Ramkrishna Forgings Limited, do hereby verify and affirm that the contents of paragraph 1 to 8 of this affidavit are true and correct to my knowledge and belief and no material facts have been concealed therefrom.

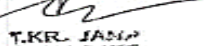
Verified at Kolkata on 19<sup>th</sup> May, 2022.

For Ramkrishna Forgings Ltd.

  
Lalit Kumar Khetan  
Wholetime Director  
and CFO

Deponent's Signature

IDENTIFIED BY ME

  
T.K.R. JANA  
ADVOCATE

  
NIRMALYA DASGUPTA  
Advocate Cum Notary  
REGN NO.-006/2022  
C.M.M. Court Calcutta

SOLEMNLY AFFIRMED


&  
Declared Before me  
Identification Adv.

  
NOTARY  
N. DAS GUPTA  
C.M.M. Court  
Govt. W.B.

19 MAY 2022

12. The Applicant/RP has also filed on record, the proof of the Performance Bank Guarantee (PBG) issued by Axis Bank in favour of the SRA. The said PBG is valid till 18.01.2024 and reads thus:

Page 1 of 1  
Sr. No. 1501738

 **AXIS BANK LIMITED**

AXIS BANK LIMITED  
CBB KOLKATA  
CBB KOLKATA  
3RD FLOOR  
AC MARKET BUILDING  
KOLKATA-700071

Ref. No : CBB/BG/KOL/2022-23  
Date: 19-01-2023

To,

IDBI BANK LIMITED  
IDBI HOUSE, UNIT IX, JANPATH,  
BHUBANESWAR - 751022  
ODISHA

Dear Sirs,

BG No. : 11640100016973  
Date of Issue : 19-01-2023  
Amount of BG : Rs. 12,50,00,000.00 ( RUPEES TWELVE CRORES FIFTY LAKHS ONLY )  
Expiry Date : 18-01-2024  
Claim Expiry Date : 18-01-2025  
Name and Address of the Applicant : MS. RAMKRISHNA FORGINGS LTD  
: 23 CIRCUS AVENUE  
:

We forward herewith the above Inland Bank Guarantee in original issued by us in your favour.

1. The above Guarantee is issued subject to the condition that the Bank's liability is restricted to the amount mentioned above and in the said Guarantee. Our Guarantee shall remain in force till the expiry date. Unless a demand or claim under the guarantee is made on the Bank in writing and delivered to the bank on or before the Expiry date/Claim Expiry Date, the Bank shall be discharged from all liability under the said guarantee thereafter.

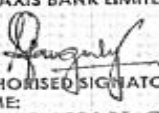
Please Note:

2. The beneficiary in their own interest should verify the genuineness of this guarantee from following office of the Bank in writing.


AXIS BANK LIMITED  
BG Confirmation Desk, Transaction Banking Operations  
5th floor, Gigaplex, Building No 1, Plot No I.T.5,  
MIDC, Airoli Knowledge Park, Airoli,  
Navi Mumbai 400708 (Tel/Fax: 022-71315803)

3. BG confirmation can also be sought by sending email to [ibg.confirmation@axisbank.com](mailto:ibg.confirmation@axisbank.com).

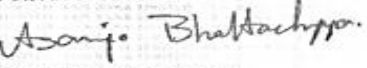
FOR AXIS BANK LIMITED



AUTHORISED SIGNATORY  
NAME: SAYAN GANGULY  
SS No. SS. NO.-28169  
Encl: Bank Guarantee Number 11640100016973  
Manager  
CBB, Kolkata Branch



FOR AXIS BANK LIMITED



AUTHORISED SIGNATORY  
NAME: ASANANJA BHATTACHARYYA  
SS No. SS. NO.-17861  
Manager  
CBB, Kolkata Branch

Registered Office: "TRISHUL", Opp. Samartheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006  
<https://eforexprtdide.axisb.com/lcprint/bgcoveringResult.asp> 19-01-2023

NOTARY  
HEMANT JANGAM  
MUMBAI  
MAHARASHTRA  
Regd. No. 4762  
Expiry Date  
20-10-2027  
GOVERNMENT OF INDIA

PANDIT KUMAR SETHI  
IP Reg. No.  
IBS/UPA-0031  
IP 007181  
20-10-2027  
1265  
INDEPENDENT PROFESSIONAL



13. It is contended by the Applicant/RP and seen on perusal of the Resolution Plan that the SRA is a financially sound company having a net worth of Rs. 1094 Crore in 2021-22. The financial strength and resources as set out in the Resolution Plan read thus:

6.1. *Financial strength and resources*

*Rs. In lakhs*

OPERATING YEAR	2019-20	2020-21	2021-22
Share Capital	3,260.77	3,193.27	3,197.79
Warrants Allotment Money			
Reserves and Surplus	84,381.95	85,803.50	1,06,210.24
Net Worth	87,642.72	88,996.77	1,09,408.03
Net Assets	1,37,457.05	1,49,464.05	1,56,015.80
Secured Term Loans	58,688.53	75,618.35	99,185.37

OPERATING YEAR	2019-20	2020-21	2021-22
Secured Working Capital	35,338.91	37,411.71	47,267.93
Unsecured Loans	1,086.08	7,490.32	11,286.33
Net sales	1,11,182.02	1,28,837.52	2,28,536.55
EBDIT	20,973.16	23,453.97	52,857.84
EBDIT Margin %	18.86%	18.20%	23%
Profit after Tax	961.44	2,795.53	20,650.18
Net Profit Margin %	0.86%	2.17%	9.04%

14. As regards the implementation schedule/provisions of the Resolution Plan, the following is provided in the Resolution Plan:

#### SCHEDULE 2 | IMPLEMENTATION PROVISIONS

##### 1. Step 1: Delisting

As an integral part of this Plan, on and with effect from the date of NCLT Order and for all purposes, the Equity Shares of the Corporate Debtor shall be delisted from all Stock Exchanges on which they are listed, as per the following procedure:

- (i) The Corporate Debtor shall intimate the BSE and NSE of the details of the delisting within one day of the approval of the Resolution Plan, as specified under Regulation 3(2) of the SEBI (Delisting of Equity Shares) Regulations, 2021, as amended from time to time ("Delisting Regulations");
- (ii) No exit is being offered to the Existing Securityholders, including the members of the Promoter Group;
- (iii) If required by the NCLT / Stock Exchanges, the Corporate Debtor will issue a public notice for the de-listing;
- (iv) The Corporate Debtor shall make all necessary filings and undertake all necessary corporate actions as may be required, and BSE and National Stock Exchange shall take all necessary actions, to delist the Equity Shares of the Corporate Debtor in accordance with this Resolution Plan read with Regulation 3(2) of the Delisting Regulations, and shall pass necessary orders/ directions to this effect; and

Accordingly, in accordance with Regulation 3(2) of the Delisting Regulations, within a period of 30 days from the NCLT Order, the Equity Shares of the Corporate Debtor shall stand delisted from all Stock Exchanges.

##### 2. Step 2: Capitalisation of RA Subsidiary

- 2.1. The RA Subsidiary shall be funded adequately by the Resolution Applicant, as may be determined by the RA Subsidiary, by subscribing to equity shares, debt, convertible debt and / or preference shares, in order to undertake the transactions contemplated in this Plan. In addition, the Resolution Applicant may arrange for a third party to provide loans or other financial indebtedness to the RA Subsidiary in order to undertake transactions contemplated in the Plan.
- 2.2. In order to implement the actions contemplated in Paragraph 2.1 above, the Resolution Applicant may avail financial indebtedness (including by way of external commercial borrowings).

##### 3. Step 3: Increase in authorised share capital and borrowing limits of the Corporate Debtor, and infusion into Corporate Debtor

- 3.1. The authorised share capital of the Corporate Debtor shall stand increased to such an amount as may be required by the Resolution Applicant, to accommodate the issuance of New Equity Shares to RA Subsidiary in the manner set out in Paragraph 3.4 below, and the capital clause of the memorandum of association (and if required, the articles of association) of the Corporate Debtor shall stand accordingly amended.



- 3.2. The borrowing limits of the Corporate Debtor and the limits of the Corporate Debtor for Encumbering its assets shall stand increased to such an amount as may be required by the Resolution Applicant, to implement the transactions contemplated in this Plan.
- 3.3. The approval of this Plan by the NCLT shall be deemed compliance with all procedural requirements in terms of Section 61, Section 64, Section 179, Section 180(1)(a), Section 180(1)(c), Section 186(3), Section 185, Companies (Share Capital and Debenture) Rules, 2014, other applicable provisions of the 2013 Act and other Applicable Laws, for such increase.
- 3.4. RA Subsidiary (and its nominees) shall subscribe to new Equity Shares of the Corporate Debtor for such aggregate consideration as may be decided by the Resolution Applicant ("New Equity Shares") by way of primary infusion on preferential basis.
- 3.5. The auditors of the Corporate Debtor shall provide the RA Subsidiary with the audited balance sheet of the Corporate Debtor as of the date of such subscription, prepared in compliance with applicable accounting standards. The subscription price for each New Equity Shares subscribed to by RA Subsidiary shall be the higher of: (i) face value of such New Equity Shares, and (ii) fair market value of such New Equity Shares determined in accordance with Section 56 of the IT Act.
- 3.6. The approval of the NCLT in accordance with Section 31 of the Code and the approval of the Committee of Creditors in accordance with Section 30(4) of the Code shall constitute adequate approval for issuance and subscription of the New Equity Shares in accordance with Section 42, Section 62(1)(c) and other applicable provisions of the 2013 Act, and other Applicable Law. Accordingly, no approval or consent shall be necessary from any other Person / Governmental Authority in relation to either of these actions under any agreement, the constitutional documents of the Corporate Debtor or under any Applicable Law. Further, capital reduction, allotment of equity shares and FC Debentures in the manner envisaged under this Resolution Plan shall not require the consents of any of the creditors of the Corporate Debtor or approval of any of the shareholders of the Corporate Debtor, or any other person having security interest over such shares and the approval of the NCLT (pursuant to Section 31 of the Code) to the Resolution Plan shall constitute approval of the reduction of share capital, allotment of equity shares and FC Debentures and shall be binding on the Corporate Debtor and its stakeholders (including its creditors and shareholders).
- 3.7. The RA Subsidiary may, at its discretion, also infuse or arrange for a third party to infuse such amount into the Corporate Debtor by way of financial indebtedness, as may be determined by the Resolution Applicant, to implement the transactions contemplated in the Plan ("New Debt").
- 3.8. The approval of the Plan shall be deemed compliance with all requirements under Applicable Law in relation to infusing such New Debt and no approval or consent will be required from any Person or Governmental Authority in relation to this action including without limitation, under Section 186, Section 180(1)(c), Section 179 or any other provisions of the 2013 Act or Applicable Law.
4. **Step 4: Selective reduction of share capital of the Corporate Debtor**
  - 4.1. Upon issuance of the New Equity Shares as contemplated in Paragraph 3.4 above, the issued, subscribed and paid-up share capital of the Corporate Debtor relating to the Existing Securityholders shall stand extinguished in full since such share capital is unrepresented by

the available assets of the Corporate Debtor. The requirement of adding "and reduced" in the name of the Corporate Debtor shall be dispensed with.

- 4.2. The approval of this Plan by the NCLT shall be deemed compliance with all requirements in terms of Section 66, NCLT (Procedure for Reduction of Share Capital) Rules, 2016, other applicable provisions of the 2013 Act and Applicable Law. Pursuant to reduction of share capital as set out in this Paragraph 4, the face value of the share capital reduced shall be reflected as 'capital reserve' in the financial statements of the Corporate Debtor, and such capital reserve shall be available to accommodate future impairment or write off of assets of the Corporate Debtor.
- 4.3. The cancellation of the issued, subscribed and paid-up share capital of the Existing Securityholders is being effected as an integral part of and in accordance with the Plan and shall be deemed to have been carried out without any further deed or action required by the Corporate Debtor or any other Person.
- 4.4. Consequent to the above, RA Subsidiary and its nominees shall be the only shareholders of the Corporate Debtor and the Corporate Debtor shall be a wholly owned subsidiary of the RA Subsidiary.
- 4.5. Any changes made in the constitutional documents of the Corporate Debtor (i.e., the memorandum of association or articles of association of the Corporate Debtor) for the implementation of the provisions of the Plan will bind the Corporate Debtor and all its stakeholders, and no approval or consent shall be required from any other Person / Governmental Authority in relation to this action.

**5. Step 5: Acquisition of Acquired Debt**

The RA Subsidiary shall purchase and acquire all Acquired Debt and Related Rights from the relevant Financial Creditors in consideration of (a) payment of their respective portion of the Debt Acquisition Amount, (payable on the Payment Date) and (b) issuance of the FC Debentures, subject to Adjustments as applicable .

The relevant Financial Creditors shall, by the Payment Date, execute an assignment agreement in form and substance acceptable to both the Resolution Applicant and such relevant Financial Creditors, for the irrevocable and unconditional assignment and transfer of the Acquired Debt and Related Rights in favour of the RA Subsidiary ("Assignment Agreement"). It is clarified that if the Assignment Agreement is not executed by the Payment Date, then the RA Subsidiary and the relevant Financial Creditors shall be deemed to have executed the Assignment Agreement with no surviving obligations of the Resolution Applicant or the RA Subsidiary by virtue of approval of the Plan by the Committee of Creditors under Section 30(4) of the Code and by the NCLT under Section 31 of the Code.

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**6. Step 6: Payments**

- 6.1. On the Payment Date, the proceeds of subscription of the New Equity Shares and New Debt shall be utilised by the Corporate Debtor for making the payment of the following (i) payment of Workmen Dues; (ii) Employee Settlement Amount; (iii) EPF and ESI Dues; (iv) Additional Tax Liability and (v) OC Settlement Amount.
- 6.2. On the Payment Date, the RA Subsidiary shall pay the respective portions of the Debt Acquisition Amount to the respective Financial Creditors and issue FC Debentures , subject to

Adjustments as applicable, in the proportion discussed and agreed between the Committee of Creditors and Resolution Applicant, and as filed with the NCLT.

**7. Step 7: Merger of RA Subsidiary into Corporate Debtor**

**7.1.** Upon implementation of the steps set out in the Paragraphs above and as an integral part of the Plan, RA Subsidiary (being the transferor company) shall merge with the Corporate Debtor (being the transferee company) ("Merger"). This Merger is in accordance with Regulation 37(c) of the CIRP Regulations and without any further act, deed or document, the Merger would enable the Corporate Debtor to: (i) continue as a going concern and retain its existing Business Permits; and (ii) leverage the financial and technical expertise of the RA Subsidiary and its shareholders. Whilst the detailed provisions with regard to the Merger are provided in Schedule 3 (*Merger*), the basic contours of the Merger are:

**7.1.1.** Merger shall be made effective as of the Closing Date or such other date falling after the Closing Date as may be decided by the board of directors of the RA Subsidiary ("Appointed Date");

**7.1.2.** All assets, liabilities, rights and obligations of RA Subsidiary will be transferred to and vested in the Corporate Debtor and will become the assets, liabilities, rights and obligations of the Corporate Debtor;

**7.1.3.** The authorised share capital of RA Subsidiary will be merged with the authorised share capital of the Corporate Debtor. Accordingly, the authorised share capital of the Corporate Debtor will stand increased and reclassified and the memorandum of association (and if required, the articles of association) of the Corporate Debtor shall stand accordingly amended.

The Corporate Debtor will be entitled to take the benefit of any stamp duty and registration fees already paid by RA Subsidiary (if the reliefs and concessions on stamp duty as set out in this Plan shall not have been granted) for increasing its authorised share, on its authorised share capital

**7.1.4.** RA Subsidiary will stand dissolved without winding up;

**7.1.5.** The New Equity Shares issued by the Corporate Debtor to the Resolution Applicant will rank *pari passu* with each other;

**7.1.6.** If and to the extent there are loans, deposits or balances or other outstanding amounts *inter-se* between the RA Subsidiary and the Corporate Debtor, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Corporate Debtor. For removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any such loans, deposits or balances *inter-se* between the RA Subsidiary and the Corporate Debtor, with effect from the Appointed Date; and

**7.1.7.** Notwithstanding anything to the contrary mentioned in this Plan and Schedule 3 (*Merger*) (including any accounting treatment followed with respect to the proposed Merger), the accumulated book loss and unabsorbed depreciation of the Corporate Debtor as per the audited financial statements as on 31 March 2021, being actual incurred loss and depreciation, shall continue to be available to the Corporate Debtor for set off against book profits as contemplated in Section 115JB(iih) of the IT Act.



- 7.2. All inter-company balances, instruments and financial debt including Acquired Debt between RA Subsidiary and the Corporate Debtor shall stand cancelled in the books of accounts of the Corporate Debtor as of the Closing Date.
8. The following provisions shall apply to the Merger and other transactions contemplated under the Plan and shall be binding on the stakeholders of the Corporate Debtor upon approval of the Plan by the NCLT:
  - 8.1. In terms of the circular (ref IBC/01/2017) dated 25 October 2017 issued by the MCA and the explanation to Section 30(2)(e) of the Code, approval of the shareholders of the Corporate Debtor to each of the transactions contemplated under the Plan and each action required for the implementation of each such transaction (including, the amendment of the constitutional documents of the Corporate Debtor, if any) shall be deemed to have been given on the approval of the Plan by the NCLT;
  - 8.2. The approval of the NCLT in accordance with Section 31 of the Code and the approval of the Committee of Creditors in accordance with Section 30(4) of the Code shall constitute adequate approval for all purposes of the Plan and accordingly, no approval or consent shall be necessary from any other Person in relation to any of these actions under any agreement, the constitutional documents of the Corporate Debtor or under any Applicable Law. Without prejudice to the foregoing, approval of each creditor and each class of creditors of the Corporate Debtor shall be deemed to have been granted to each of the transactions contemplated under the Plan (including the Merger and any related scheme of arrangement, including any amendments thereto) on the approval of the Plan by the NCLT; and
  - 8.3. The consent of the Resolution Applicant, as the holding company and beneficial owner of RA Subsidiary, is hereby accorded for all purposes of this Plan (including the Merger).
9. All powers of attorney issued by the Corporate Debtor or the Board to any Person enabling such Person to execute certain documents and / or represent the Corporate Debtor, save and except for powers of attorney issued to any Person authorised by the Monitoring Committee, shall stand revoked.

15. Further, the following is stated by the SRA in the Resolution Plan with regard to the “Payment date” when the payment will be made to the stakeholders of the Corporate Debtor:

“Payment Date” means the 90<sup>th</sup> (ninety) day following the Effective Date and such date may be extended upon mutual agreement of the Committee of Creditors and the Resolution Applicant;

**XXXX**

**XXXX**

**XXXX**

**XXXX**

**XXXX**

"Effective Date" means the date of the NCLT Order, provided that there is no stay by any court or tribunal on the implementation of the Resolution Plan;

	XXXX	XXXX	XXXX	XXXX	XXXX
6.	Step 6: Payments				
6.1.	On the Payment Date, the proceeds of subscription of the New Equity Shares and New Debt shall be utilised by the Corporate Debtor for making the payment of the following (i) payment of Workmen Dues; (ii) Employee Settlement Amount; (iii) EPF and ESI Dues; (iv) Additional Tax Liability and (v) OC Settlement Amount.				
6.2.	On the Payment Date, the RA Subsidiary shall pay the respective portions of the Debt Acquisition Amount to the respective Financial Creditors and issue FC Debentures , subject to Adjustments as applicable , in the proportion discussed and agreed between the Committee of Creditors and Resolution Applicant, and as filed with the NCLT.				

16. We heard the Applicant/RP and went through the pleadings on record. It is seen from the record that there is no application moved by any person objecting to the Resolution plan. Further, During the course of the hearing, the Resolution Plan was not objected to by any of the stakeholders. Hence, we find no impediment in proceeding ahead with the matter.

17. The role of the Adjudicating Authority has been examined by the Hon'ble Supreme Court in a catena of judgments. The relevant extract of the Judgement of the Hon'ble Supreme Court in Civil Appeal No. 10673 of 2018 in the matter of **"K. Sashidhar Vs. Indian Overseas Bank & Ors."** is reproduced below:

*"35. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2),*



*the enquiry to be done is in respect of whether the resolution plan provides : (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.”*

*“38. Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the*

*grounds specified in Section 61(3) of the I&B Code, which is limited to matters “other than” enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I & B Code and not to act as a court of equity or exercise plenary powers.”*

18. In view of the Judgement (ibid), it is a well-settled principle of law that the Adjudicating Authority is not required to interfere with the decision taken by the CoC in its commercial wisdom, save and except the circumstances referred to in Section 30(2) of the IBC, 2016. In terms of the Compliance Certificate filed in Form-H by the Applicant/RP, the Resolution Plan does not contravene any of the provisions of the law for the time being in force.

19. In the sequel to the above, we are inclined to approve the Resolution Plan as approved/recommended by the CoC and as placed by the Applicant before this Adjudicating Authority. **We, therefore, allow the present Application and approve the COC-approved Resolution Plan as placed before us by the Applicant/RP with the following directions:**

- (i) The approved Resolution Plan shall become effective from the date of passing of this Order and shall be implemented strictly as per the term of the plan and implementation schedule given in the Plan;
- (ii) The Performance Guarantee with the Axis Bank valid till 18.01.2024, shall be renewed in the name of and kept by “Monitoring Committee of the Corporate Debtor” till the Resolution Plan is fully implemented.

(iii) The Monitoring Committee as provided in the Resolution Plan shall be set up by the Applicant within 07 days of passing of this Order, which shall take all necessary steps for implementation of the Resolution Plan as per approval.

(iv) The order of the moratorium in respect to the corporate debtor passed by this Adjudicating Authority under Section 14 of the IBC, 2016 shall cease to have effect from the date of passing of this Order; and

(v) The Resolution Professional shall forward all the records relating to the conduct of the CIRP and the Resolution Plan to the IBBI for its record and database.

20. The Court Officer and Resolution Professional shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for immediate necessary compliance. A copy of this order shall also be sent by the Court Officer and Applicant to the IBBI for their record.

Sd/-  
**(L. N. GUPTA)**  
**MEMBER (T)**

Sd/-  
**(ASHOK KUMAR BHARDWAJ)**  
**MEMBER (J)**