

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-V**

I.A. No. 3246 of 2022

IN

C.P. No. 1398 of 2020

In the matter of an Application under
Section 30(6) and Section 31 of the
Insolvency and Bankruptcy Code, 2016.

Mr. Srigini Rajat Naidu

**(Resolution Professional of M/s Fabtech
Sugar Limited)**

...Applicant/Resolution Professional

In the matter of

M/s Autade Sugars Private Limited

... Financial Creditor

V/s.

M/s Fabtech Sugar Limited

Order Dated:09.02.2024

Coram:

Hon'ble Reeta Kohli, Member (Judicial)

Hon'ble Madhu Sinha, Member (Technical)

Appearance: Physical

For the Applicant: Adv. Prajakta Menezes a/w Adv. Rakesh Gupta
(Bank of India)

For RP: Sr. Adv. Guarav Joshi a/w Prakhar Tandon i/b Agam Maloo
(VC)

ORDER

Per: Madhu Sinha, Member (Technical)

1. The above captioned Application was filed under Section 30(6) and Section 31, of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “Code”) by the Resolution Professional (hereinafter referred as (“Applicant”), seeking approval of the Resolution Plan, submitted by the Resolution Applicant – M/s Autade Sugars Private Limited, which was approved with voting shares of 76.63% by the members of the Committee of Creditors (hereinafter referred to as ‘COC’).

The facts leading to the Application are as under:

2. The Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated, vide an order dated 13.05.2021, under Section 7 of the Insolvency and Bankruptcy Code 2016 (hereinafter referred to as ‘the Code’) (Admission Order) and Mr. Ritesh R. Mahajan, was appointed as Interim Resolution Professional. The IRP, constituted the Committee of Creditors. The Applicant published a Public Announcement in Form A in accordance with Section 15 of the Code, on 20.05.2021, in the Indian Express (English Language), Loksatta (Marathi Language), Pune editions, Punya Nagri and Lokmat (Marathi Language), Solapur edition inviting claims from the creditors of the Corporate Debtor.
3. The IRP conducted the 1st Meeting of COC on 11th June 2021 and the same has been adjourned on 17th June 2021. An Interlocutory

Application No. 1489 of 2021 was filed for the replacement of IRP. Thereafter, Mr. Srigini Rajat Naidu was appointed as the RP of the Corporate Debtor vide order dated 2nd December 2021 of this Tribunal.

4. Based on the claims received and verified the Committee of Creditors was constituted as under:

Sr No.	Financial Creditors	Amount Claimed (Rs.)	Amount Admitted (Rs.)	Voting Rights (%)
1.	IDBI Bank	52,31,68,165/-	24,29,79,059/-	14.32%
2.	Indian Overseas Bank	38,82,86,296/-	19,93,48,946/-	11.75%
3.	State Bank of India	50,26,97,801/-	27,33,34,166/-	16.11%
4.	Autade Sugars Private Limited	40,13,52,832/-	27,34,22,589	16.12%
5.	Bank of Baroda	46,54,06,265/-	24,06,12,045/-	14.18%
6.	Bank of India (Term Loan)	36,95,12,000/-		
7.	Bank of India (H&T Loan) and (Bank Guarantee)	46,80,50,053/-	46,66,70,476/-	27.51%
	<u>TOTAL</u>	311,84,73,411/-	169,63,67,281/ -	100%

5. The COC in its 3rd meeting held on 6th July 2021 approved the invitation of EOI in Form-G. The IRP published the Invitation of EOI on 16th July 2021 in the leading newspapers, Financial express (English Language) (PAN India) and in Pudhari (Marathi language) (All over Maharashtra) with last date of receipt of EOI been 31st July 2021.

6. In the 4th meeting held on 23rd July 2021, the evaluation Matrix was approved by the CoC members. Accordingly, two registered valuers for each class i.e. Securities and Financial Assets, Plant and Machinery and Land and Building were appointed. The Registered Valuers submitted their valuation reports to the IRP:

Particulars of Assets	Valuation 1		Valuation 2		Average Valuation	
	Fair Value	Liquidation Value	Fair Value	Liquidation Value	Fair Value	Liquidation Value
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND AND BUILDINGS	558,000,000	446,400,000	603,500,000	482,800,000	580,750,000	464,600,000
SECURITIES OR FINANCIAL ASSETS	24,224,000	18,674,000	25,093,000	20,243,000	24,658,500	19,458,000
PLANT AND MACHINERY	1,315,000,000	854,750,000	1,250,382,500	875,000,000	1,282,691,250	864,875,000
	1,897,224,000	1,319,824,000	1,878,975,500	1,378,043,000	1,888,099,750	1,348,933,500
AVERAGE FAIR AND LIQUIDATION VALUE					1,888,099,750	1,348,933,500

7. Pursuant to the FORM G, six responses were received. The IRP in the 4th meeting of CoC circulated the Final List of Prospective Resolution Applicant to all the members of COC. The IRP received the Resolution Plan from 2 out of 3 PRAs.

8. Thereafter, both the Resolution plans were kept open for discussion with the PRAs and the CoC members during the 5th CoC meeting held on 15th September 2021. The PRAs were requested to revise and amend the resolution plan. The Amended Resolution plan was kept open for discussion in the 6th CoC meeting held on 4th October 2021. The said Resolution Plans did not receive requisite votes and failed in the 9th CoC meeting dated 10th December 2021. Pursuant to the above the

CoC members in their commercial wisdom decided that the CIRP should be re-run in the 10th CoC meeting dated 20th December 2021. Four applications were received in response to the fresh Invitation EOI published on 27th December, 2021.

9. Subsequently two Resolution Plans were received which were discussed in the 15th CoC meeting dated 8th April 2022. The said Resolution plan of Shri S.M. Autade Pvt. Ltd was accepted after some financial improvements. Meanwhile the RP took an extension by filing an Interlocutory Application having IA no. 590 of 2022 before this Hon'ble NCLT Mumbai Bench, seeking extension of 60 days beyond the period of 270 days.
10. The COC, in its 20th meeting held on 27th July 2022, approved Resolution Plan submitted by Shri S.M. Autade Pvt. Ltd. a voting share of 76.63%. Thereafter, the Applicant has issued compliance certificate in Form "H".

THE SALIENT FEATURES OF THE RESOLUTION PLAN ARE AS UNDER:

A. BRIEF BACKGROUND OF THE COMPANY / CORPORATE DEBTOR

- i. M/s FABTECH SUGAR LIMITED ["Corporate Debtor"] a public company and classified as a "company limited by shares" was incorporated on 14th October, 2010. The registered office of the Corporate Debtor is located at J 504, MIDC Bhosari Pune MH 411026 IN.
- ii. M/s FABTECH SUGAR LIMITED (FSL) is a Sugar Manufacturing Company, Fabtech Sugar Ltd has grown

itself into Sugar Manufacturing firm with interests in Sugar, Rectified Spirits, Extra Neutral Alcohol and Ethanol businesses in Maharashtra. The Sugar and Allied products business unit of the company has expertise in manufacturing of sugar and uses the by products of sugar production - Molasses, Bagasse and Press-mud for manufacturing of high value products such as Rectified Spirit, Extra Neutral Alcohol, Ethanol and Fertilizers. The company started operations with one Sugar Plant of 50000 TCD.

- iii. The Corporate Insolvency Resolution Process (“CIRP”) of M/s FABTECH SUGAR LIMITED was initiated as per the provisions of the Insolvency and Bankruptcy Code (“IBC”) under Section 7. The application was moved before the Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”) and was admitted vide its order dated 13.05.2021 (“CIRP Order”). Pursuant to such order, Mr. Ritesh R. Mahajan, (having IP Registration No. IBBI/IPA-002/IP-N00048/2017-18/10132), Insolvency Professional, was appointed as the Interim Resolution Professional (IRP). The CoC in its first meeting held on 17.06.2021 with 93% resolved to appoint Mr. Srigini Rajat Naidu having IP Registration No. IBBI/IPA-003/IPA-003/IP-N00137/2017-18/11513) as Resolution Professional. Subsequently an Interlocutory Application having IA No. 1489 Of 2021 under Section 22 (3) (b) of IBC, 2016 was filed before the Hon'ble NCLT, Mumbai Bench for appointment of Mr. Srigini Raja Naidu, Applicant as the Resolution Professional of the CD and was admitted. Mr. Srigini Rajat Naidu, Applicant was

appointed as the Resolution Professional of the CD vide order dated 02nd December 2021.

B. BACKGROUND OF THE RESOLUTION APPLICANT

SHRI S. M. AUTADE PRIVATE LIMITED is a closely held Company, which was incorporated in the year 2014. It is into the business of infrastructure projects. Over these years, the Company has grown into a large establishment, thus, carving a niche of its own in the infrastructure industry. The Company has acquired considerable domain and technical expertise in the field of infrastructure development like Earthwork, Structures, Dams, Canals, Roads, Highways, KT Weir, and Buildings and B.O.T etc. The registered office of the Resolution Applicant Plot No.17, CTS No.1620 Giriraj Co-operative Housing Society, Aundh, Pune – 411007, Maharashtra.

The said Prospective Resolution Applicant is eligible to act as a Resolution Applicant of the Corporate Debtor and is not ineligible under section 29A of Insolvency and Bankruptcy Code and also satisfies the eligibility criterion as mentioned in clause (h) of sub-section (2) of section 25 of the Code.

C. SUMMARY OF PAYMENTS UNDER THE RESOLUTION PLAN

Payment Towards	Amount (Rs.)
CIRP Cost	1,20,00,000
Secured Financial Creditor (Including consideration for	147,75,55,437

assignment of balance debt and underlying securities.)	
Unsecured Financial Creditor (Including consideration for assignment of balance debt and underlying securities.)	21,42,31,605
Operational Creditor	10,17,931
Employees and Workmen	38,50,897
Infusion in Company for capital expenditure and working capital.	32,00,00,000
Total	202,86,55,870

D.SOURCES OF FUNDS:

	Stage	Amount (in Rs.)	Source
1.	Upfront Amount to be paid within 60 days from the date of approval of the resolution plan by Hon'ble NCLT	40,45,02,396	Out of the Free Reserves of the Resolution Applicant
2.	Upfront amount within 60 days from the date of approval of the resolution plan by Hon'ble NCLT	10,71,15,802	Out of the Free Reserves of the Resolution Applicant
3.	Within 12 months from the date of the Hon'ble NCLT order approving the Resolution Plan (including Working Capital)	82,95,37,671	Out of the Free Reserves of the Resolution Applicant
4.	Within 24 months from the date of the Hon'ble NCLT order approving the Resolution Plan	53,75,00,000	Out of the free reserves and current year's profit from the operations of the Resolution Applicant
5.	Within 36 months from the date of the Hon'ble NCLT order approving the Resolution Plan	15,00,00,000	Out of the free reserves and current year's profit from the operations of the Resolution Applicant

Total	2,02,86,55,870
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As set out above there will be total induction of Rs.202,86,55,870/- (Rupees Two Hundred Two Crore Eighty-Six Lakh Fifty Five Thousand Eight Hundred and Seventy only) being the plan value out of which Rs. 170,86,55,870/- (Rupees One Hundred Seventy Crore Eighty Six Lakh Fifty Five Thousand Eight Hundred Seventy Only) is paid to the stakeholders and balance Rs. 32,00,00,000/- (Rupees Thirty Two Crore Only) is for capital expenditure and working capital.

E. PAYMENTS PROPOSALS OF THE VARIOUS STAKEHOLDERS UNDER THE RESOLUTION PLAN:

1. Proposal for payment to the Financial Creditors

Total amount of outstanding due to Secured Financial Creditors of Fabtech Sugar Limited as per the Information Memorandum being Rs. 303,54,05,058/- (Rupees Three Hundred and Three Crore Fifty Four Lacs Five Thousand and Fifty Eight Only), claim received and admitted for, as per table given below:

Secured Creditors- Fabtech Sugar Limited			
Sr. No.	Name	Amount Claimed (Rs.)	Amount Admitted (Rs.)
1	Canara Bank	91,53,34,849	91,53,34,849
2	Bank of India (Term Loan)	36,95,12,300	36,95,12,300

3	State Bank of India	50,26,97,801	50,26,97,801
4	Bank of India (Bank Guarantee)	1,78,10,470	-
5	Bank of Baroda	38,98,92,990	38,98,92,990
6	Indian Overseas Bank	38,82,86,296	38,82,86,296
7	IFCI Limited	11,25,88,166	11,25,88,166
8	Union Bank of India (erstwhile Andhra Bank)	35,70,92,656	35,70,92,656
Total		3,05,32,15,528	3,03,54,05,058

The Terms of Payment:

The SRA shall make the payment in the following time schedule:-

- i. An aggregate amount of Rs.147,75,55,437/- (Rupees One Hundred Forty Seven Crore Seventy Five Lakh Fifty Five Thousand Four Hundred and Thirty Seven only) (Herein after to be referred as “Resolution Amount”) is proposed to be paid to the Secured Financial Creditor (“SFC”).
- ii. Aforementioned Resolution Amount will be bifurcated in Two portion. First portion will comprise of Rs. 140,75,55,437/- (Rupees One Hundred Forty Crore Seventy Five Lakh Fifty Five Thousand Four Hundred and Thirty Seven Only) towards the assets of the Corporate Debtor. Second portion of Rs.7,00,00,000/- (Rupees Seven Crore Only) will be towards

assignment of Balance Debt along with underlying guarantees and securities of the secured financial creditors.

Mechanism for payment of aforementioned amount to secured Financial Creditor –

- a. The first portion amounting to Rs. 140,75,55,437/- (Rupees One Hundred Forty Crore Seventy Five Lakh Fifty Five Thousand Four Hundred and Thirty Seven Only) will be paid upfront to the Secured Financial Creditors in the following manner:

- b. Within a period of 58 days of the order of the Hon'ble NCLT approving the Resolution Plan, the amount of Rs. 36,05,17,766 /- (Rupees Thirty Six Crores Five Lacs Seventeen Thousand Seven Hundred and Sixty Six Only) will be paid to SFC which shall be appropriated among the lenders in following manner –

Secured Creditors- Fabtech Sugar Limited		
Sr. No.	Name	Amount Distributed
1	Canara Bank	10,87,15,137
2	Bank of India (Term Loan)	4,38,87,305
3	State Bank of India	5,97,05,866
4	Bank of Baroda	4,63,07,938
5	Indian Overseas Bank	4,61,17,110
6	IFCI Limited	1,33,72,197
7	Union Bank of India (erstwhile Andhra Bank)	4,24,12,213
Total		36,05,17,766

- c. Within a period of 58+1 days of the order of the Hon'ble NCLT approving the Resolution Plan, Fully Secured, Non-Convertible, Fully Redeemable Debentures ("Secured NCD") for an aggregate amount of Rs. 104,70,37,671/- (Rupees One Hundred and Four Crores Seventy Lacs Thirty Seven Thousand Six Hundred and Seventy One Only), including the interest (at the rate of simple interest of 0.01% as contemplated herein above) amount (payable at the time of redemption), will be issued to SFC by ATPL on behalf of RA. Redemption amount of these debenture and tenure will be as follows:

FIRST TRANCH REDEEMABLE
(12 MONTHS FROM NCLT ORDER)

Secured Creditors- Fabtech Sugar Limited		
Sr. No.	Name	Debenture Redemption Amount (Excluding Interest at the rate of 0.01%)
1	Canara Bank	15,36,52,504
2	Bank of India (Term Loan)	6,20,28,109
3	State Bank of India	8,43,85,267
4	Bank of Baroda	6,54,49,310
5	Indian Overseas Bank	6,51,79,602
6	IFCI Limited	1,88,99,590
7	Union Bank of India (erstwhile Andhra Bank)	5,99,43,288
Total		50,95,37,671

SECOND TRANCH REDEEMABLE
(24 MONTHS FROM NCLT ORDER)

Secured Creditors- Fabtech Sugar Limited		
Sr. No.	Name	Debenture Redemption Amount (Excluding Interest at the rate of 0.01%)
1	Canara Bank	16,20,84,622
2	Bank of India (Term Loan)	6,54,32,078
3	State Bank of India	8,90,16,149
4	Bank of Baroda	6,90,41,027
5	Indian Overseas Bank	6,87,56,519
6	IFCI Limited	1,99,36,759
7	Union Bank of India (erstwhile Andhra Bank)	6,32,32,847
Total		53,75,00,000

d. The Second portion amounting to Rs. 7,00,00,000/- (Rupees Seven Crore Only) will be paid to the Secured Financial Creditors in the following manner:

a) In addition to cash up front and Secured NCDs, an Asset Reconstruction Company (ARC) or any other entity as may be identified by the RA and allowed by the Financial Creditor shall pay an amount of Rs. 3,00,00,000/- (Rupees Three Crore only) towards the consideration for assignment of debt, 1 day after payment of

aforementioned cash amount and issuing Secured NCDs
i.e.59+1 day.

- b) The amount of Rs. 3,00,00,000/- (Rupees Three Crore only) shall be distributed in following manner –

Secured Creditors- Fabtech Sugar Limited		
Sr. No.	Name	Assignment Amount
1	Canara Bank	90,46,584
2	Bank of India (Term Loan)	36,52,023
3	State Bank of India	49,68,343
5	Bank of Baroda	38,53,453
6	Indian Overseas Bank	38,37,573
7	IFCI Limited	11,12,749
8	Union Bank of India (erstwhile Andhra Bank)	35,29,275
Total		3,00,00,000

- c) Within a period of 59+1 day of the order of the Hon'ble NCLT approving the Resolution Plan, Fully Secured, Non-Convertible Fully Redeemable Debentures ("Secured NCD") for an aggregate amount of Rs.4,00,00,000/- (Rupees Four Crore only), including the interest (at the rate of 0.01% as contemplated herein above) amount(payable at the time of redemption), will be issued to SFC by ATPL on behalf of RA. These NCD's will be redeemed on or before the end of 3rd year from the date of order of Hon'ble NCLT approving the Resolution Plan.

d) Redemption amount of these debenture and tenure will be as follows:

Sr . No.	Name of Secured Financial Creditor	At the end of 3 rd Year of NCLT Order For Assignment of debt along
1	Canara Bank	1,20,62,111
2	Bank of India(Term Loan)	48,69,364
3	State Bank of India	66,24,458
4	Bank of Baroda	51,37,937
5	Indian Overseas Bank	51,16,764
6	IFCI Limited	14,83,666
7	Union Bank of India (erst while Andhra Bank)	47,05,700
	Total	4,00,00,000

e) Accordingly, each assenting Secured financial creditor shall receive following amount –

Sr . No .	Name of Secured Financial Creditor	Upfront		At the end of 1st Year of NCLT Order	At the end of 2nd Year of NCLT Order	At the end of 3rd Year of NCLT Order	Total Resolution Amount	Total Assignment Amount	Total Amount
			For Assignment			For Assignment			
1	Canara	108,715,136	9,046,584	153,652,504	162,084,622	12,062,111	424,452,26	21,108,695	445,560,957
2	Bank of India(Term L	43,887,305	3,652,023	62,028,109	65,432,078	4,869,364	171,347,493	8,521,387	179,868,880
3	State Bank of Indi	59,705,866	4,968,343	84,385,267	89,016,149	6,624,458	233,107,282	11,592,801	244,700,083
4	Bank of Barod	46,307,938	3,853,453	65,449,310	69,041,027	5,137,937	180,798,27	8,991,390	189,789,664
5	Indian Overseas Bank	46,117,110	3,837,573	65,179,602	68,756,519	5,116,764	180,053,231	8,954,337	189,007,568
6	IFCI Limited	13,372,197	1,112,749	18,899,590	19,936,759	1,483,666	52,208,546	2,596,415	54,804,961

7	UnionBank of India (erstwhile Andhra Bank)	42,412,213	3,529,275	59,943,288	63,232,847	4,705,700	165,588,348	8,234,975	173,823,324
		360,517,766	30,000,000	509,537,671	537,500,000	40,000,000	1,407,555,437	70,000,000	1,477,555,437

2. Proposal for payment to the Unsecured Financial Creditors

1. Total amount of outstanding due to Unsecured Financial Creditors of Fabtech Sugar Limited as per the Information Memorandum being Rs. 298,47,73,219/- (Rupees Two Hundred Ninety Eight Crore Forty Seven Lacs Seventy Three Thousand Two Hundred and Nineteen only), claim received and admitted claim of Rs. 226,13,40,648/- (Rupees Two Hundred Twenty Six Crore Thirteen Lacs Forty Thousand Six Hundred and Forty Eight only) as per table given below:

Sr. No.	Name	Amount Claimed Rs.	Admitted Amount Rs.
1.	Canara Bank	1,26,18,84,500	1,26,18,84,500
2.	IDBI Bank Limited	52,31,68,165	52,31,68,165
3	Bank of Baroda	7,55,13,274	7,49,35,151
4	Autade Sugars Pvt. Ltd.	40,13,52,832	40,13,52,832
5	Bank of India (H & T Loan)	45,02,39,583	45,02,39,583
6	DhanashriMahilaGraminBigarsheti Sahakari Patsanstha	25,86,14,865	-

7	Fabtech Projects & Engineers Limited	1,40,00,000	-
Total		298,47,73,219	271,15,80,231

3. The Terms of payment of Unsecured financial creditors:

- A. An aggregate amount of Rs. 21,42,31,605/- (Rupees Twenty One Crore Forty Two Lakh Thirty One Thousand Six Hundred and Five only) (Herein after to be referred as “Resolution Amount”) is proposed to be paid to the Unsecured Financial Creditors (“UFC”).
- B. Aforementioned Resolution Amount will be bifurcated in Three Portion. First portion will comprise of Rs. 5,42,31,605/- (Rupees Five Crore Forty Two Lakh Thirty One Thousand Six Hundred and Five only) towards unsecured debt (including Corporate Guarantee, H&T and Crop Loans and other Unsecured Loans) and assignment of residual debt (H&T and Crop Loans and other Unsecured Loans). Second portion of Rs. 11,00,00,000/- (Rupees Eleven Crore only) will be towards unsecured debt (including Corporate Guarantee, H&T and Crop Loans and other Unsecured Loans) and assignment of residual debt (H&T and Crop Loans and other Unsecured Loans). Third portion of Rs. 5,00,00,000/- (Rupees Five Crore only) will be towards assignment of all the residual unsecured debt alongwith the underlying exclusive securities and guarantees of the H & T Loan in favor of the RA.

4. Mechanism for payment of aforementioned amount to unsecured financial creditors:

4.1 The first portion amounting to Rs. 5,42,31,605/- (Rupees Five Crore Forty Two Lakh Thirty One Thousand Six Hundred and Five only) consist of two components of Rs. 2,71,15,802/- (Rupees Two Crore Seventy One Lakh Fifteen Thousand Eight Hundred and Two Only) each. The first component of Rs. 2,71,15,802/- (Rupees Two Crore Seventy One Lakh Fifteen Thousand Eight Hundred and Two Only) is towards settlement of the unsecured debt (Corporate Guarantee). The second component of Rs. 2,71,15,802 (Rupees Two Crore Seventy One Lakh Fifteen Thousand Eight Hundred and Two Only) is towards assignment of residual debt (H&T Loan, Corp Loan and any other Unsecured Loan) will be paid upfront within 58 days of the order of the Hon'ble NCLT approving the Resolution Plan to the Unsecured Financial Creditors in the following manner:

Sr. No.	Name of Unsecured Financial Creditor	Upfront	
		Assignment 1%	Resolution Amount for CG 1%
1	Canara Bank	12,618,845	12,618,845
2	IDBI Bank Limited	5,231,682	5,231,682
3	Bank of India (H & T Loan)	4,502,396	4,502,396
4	Bank of Baroda	749,352	749,352
5	Autade Sugars Private Limited	4,013,528	4,013,528

	Total	27,115,802	27,115,802
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4.2 The Second portion amounting to Rs. 11,00,00,000/- (Rupees Eleven Crore only) consist of two components of Rs. 5,50,00,000/- (Rupees Five Crore and Fifty Lakh Only) each. The first component of Rs. 5,50,00,000/- (Rupees Five Crore and Fifty Lakh Only) is towards the repayment of unsecured debt (including Corporate Guarantee, H&T and Crop Loans and any other Unsecured Loans) and The Second component of Rs. 5,50,00,000/- (Rupees Five Crore and Fifty Lakh Only) is towards the consideration for the assignment of residual debt (H&T and Crop Loans and any other Unsecured Loans). The aforesaid amount will be settled in form of issuance of Fully Secured, Non-convertible Fully redeemable NCDs equivalent to Rs.11,00,00,000/- (Rupees Eleven Crore only) to the Unsecured Financial Creditors bearing simple interest at the rate of 0.01% within a period of 58+1 days of the order of the Hon'ble NCLT approving the Resolution Plan to the Unsecured Financial Creditors in the following manner:

Sr.No.	Name of Bank	For Assignment of all Residual Debt(H&TL oan)	For Resolution of Debt(Corporate Guarantee)
1	Canara Bank	2,55,89,821	2,55,89,821
2	IDBI Bank Limited	1,06,09,354	1,06,09,354

3	Bank of India (H & T Loan)	91,30,432	91,30,432
4	Bank of Baroda	15,31,338	15,31,338
5	Autade Sugars Private Limited	81,39,055	81,39,055
	Total	5,50,00,000	5,50,00,000

5 These NCD's will be redeemed on or before the end of 3rd year from the date of order of Hon'ble NCLT.

6 Unsecured Financial Creditors (having exclusive charge on the assets of guarantors)

a) The third portion amounting to Rs. 5,00,00,000/- (Rupees Five Crore only) is towards the assignment of all the residual unsecured debt along with the underlying exclusive securities and guarantees of the H & T Loan in favor of the RA, which shall be paid to Canara Bank within 60 days from the order of Hon'ble NCLT approving the Resolution Plan, as there are lands to the tune of 119 Acres in Revatgaon, Dist. Vijayapura in Karnataka State and Katral and Kagast villages of Solapur District in the state of Maharashtra, which are exclusively mortgaged to Canara Bank against the H & T Loan.

7 Each Assenting (i.e. those financial creditors who vote in favour of the Resolution Plan) Unsecured Financial Creditor shall get its share in the following manner:

Sr. No.	Name of Unsecured Financial Creditor	Upfront		At the end of 3rd Year of NCLT Order	At the end of 3rd Year of NCLT Order	Consideration of assignment of exclusive Underlying securities	Total Resolution Amount	Total Assignment Amount	Total Amount
		Assignment 1%	Resolution Amount for CG 1%	Assignment	For Unsecured Debt (CG)				

1	CanaraBank	12,618,845	12,618,845	25,589,821	25,589,82	50,000,000	28,903,277	97,514,056	126,417,333
2	IDBIBan k	5,231,682	5,231,682	10,609,354	10,609,35	-	11,983,089	19,698,983	31,682,072
3	Bank ofIndia (H	4,502,396	4,502,396	9,130,432	9,130,432	-	10,312,671	16,952,985	27,265,655
4	Bank ofBaroda	749,352	749,352	1,531,338	1,531,338	-	1,723,839	2,837,539	4,561,378
5	AutadeSugar s	4,013,528	4,013,528	8,139,055	8,139,055	-	9,192,927	15,112,240	24,305,166
		27,115,802	27,115,802	55,000,000	55,000,00 0	50,000,000	62,115,802	152,115,802	214,231,605

F. TREATMENT OF ALL CLAIM IN GENERAL

- i. 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 crystallized mark to market losses on derivatives and other charges already accrued/ accruing or in connection with any third party claims) any actual or potential Secured 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, crystallized or uncrystallized, 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, 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.
- ii. Any and all rights and entitlements of any actual or

potential financial creditor, operational creditor, other creditor or any stakeholder, of the Corporate Debtor not addressed herein above, 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 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.

- iii. Promoters, guarantors, mortgagors or any other person shall not be entitled to make any claim against the Corporate Debtor or Resolution Applicant, towards the money they have paid or will be required to be paid by them to the Bank or Financial Institution or Assignor of debt of Bank or Financial Institution in past or future. Resolution Applicant or Corporate Debtor will not be liable for any claim of subrogation or damages or compensation for the liability the guarantor, mortgagor or any other person who has promised to pay the money on behalf of Corporate Debtor will incur in future.

G. DISSENTING FINANCIAL CREDITORS

1. Payment to the dissenting Financial Creditors (Secured and Unsecured)

- a. The dissenting Financial Creditors (i.e. those Financial Creditors who vote against, or abstain from voting for, the Resolution Plan approved by the CoC) shall be paid an amount not less than an amount to be paid to them in accordance with Sec 53(1) in the event of Liquidation of the Corporate Debtor.
- b. In terms of the code, if there are any dissenting Financial Creditors, then in such circumstances they shall be paid in accordance with Sec 30(2) along with Sec 53(1) of the Code.
- c. In the event there are dissenting financial creditors who will be paid as above, the remaining part of the proposed resolution amount as per Clause III-C (2) and Clause III-D (2) will be distributed among the class of Secured creditors in proportion to the amount of their claim admitted.
- d. The payments to the Dissenting Financial Creditors will be made in priority over the assenting financial creditors proportionately. These payments shall be made to the dissenting financial creditors one day prior to the payment to the Assenting Financial Creditors.

H. PROVISION FOR OPERATIONAL CREDITORS OF CORPORATE DEBTOR:

1. The amount due to the Operational Creditors of Corporate Debtor as per Information Memorandum and further communication by the RP is Rs. 10,17,93,053/- (Rupees

Ten Crore Seventeen Lacs Ninety Three Thousand and Fifty
Three only) which is as mentioned below:

Sr. No.	Name of Creditors	Amount Claimed	Net Amount Admitted
1.	DharmarayaBasannaKhavekar	16,979,961.00	12,513,956.00
2.	Maharashtra Goods & Service Tax Department	59,662,666.00	59,662,666.00
3.	Saikrupa Construction	17,663,235.00	4,209,401.00
4.	Dnyanal Engineers	124,101.00	96,577.00
5.	Shivam Engineers	767,898.00	676,537.00
6.	Matin Sales Corporation	29,383.00	28,344.00
7.	SBICAP Trustee Company Limited	948,858.00	948,858.00
8.	Fabtech Projects & engineers Limited	488,344,949.64	-
9.	Indotech Organics	919,520.00	919,520.00
10.	MallikarjunIrappaBanne	764,565.50	764,565.50
11.	DevappadasharathKhandekar	729,393.00	667,588.00
12.	Swamiraj Electricals	220,861.60	128,620.00
13.	Alfaenzyme Life Science	453,249.99	453,173.00
14.	HedaCehmicals	939,923.00	939,923.00
15.	Thirumala Chemicals & Allied	807,120.00	807,120.00
16.	Praj Industries	5,987,500.00	5,987,500.00
17.	Deccan Industrial Company	486,880.00	233,414.00
18.	A D Automations	146,287.00	107,935.00
19.	Onkar Trading Company	132,510.00	132,417.00
20.	Suneel Textiles	40,602.52	40,602.52
21.	Risans Industrial Ltd	1,404,036.00	363,256.00
22.	Amruta Threads	223,979.00	223,659.00
23.	Jagtap&Jagtap LLP	1,145,485.00	-
24.	Unique Infra	3,670,575.00	2,394,543.00
25.	Utkarsh Private Limited	12,812,415.00	6,921,040.69
26.	RMM Associates	426,116.00	308,323.00
27.	Malu Industries	21,028.00	9,456.00

28.	RajuKallappaWaghamode	160,913.00	160,913.00
29.	Kolhapur Auto Works	713,151.00	-
30.	ShanteshKallappaWaghamode	227,903.00	227,903.00
31.	Shankar International	9,331,023.00	200,000.00
	Total	62,62,86,088.25	10,01,27,811

2. The terms of payment to Operational Creditors:

- a. The Operational Creditors will assign the entire receivable from the Corporate Debtor to the Resolution Applicant for a consideration of Rs. 10,17,931/- (Rupees Ten Lacs Seventeen Thousands Nine Hundred and Thirty One only).
- b. Total Resolution amount being Rs. 10,17,931/- (Rupees Ten Lacs Seventeen Thousand Nine Hundred and Thirty One only) would be settled by Resolution Applicant in the under mentioned manner:

Sr. No.	Name of Creditors	Amount Admitted (Rs.)	Resolution Amount (Rs.)
1	DharmarayaBasannaKhavkar	1,25,13,956	1,25,140
2	Maharashtra Goods & Service Tax Department	5,96,62,666	5,96,627
3	MSEB (Refer Note b. below)	-	16,652
4	Saikrupa Construction	42,09,401	42,094
5	Dnyanal Engineers	96,577	966
6	Shivam Engineers	6,76,537	6,765

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7	Matin Sales Corporation	28,344	283
8	SBICAP Trustee Company Limited	9,48,858	9,489
9	Fabtech Projects & engineers Limited	-	-
10	Indotech Organics	9,19,520	9,195
11	MallikarjunIrappaBanne	7,64,566	7,646
12	DevappadasharathKhandekar	6,67,588	6,676
13	Swamiraj Electricals	1,28,620	1,286
14	Alfaenzyme Life Science	4,53,173	4,532
15	HedaCehmicals	9,39,923	9,399
16	Thirumala Chemicals & Allied	8,07,120	8,071
17	Praj Industries	59,87,500	59,875
18	Deccan Industrial Company	2,33,414	2,334
19	A D Automations	1,07,935	1,079
20	Onkar Trading Company	1,32,417	1,324
21	Suneel Textiles	40,603	406
22	Risansi Industrial Ltd	3,63,256	3,633
23	Amruta Threads	2,23,659	2,237
24	Jagtap&Jagtap LLP	-	-

25	Unique Infra	23,94,543	23,945
26	Utkarsh Private Limited	69,21,041	69,210
27	RMM Associates	3,08,323	3,083
28	Malu Industries	9,456	95
29	RajuKallappaWaghamode	1,60,913	1,609
30	Kolhapur Auto Works	-	-
31	ShanteshKallappaWaghamode	2,27,903	2,279
32	Shankar Internatiuonal	2,00,000	2,000
	Total	10,01,27,811	10,17,931

Note:

- a. Those claims which are kept under verification by IRP in Information Memorandum are not paid any Resolution Amount. However if IRP/ RP admits the said claims, amount equivalent to 1.00% of their admitted claim shall be paid to the respective Operational Creditor.
 - b. The MSEB department has not filed their claim but intimated to the IRP that the dues amounting to Rs 16,65,242/- are outstanding therefore we have considered the said amount and provided for the resolution amount of Rs. 16,652/-.
3. Resolution Applicant proposes to pay a sum of Rs.10,17,931/-(Rupees Ten Lacs Seventeen Thousand Nine

Hundred and Thirty One only). The amount shall be paid upfront within 57 days from the date of approval of the NCLT order approving the Resolution Plan.

4. All the Operational Creditors as listed above shall be paid as mentioned in the table above as and by way of full and final settlement on assignment of their dues against Corporate Debtor upon approval of Resolution Plan by the NCLT as in the aforesaid manner and no further claim/liability (whether contingent or otherwise) shall be allowed for the same.
5. All the operational creditors are being paid in priority over the payments to the Financial Creditors of the Corporate Debtor. The payments to the Operational Creditors will be made one day prior to the payment to the Secured and Unsecured Financial Creditors.
6. All the admitted operational debts shall be assigned to the RA or nominated party by the RA against the consideration of the settlement amount as proposed in the Resolution plan already submitted.
7. In case there is any addition in the list of Operational Creditors before the order of Hon'ble NCLT approving the Resolution Plan, the Resolution Amount shall be paid to the Operational Creditor as per the treatment proposed to the class of Operational creditors in the Resolution Plan, thereby increasing the Resolution Amount to such extent. Admitted operational debt of such creditor shall be assigned to the RA or nominated party by the RA against the consideration of the settlement amount.
8. The payments to the operational creditors will not be less than the amount to be paid to such creditors in the event of a

liquidation of the corporate debtor under section 53 or the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53.

9. Liability of Corporate Debtor for Operating Creditors shall be restricted to the Claims notified and accepted by Interim Resolution Professional /Resolution Professional and forming parts of Information Memorandum. All other claims of Operational Creditors other than mentioned in Information Memorandum shall be extinguished as per Extinguishment of Claim (III - N of this Resolution Plan).
10. In case there is any addition in the list of Operational Creditor, by virtue of order of Hon'ble NCLT /NCLAT / or any other Appropriate Adjudicating authority in any pending application, The resolution amount shall be paid to such Operational creditors as per the treatment proposed to such class of operational creditors in the resolution plan, thereby increasing the resolution amount to such extent.

I. PROVISION FOR EMPLOYEES AND WORKMEN OF CORPORATE DEBTOR:

1. Total amount of outstanding due to Employees and Workmen of Corporate Debtor as per Information Memorandum and communication with IRP being Rs.38,50,897/- (Rupees Thirty Eight Lacs Fifty Thousand Eight Hundred and Ninety Seven only) as per table given below:

Sr. No.	Particulars	Admitted Amount Rs.	Resolution Amount Rs.	Payment Terms
1	Employees and Workmen Dues	38,50,897	38,50,897	Within 60 Days from the date of the NCLT order approving the Resolution Plan

Payment schedule of employees and workmen of corporate debtor:

- a. Total amount of dues towards employees and workers of Corporate Debtor as per claim admitted by IRP is Rs.38,50,897/- (Rupees Thirty-Eight Lacs Fifty Thousand Eight Hundred and Ninety Seven only). The said sum shall be paid within 57Daysfrom the date of the NCLT order approving the Resolution Plan.
- b. All Workers and Employees of the Corporate Debtor will cease to be employees of the Corporate Debtor on the approval of this Resolution Plan. The said workers and employees maybe appointed afresh by the resolution applicant on its sole discretion, on new terms and condition for such employment.

J. PROVISION FOR STATUTORY DUES PERTAINING TO PROVIDENT FUND

There are no outstanding Statutory Dues pertaining to Provident Fund as per Information Memorandum.

K. PROVISION FOR PAYMENT TOWARDS WORKING CAPITAL

AND CAPITAL EXPENDITURE

The fresh fund of Rs. 32,00,00,000/- (Rupees Thirty-Two Crores only) will be introduced as and when required, as equity/quasi equity or by way of Inter Corporate Deposit in the Company. This capital is required for running the business of the CD for the purpose of capital expenditure and working capital requirement as per the business needs at the discretion of the RA. These funds would be required for maintenance and overhauling of the plant and machinery of the CD to make them operational, replacement of missing parts of the plant and machinery of the CD. Also the funds would be required for pre-operational activities like signing contracts with H & T Contractors, labors and operational expenses for first crushing season of the CD post approval of the Resolution Plan.

L. PROVISION FOR CONTINGENT LIABILITIES OF CORPORATE DEBTOR

1. All the contingent liabilities which may or may not have been confirmed in past, during or before the CIRP or even may be confirmed in the time to come are proposed to be waived off fully.
2. Even any other known or unknown liabilities (whether recorded or not recorded in books) are proposed to be waived off fully.

M. THE INTEREST OF ALL THE STAKEHOLDERS OF THE CORPORATE DEBTOR HAS BEEN DEALT WITH IN THE FOLLOWING MANNER:

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Sr.No.	Particulars of Claim	Type of Claim	Admitted Amount INR	Resolution Amount (INR)	Term of Payment
1	CIRP Cost	At actual	120,00,000	120,00,000	Upfront payment within 57 days from the date of the NCLT order approving the Resolution Plan.
2	Secured Financial Creditors	Secured	303,54,05,058	140,75,55,437	25.61% Within 58 days from the date of the NCLT order approving the Resolution Plan and balance 74.39% by issue of NCDs, which will be redeemed as per clause III-C(3)
	For Assignment of balance debt	Secured	--	7,00,00,000	Upfront payment within 59+1 days from the date of the NCLT order approving the Resolution Plan through the ARC and/or entity nominated by RA
3	Unsecured Financial Creditors	Unsecured	271,15,80,231	13,21,15,803	Upfront payment within 58days and 58+1 days from the date of the NCLT order approving the Resolution Plan.
	For Assignment of balance debt	Unsecured	--	8,21,15,802	Upfront payment within 58 days and 58+1 days from the date of the NCLT order approving the Resolution Plan through the ARC and/or entity nominated by RA
4	Operational Creditors	Unsecured	10,01,27,811	10,17,931	Upfront payment within 57 days from the date of the NCLT order approving the Resolution Plan
5	Workmen and Employees	Unsecured	38,50,897	38,50,897	Upfront payment within 57 days from the date of the NCLT order approving the Resolution Plan

6	Working Capital required	UnSecured	-	32,00,00,000	Working capital required for the purpose of installing missing machinery parts, maintenance of Plant and Machinery and Advance to be paid to H&T vendors
	Total		586,29,63,997	202,86,55,870	

N. PROVISION FOR MANAGEMENT AND CONTROL OF BUSINESS OF THE CORPORATE DEBTOR AND IMMUNITY TO RESOLUTION APPLICANT:

The management and control of Corporate Debtor shall be handed over to the Board of Directors of Resolution Applicant for proper running and operational of the plant of the Corporate Debtor subject to approval of Committee of Creditors and Adjudicating Authority.

O. PROVISION for SUPERVISION OF RESOLUTION PLAN AND ITS IMPLEMENTATION:

1. Once the resolution plan is approved by the Committee of Creditors and Adjudicating Authorities, the Monitoring Committee shall supervise the implementation and execution of Resolution Plan.

2. Proposed Composition of Monitoring Committee is as under:

	Member	Designation	Remuneration	Tenure
1	Resolution Professional	Chairman	35,000/month	From the date of approval of Resolution Plan
2	Resolution Applicant	Member	-	

3	Resolution Applicant	Member	-	by Hon'ble NCLT Till Successful Completion of Resolution Plan as certified by the Committee
4	Representative of Canara Bank (Financial Creditors)	Member	-	
5	Representative of State Bank of India (Financial Creditors)	Member	-	

3. Functions of the Monitoring Committee

- a. Resolution Applicant shall submit Monthly Progress Report to the Committee.
- b. Conduct monthly meeting to monitor the resolution progress for effective implementation of resolution plan.
- c. Take appropriate actions required for successful implementation of Resolution Plan.
- d. None of the Monitoring Committee member shall be personally liable for any acts/ omissions in respect of the Resolution Plan and shall not be liable to any third party.
- e. The remuneration as mentioned above shall be inclusive of all the out of pocket expenses for travel and stay, if any.
- f. The Resolution Applicant shall submit a timely progress report in the format suggested by the CoC to appraise them about the supervision of the implementation of the Resolution Plan.

All the monitoring committee members may claim reimbursement of allowances for travelling, conveyance and boarding, at actual basis.

P. 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?	Affidavit by Resolution Applicant	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Affidavit by Resolution Applicant	Yes
Section 30(2)	Whether the Resolution Plan- (a) provides for the payment of insolvency resolution process costs? (b) provides for the payment to the operational creditors? (c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan? (d) provides for the management of the affairs of the corporate debtor? (e) provides for the implementation and supervision of the resolution plan? (f) contravenes any of the provisions of the law for the time being in force?	Part-III-B (Page No. 21) Part-III-F (Page No. 38 to 41) Part-III-E (Page No. 37) Part-III-R (Page No. 70 to 72) Part-III-S (Page No. 72 to 73) Part-VI	Yes Yes Yes Yes Yes
Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the		Yes,

	<p style="text-align: center;">CoC?</p> <p style="text-align: center;">(b) has been approved by the CoC with 66% voting share?</p>		<p>Annexure No. 3 of the Resolution Plan</p> <p>Yes, the said Resolution Plan has been Approved by a majority 76.63%</p>
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Part-III-P (Page No. 65 to 66)	Yes
Regulation 35A	Whether the Resolution Professional made a determination if the corporate debtor has been subjected to any transaction of the nature covered under sections 43, 45, 50 or 66, before the one hundred and fifteenth day of the insolvency commencement date, under intimation to the Board?		Yes, the IRP/RP has determined transaction of the nature covered under section 43, 66. The said transaction have been intimated to the Board.
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Part-III-F, Para No. 3, 4 and 5 (Page No. 40)	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Part-III-P, Para No. 3 (Page No. 65 to 66)	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to	Part-VI	No

	<p>implement or contributed to the failure of implementation of any resolution plan approved under the Code.</p> <p>(ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?</p>	NA	NA
Regulation 38(2)	<p>Whether the Resolution Plan provides:</p> <p>(a) the term of the plan and its implementation schedule?</p> <p>(b) for the management and control of the business of the corporate debtor during its term?</p> <p>(c) adequate means for supervising its implementation?</p>	<p>Part-III-P (Page No. 65 to 66)</p> <p>Part-III-R (Page No. 70 to 72)</p> <p>Part-III-S (Page No. 72 to 73)</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
38(3)	<p>Whether the resolution plan demonstrates that –</p> <p>(a) it addresses the cause of default?</p> <p>(b) it is feasible and viable?</p> <p>(c) it has provisions for its effective implementation?</p> <p>(d) it has provisions for approvals required and the timeline for the same?</p> <p>(e) The Resolution Applicant has the Capability to Implement the Resolution Plan?</p>	<p>Part-III-A Point No. 3 (Page No. 18 to 19)</p> <p>Part-III-P and Part-III-S</p> <p>Part-III-L Point No. 5 (Page No. 55 to 56)</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?		Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation		RA undertak

	36B.		e to provide performance security within 7 working days of Issuance of Letter of Intent i.e. on or before 18/08/2022
Regulation 39(1) C	An undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code	Affidavit by Resolution Applicant	Yes

11. OBSERVATIONS AND FINDINGS:

- i. As per IBC Code 30(2)(a) – A Resolution Plan provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor.
- ii. As per Section 30(2)(b), the Respondent has agreed to pay Operational Creditors an amount which shall not be less than liquidation value or the amount that would have been paid to such creditors if the amount to be distributed under the Resolution Plan is distributed in accordance with priority under Section 53(1), whichever is higher.
- iii. The Resolution Applicant has also agreed that dissenting financial creditors shall be paid in priority.

- iv. The plan provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan. Section 30(2)(d).
- v. The plan provides for a term of the plan, implementation schedule and supervision of the Resolution Plan under Section 30 (2) (d) & Regulation 38(2)(c).
- vi. The Resolution Plan does not contravene any of the provisions of the law for the time being in force - Resolution Plan provides for the implementation and supervision of the resolution plan as per Section 30(2) (e)
- vii. The Resolution Applicant has given a declaration that the Resolution Plan does not contravene any provisions of the law for the time being in force as per Section 30(2)(f).
- viii. As per IBBI Guidelines 38(1)(b) - the amount payable under a Resolution Plan -to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the Resolution Plan, shall be paid in priority over financial creditors who voted in favour of the plan.
- ix. The resolution applicant or any of its related parties has not failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.
- x. The Resolution Plan is in compliance of the Regulation 38 of the Regulations in terms of Section 30(2)(f) as under:
 - a. The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors. Regulation 38(1).
 - b. The Resolution Plan has all the adequate means of supervising of the implementation of the Plan as required under Regulation 38(2) (c), of the IBBI, Insolvency resolution process for corporate persons, Regulation 2016.

- c. Provides for the payment of CIRP Costs in priority to the repayment of any other debts of the Company (Regulation 38(1)(a)).
- d. Provides for the manner of implementation and supervision of the Resolution Plan and adequate means for implementation and supervision of the Resolution Plan.
- e. The amount payable under a resolution plan to the Financial Creditors, who have right to vote under subsection (2) of section 21 and did not vote in favor of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan.
- f. The Resolution Applicant confirms that to the best of the knowledge of the Resolution Applicant, the Resolution Plan is not in contravention of the provisions of Applicable Law and is in compliance with the Code and the CIRP Regulations.
- g. The Resolution Applicant confirms that the Resolution Applicant and its connected persons are not disqualified from submitting a resolution plan under Section 29A of the Code and other provisions of the Code and any other Applicable Law.
- h. The plan provides for the management and control of the business of the Corporate Debtor during its term.
- i. All the above factors demonstrate that the plan address as the cause of default and the Resolution Applicant has the capacity to implement the Resolution Plan.
- j. That the Resolution Applicant or any of its related parties has never failed to implement or contributed to the failure of implementation of any other Resolution Plan approved by the Adjudicating Authority at any time in the past. This is in compliance of Regulation 38(1)(b) of the Regulations.

k. The interests of all stakeholders (including Financial Creditors, Operational Creditors and other creditors, guarantors, members, employees and other stakeholders of the Company, keeping in view the objectives of the Code (Regulation 38(1A)).

12. The Resolution Plan has been approved in the 20th meeting held on 27th July 2022 with 76.63% voting in accordance with the provisions of the Code.

13. In *K. Sashidhar v. Indian Overseas Bank & Others: 2019 SCC Online SC 257 (2019) 12 SCC 150* the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2). The Hon'ble Court observed that the role of the NCLT is 'no more and no less'. The Hon'ble Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is 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.

14. In *India Resurgence Arc Private Limited vs. Amit Metaliks Limited and Ors. (2021)* the Hon'ble Apex Court held that the process of consideration and approval of resolution plan is essentially within the commercial wisdom of Committee of Creditors (CoC). The scope of judicial review remains limited under Section 30(2) of the Insolvency

and Bankruptcy Code (IBC), 2016 by which the court would examine that the resolution plan does not contravene any statutory provisions and it conforms to such other requirements as may be specified by the Board. The court held that the process of judicial review cannot be stretched if all the above-mentioned requirements have been duly complied with and that dissenting financial creditor, expressing dissent over the value of security interest held by it, cannot seek to challenge an approved Resolution Plan. Lastly, it was held that Section 30 of the IBC, 2016 only amplified the considerations for the CoC while exercising its commercial wisdom so as to take an informed decision in regard to the viability and feasibility of resolution plan, with fairness of distribution amongst similarly situated creditors; and that the business decision taken in exercise of the commercial wisdom of CoC does not call for interference unless creditors belonging to a class being similarly situated are denied fair and equitable treatment.

15. The Hon'ble Apex Court at para 42 in *Committee of Creditors of Essar Steel India Limited Vs. Satish Kumar Gupta & Ors.*: (2019) SCC Online, has clearly laid down that the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved.

“Para 42- Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of section 30(2) of the Code, insofar as the Adjudicating Authority is concerned, and section 32 read with section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameters of such review having been clearly laid down in K. Sashidhar (supra).”

16. In view of the above cited case law, the legislature has given paramount importance to the commercial wisdom of committee of creditors (CoC) and the scope of judicial review by the Adjudicating Authority (AA) is limited to the extent of scrutiny provided under section 31 of Code and the direction of the Appellate Authority is limited to the extent provided under sub-section (3) of section 61 of the Code.
17. In view of the discussions, this Bench is of the considered view that the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A) and 39(4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The Resolution Plan is feasible and viable. The Resolution Plan balances the interest of all the stakeholders and thus it deserves to be approved.

ORDER

- a) The Interlocutory Application No. 3246 of 2022 is allowed. The Resolution Plan submitted by M/s. Autade Sugars Private Limited, is hereby approved. It shall become effective from this date and shall form part of this order. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of payment of dues arising under any law for the time being in force is due.
- b) The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), concerned for information

and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

- c) The moratorium under Section 14 of the Code shall cease to have effect from this date.
- d) The Monitoring committee shall supervise the implementation of the Resolution Plan and shall file status of its implementation before this Authority from time to time, preferably every quarter.
- e) The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- f) The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for necessary compliance.
- g) The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- h) The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.
- i) The Registry is directed to send copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

j) The Interlocutory Application No. 3246 of 2022 is accordingly allowed.

SD/-

Madhu Sinha

Member (Technical)

/Aakansha/

SD/-

Reeta Kohli

Member (Judicial)