

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

**I.A. No. 1130/2021
In
CP(IB) No. 3550/MB/2019**

**Application filed under section 30(6), r/w Section
31(1) of the Insolvency & Bankruptcy Code,2016
read with Regulation 39(4) of the IBBI (Insolvency
Resolution Process for Corporate Persons)
Regulations, 2016,**

**Mr. Naren Seth
(Resolution Professional of M/s Starlite Components
Limited)**

...Applicant/Resolution Professional

Vs

1) **Starlite Components Limited**

...Respondent No.1/Corporate Debtor

2) **Rutwik Sales Private Limited**

...Respondent No. 2/Financial Creditor

3) **Solar Copyer Limited**

(Also Resolution Applicant)

...Respondent No.3/Financial
Creditor/Resolution Applicant

In the matter of

Shree Enterprises

... Operational Creditor

V/s.

Starlite Components Limited

...Corporate Debtor

Order Dated: 14.03.2024

Coram:

Hon'ble Reeta Kohli, Member (Judicial)
Hon'ble Madhu Sinha, Member (Technical)

Appearance: Physical

For the Applicant: Adv. Rohan Agarwal

ORDER

Per: Reeta Kohli, Member (Judicial)

1. The present Interlocutory application is filed by **Mr. Naren Seth** the Applicant, Resolution Professional of **M/s Starlite Components Limited ('the Corporate Debtor')** seeking approval of the resolution plan under section 30(6) of the Insolvency and Bankruptcy Code, 2016 ('the Code') read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') submitted by **Solar Copyer Limited, the Successful Resolution Applicant ('SRA')** and duly approved unanimously by the Committee of Creditors ("CoC") of the Corporate Debtor in its **4th CoC meeting held on 01.01.2021 by 100%**.
2. The Applicant submits that the Operational Creditor, Shree Enterprises, initiated the Corporate Insolvency Resolution process ('CIRP') against the Corporate Debtor under Section 9 of the Code vide Order dated 29.01.2020, and Mr. Naren Seth was appointed as Interim Resolution Professional ('IRP'). The Applicant published the Public Announcement for inviting claims on 10.02.2020 in Form 'A'.
3. Pursuant to the said admission order and receipt of claims, the CoC was constituted with Rutwik Sales Private Limited and Solar Copyer Limited both

Financial Creditors on 02.04.2022, and the CoC unanimously resolved and confirmed appointment of the Applicant as the Resolution Professional ('RP') in the 1st CoC meeting dated 3.03.2020.

4. In the 2nd CoC meeting held on 09.09.2020, the Applicant had taken proposals and profiles received from the 7 IBBI Registered valuers and have selected the following valuers to derive fair value and liquidation value of the Corporate Debtor: (a) **For Valuation of Financial Assets:** Nishant Soni & Associates, CA Gaurang Shah (b) **For Valuation of Plant & Machinery:** Mahadevappa Belle Rajkumar Sarda. CoC also selected JPL & Associates (ICAI Reg. No. 132748W) as Transaction Auditor.
5. The Applicant published a Public Announcement in Form G in accordance with the Code, on 14.09.2020, in English Newspaper the Deshdoot Times and one in Gavkari Regional Language Newspaper, inviting claims from the creditors of the Corporate Debtor. The last date to submit EOI was 29.09.2020. Pursuant to the publication of Form G, Expression of Interest ("EOI") was received on 29-09-2020 from Solar Copyer Limited & PVN Transformers & Electricals Private Limited.
6. The Applicant submits that in the 3rd COC meeting dated 26.11.2020, it has received final valuation reports from: (a) Mr. Mahadevappa Belle – Plant & Machinery (b) Mr. Raj Sarda – Plant & Machinery (c) Mr. Gaurang Shah – Financial Assets (d) Mr. Nishant Soni – Financial Assets. The Applicant submits that it has informed CoC about receipt of final transaction audit report from MRJ & Company. Valuers gave the following valuations for the class of assets, summary herein below:

| <u>Valuation Summary</u> | Total (in INR) | |
|------------------------------|---|--|
| Asset Class | Average Fair Market Value (FMV)* | Average Liquidation Value (LV)* |
| Plant & Machinery | 35,69,125 | 14,53,875 |
| Financial Assets | 1,49,77,819 | 1,32,10,986 |
| Total | 1,85,46,944 | 1,46,64,861 |

taken as average of valuations by two valuers

7. The 4th CoC was held on the 1st January, 2021 via Zoom Meeting. The Applicant states that Final Valuation Reports and Transaction Audit Reports were circulated with the members of the CoC. Both Resolution Applicant submitted Revised Resolution plan, Solar Copyer Limited had submitted a revised Resolution Plan of INR 269 lakhs (Original Resolution plan was for INR 224 lakh), whereas PVN Transformers & Electricals Private Limited had submitted revised Resolution of INR 152 lakhs (Original Resolution plan was for INR 142 lakh). In the said meeting the Revised Resolution Plan received from Solar Copyer Limited (Resolution Applicant) under regulation 39 of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 was considered and approved.
8. **The COC, in its 4th meeting held on 01.12.2021, approved Resolution Plan submitted by Solar Copyer Limited with a voting share of 100%. Thereafter, the Applicant has issued compliance certificate in Form "H".**

9. **Brief background of the Corporate Debtor**

- (a) **Starlite Component Limited** is a public limited company incorporated on 13th November, 1991 under the provisions of the Companies Act, 1956 registered with Registrar of Companies, Mumbai vide corporate identification number (CIN) L31200MH1991PLC063980. The registered office of the Corporate Debtor is at Plot No. F-108, MIDC Area, Satpur Nashik, Maharashtra 422007 (“**the Plant**” or “**the Unit**”).
- (b) The Corporate Debtor is involved in manufacturing of electricity distribution and control apparatus [electrical apparatus for switching or protecting electrical circuits (e.g. switches, fuses, voltage limiters, surge suppressors, junction boxes etc.) for a voltage exceeding 1000 volts; similar apparatus (including relays, sockets etc.) for a voltage not exceeding 1000 volts; boards, panels, consoles, cabinets and other bases equipped with two or more of the above apparatus for electricity control or distribution of electricity including power capacitors.

10. **Brief Background of the Successful Resolution Applicant**

This Resolution Applicant is **Solar Copyer Limited**. The Resolution Applicant was incorporated in the year 1976 and has 44 years of experience into manufacturing and marketing of Paper Products. The Resolution Applicant has also been engaged in dealing in chemicals and lighting and electronic products, with a strong focus on LED lighting products and undertook built-operate-transfer (BOT) projects in the lighting domain.

11. **SALIENT FEATURES OF THE APPROVED RESOLUTION PLAN**

Synopsis of Payments to various Stakeholders.

The amounts provided for the stakeholders under the Resolution Plan is as under (Amount in Rs. lakh).

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

I.A. NO. 1130/MB/C-V/2021

In

C.P. (IB) No. 3550/MB/C-V/2019

| 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 | (a) Creditors not having a right to vote under sub-section (2) of section 21 | 401.49 | 401.49 | 136.25 | 33.93% |
| | | (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 | 70.00 | 70.00 | 23.75 | 33.93% |
| | | Total[(a) + (b)] | 471.49 | 471.49 | 160.00 | 33.93% |
| 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: | 2,048.3 | 2,048.3 | - | |
| | | (i) Government | 6 | 6 | 24.00 | 35.16% |
| | | (ii) Workmen & employees | 68.26 | 68.26 | - | |
| | | (iv) other operational creditors | 58.61 | 58.61 | - | |
| | | Total[(a) + (b)] | 2,175.2 | 2,175.2 | 24.00 | 1.10% |
| | | | 2 | 2 | | |
| 4 | Other debts and dues | | - | - | - | - |
| | Grand Total | | 2,646.7 | 2,646.7 | 184.0 | 6.95% |
| | | | 1 | 1 | 0 | |

12. PARTICULARS OF COST OF RESOLUTION PLAN AND SOURCES OF FUNDS

- A)** The Resolution Applicant's Contribution i.e. the cost of implementing the Resolution Plan is approx. INR 224.00 lacs (including CIRP cost of INR 30 lacs). Part of this contribution is infused by issue of fresh equity shares and part by way of ICD(s) or unsecured loans on need basis in the manner provided below.
- B)** The Resolution Applicant will be issued 35,000 equity shares of face value of INR 10 each and Rutwik Sales Private Limited will be issued 15,000 equity shares of face value of INR 10 each within 30 days from the Cut-off Date.

The equity shares will be utilized to discharge the financial creditor to the extent of INR 5,00,000.

Further, in future, remaining amount of INR 1,55,00,000 of financial creditors will also be settled by issuing such number of equity shares as would equal their outstanding amount as on the date of issue of shares.

The shareholding post reduction and fresh issue of equity share capital would be as under:

| Sr · N o | Name of the Shareholder | Number of shares | Amount | % |
|-----------------------------|--|---------------------------------|-----------------|------------|
| 1. | Existing shareholder(s) post reduction of equity share capital | - | - | - |
| 2. | Fresh allotment of equity shares <i>(including nominee shareholders)</i> | 50,000 | 5,00,000 | 100 |
| | Total | 50,000 | 5,00,000 | 100 |

Further, the Resolution Applicant is committed to infuse any additional funds required to meet the CIRP Cost, working capital needs, capex requirements, expansion, etc. on need basis either by way of inter-corporate deposits (ICD's) or in the form of unsecured loans from the new directors.

The amount due to the operational creditors under resolution plan shall be paid in priority over financial creditors. Also, financial creditors who have not voted in favor of the Resolution Plan shall be paid in priority to the financial creditors who have voted in favor of the Resolution Plan

C) Details of the cost of Resolution Plan and sources of funds is tabulated below:

| Sr. No. | Utilization / Cost of Resolution Plan | Amount (INR) |
|--------------------|---|-------------------------|
| 1 | CIRP Cost (assumed) | 30.00 |
| 2 | Operational creditors – Workmen and employees | 24.00 |
| 3 | Operational creditors – Statutory dues and others | - |
| 4 | Operational creditors – Other than 2 and 3 above | - |
| 5 | Secured financial creditors | 160.00 |
| 6 | Unsecured financial creditors | - |
| 7 | Existing shareholders | - |
| 8 | Working capital requirement | 55.00 |
| | Total | 269.00 |

| Sr. No. | Sources of funds | Amount (INR) |
|----------------|--|---------------------|
| 1 | Equity share capital – fresh issue to Financial Creditor | 05.00 |
| 2 | Inter-Corporate Deposits on need basis and internal accruals | 109.00 |
| 3 | Equity shares proposed to be issued in future to financial creditors | 155.00 |
| | Total | 269.00 |

D) Source of additional funds (on need basis)

Inter-corporate deposits ('ICD') and unsecured loans

- (i) The Resolution Applicant shall infuse additional funds on need basis in the form of ICD(s) or unsecured loans.
- (ii) The directors comprising the Reconstituted Board may also introduce funds in the Corporate Debtor by way of unsecured loans on need basis.

In this regard, it is also clarified that ICD(s) and unsecured loan obtained on need basis would not tantamount to contravention of any provisions of the Companies Act and which have a bearing on this transaction, including but not limited to Section 186 and Section 73 of the Companies Act, either on the part of the Resolution Applicant, Corporate Debtor or the directors of the Reconstituted Board.

Further, it is specifically stated that the Resolution Applicant retains the right to find an alternate source of funding the Resolution Plan. The Resolution Applicants retain the right to modify or terminate any arrangements (including any term sheets, memorandum of understanding or any other agreements) documented by the Corporate Debtor in this regard. In addition, Resolution Applicants along with other strategic / financial partners, collectively or individually may infuse additional funds in the Company by subscribing to equity and / or quasi equity instruments issued by the Company (*subject to*

restrictions contained in lock-in clause of this Resolution Plan) or arrange such funds as may be required to meet the commitments in this Resolution Plan from the internal accruals of the operations of the Company. In this regard, the Resolution Applicant and / or the Corporate Debtor shall enter into agreements and other relevant documentation with the strategic / financial advisors / partners and such agreements shall be binding on the Resolution Applicant and the Corporate Debtor.

13. PAYMENT TO VARIOUS STAKEHOLDERS

A. CIRP Cost

CIRP cost will be paid, at actual, within 30 days from the Cut-off Date, in priority to any other debt of the Corporate Debtor. The Resolution Professional has estimated the CIRP cost at INR 26,15,000. However, for the purpose of this Resolution Plan, Resolution Applicant has assumed CIRP cost to be INR 30,00,000. The Resolution Applicant would infuse this amount of CIRP Cost in the form of inter-corporate deposits (ICD's) as and when required.

B. Payment to Financial Creditors

As per the Information Memorandum, an amount of INR 4,71,48,687 is due to financial creditors. These financial creditors are secured by way of hypothecation of book debts and secured deposit payment as per the ICD agreement. The Resolution Applicant has proposed to discharge an aggregate amount of INR 1,60,00,000 by issuing equity shares in the following manner.

Details of amount to be discharged

(Amount in INR lacs)

| Sr No. | Name of financial creditor | Amount Admitted | Amount proposed to be paid | Amount proposed to be paid with 30 days from cut-of date | Amount proposed to be after full payment to workmen and employees |
|---------------|-----------------------------------|------------------------|-----------------------------------|---|--|
| 1 | Rutwik Sales Private Limited | 70.00 | 23.75 | 1.50 | 22.25 |
| 2 | Solar Copyer Limited | 401.49 | 136.25 | 3.50 | 132.75 |
| | Total | 471.49 | 160.00 | 5.00 | 155.00 |

Manner in which the amount will be discharged

The Resolution Applicant has proposed to pay an amount of INR 1,60,00,000 to the financial creditors in satisfaction of the entire amount due to them. Out of this an amount of INR 5,00,000 will be discharged by allotting 50,000 Equity shares of face value of INR 10 within 30 days from the Cut-off Date.

Remaining amount of INR 1,55,00,000 will be discharged only after full payment to workmen and employees as detailed in clause C(a) is done (i.e. at the end of 27th month) by allotting appropriate number of equity shares based on the fair value

determined by the merchant banker on the date of allotment. This balance amount of INR 1,55,00,000 due to financial creditors will carry zero rate of interest. Further, Rutwik Sales Private Limited will be secured by way of first charge on all the assets of the Company and Solar Coyer Limited will have second charge on all the assets of the Company.

Further, on discharge of consideration as mentioned hereinabove, all the financial creditors shall withdraw all the recovery suits / claims filed against the Corporate Debtor (if any) by filing consent terms with respective authorities / courts of law / tribunal as may be applicable or in any other acceptable manner; and terminate all the recovery proceedings initiated against the Corporate Debtor in full and final settlement of their claims and dues, and remove the name of the Corporate Debtor from the list of defaulters / suit filed accounts maintained by various data bases like CIBIL, RBI, etc. Upon settlement the Financial Creditors shall issue a certificate of discharge and no-claims to the Company and also hand over the security documents, all titled documents, mortgaged assets to the Resolution Applicant. Financial Creditors shall also co- operate and facilitate vacation of charge if any registered in its favor with the ROC / MCA or any other entity.

Further financial creditors who have not voted in favor of the Resolution Plan shall be paid in priority to the financial creditors who have voted in favor of the Resolution Plan in accordance with Section 30(2)(b) of the Code.

C. Payment to Operational Creditors other than employees, workmen.

As per the Information Memorandum total amount of Rs.21,06,97,018 is due to operational creditors other than

workmen and employees. Considering the overall assets of the Company and the future accruals, the Resolution Applicant has proposed Nil amount to be paid to these operational credit

D. Employees and workmen

As per the Information Memorandum total amount of INR 68,25,683 is due to workmen and employees. The Resolution Applicant has proposed to pay an amount of INR 24,00,000 over a period of 27 months (at regular intervals) from the Cut-Off Date. Further in accordance with Section 53 of the Code, claims of workmen's for the period of twenty-four months preceding the CIRP Commencement Date ranks equally with debts owed to secured creditors who have relinquished their security interests in accordance with Section 52 of the Code. An amount of Rs. 13,14,724/- is to be paid towards gratuity and Provident Fund by the Resolution Applicant. Thereafter, wages and any unpaid dues owed to employees (other than workmen) for the period of twelve months preceding the CIRP commencement date shall be paid.

The Resolution Applicant is anticipating commencing commercial production from the month of April 2021. Considering the paucity of time, the Resolution Applicant would endeavor to retain the existing workmen and employees so as to save time and efforts for fresh recruitments. While, the Resolution Applicant is committed to retain the existing workforce, however considering the overall assets of the Corporate Debtor and the market scenario, the Resolution Applicant proposes to make payment to the extent of INR 24,00,000. The said amount is paid to the employees on pro rata basis and the list for the same is given at annexure 2D of this Resolution Plan. Further, the Resolution Applicant plans to make this payment in 8 equal installment of INR 3,00,000 each at an interval of 3 months commencing from the end of sixth month from the Cut-off Date. Each installment will be paid to the workmen or employee in proportion to their claims.

E. Treatment of Statutory Liabilities

As per the Information Memorandum, claims pertaining to statutory dues amounting to INR 20,48,36,399 have been received and admitted by the Resolution Professional. If the Company were to be liquidated, the amount that would have been payable for all of these claims would have been relegated to the sixth position in priority of payment, much below the Secured Financial Creditors and even the Unsecured Financial Creditors as per Section 53 of the Code. Further, based on a fair estimate of the liquidation value of the Corporate Debtor, the Resolution Applicant believes that the same would have been insufficient to satisfy even the claim of secured financial creditors and thus no amount would have been paid towards these Statutory Dues.

The Resolution Applicant has proposed to pay Nil amount towards payment of statutory dues as on CIRP Commencement date Post approval of resolution plan, the entire due towards the Statutory Dues as on the CIRP Commencement Date shall stand waived, settled and extinguished, and no claims whatsoever, of any nature, shall subsist.

F. Any other Liabilities and Contingent Liabilities

The Resolution Applicant proposes NIL payment to any liabilities claims and debts, arising out of the litigations as mentioned in the information memorandum.

G. Registered Valuers.

The Applicant appointed registered valuers **For Valuation of Financial Assets:** Nishant Soni & Associates, CA Gaurang Shah (b) **For Valuation of Plant & Machinery:** Mahadevappa Belle Rajkumar Sarada. CoC also

selected JPL & Associates (ICAI Reg. No. 132748W) as Transaction Auditor.

H. Monitoring Committee for Supervision and Implementation of the Resolution Plan.

Within 30 days from the Cut-Off Date, the Resolution Applicant proposes to form a committee, to act as the “Monitoring Agency”, comprising of one representative of the Resolution Professional, one representative of Rutwik Sales Private Limited and one representative of the Resolution Applicant. Till the time the Monitoring Agency is not appointed, the Resolution Professional will act as the Monitoring Agency to monitor the implementation of the Resolution Plan.

Implementation Schedule of the Resolution Plan

| Action | Timeline |
|---|---|
| Capital reduction of the existing equity share capital to Zero | Simultaneously with approval of Resolution Plan by Hon’ble NCLT |
| Issuing 50,000 equity shares amounting to INR 5,00,000 to financial creditors | Within 30 days from the Cut-off Date |
| Infusing of funds through ICD’s for payment of CIRP cost and working capital requirements. | |
| Payment of dues to employees and workmen <i>(in proportion to respective claims from the workmen):</i> | |
| 1) INR 3,00,000 | 06 months from the Cut-off Date |
| 2) INR 3,00,000 | 09 months from the Cut-off Date |
| 3) INR 3,00,000 | 12 months from the Cut-off Date |
| 4) INR 3,00,000 | 15 months from the Cut-off Date |
| 5) INR 3,00,000 | 18 months from the Cut-off Date |
| 6) INR 3,00,000 | 21 months from the Cut-off Date |
| 7) INR 3,00,000 | |
| 8) INR 3,00,000 | |

| | |
|--|--|
| | 24 months from the Cut-off Date 27 months from the Cut-off Date |
| Issue of equity shares to financial creditors after full payment to workmen and employees. | 1,55,00,000 |

I. Recoveries from Preferential/Fraudulent Transactions.

Any amount recovered out of preferential/ fraudulent transactions u/s. 43,45, 50 and 66 of the Code shall be borne and recovered by the Financial Creditor

J. Eligibility of Applicants under Section 29A of the Code:

The Successful Resolution Applicant has submitted a declaration stating that the Resolution Applicant or any of its directors or key managerial person is not disqualified under section 29A of the Code.

K. Performance Guarantee.

In relation to performance security, the Applicant states that he had received Rs. 30,00,000/- from the Successful Resolution Applicant which is retained by the Applicant as Security Deposit.

14. The Applicant further submits that the Resolution Plan submitted is in compliance with Section 30 (2) of the Code and Regulation 38 (A) of the CIRP Regulations. The RP has provided a compliance certificate in "FORM H" as mandated under the Code for seeking approval of the Resolution Plan from this Tribunal.

Observations of the Adjudicating Authority.

15. We have heard the Applicant and perused the Resolution Plan and related documents submitted along with the Application.
16. As referred to the above summary of the Resolution Plan, we are satisfied

that all the requirements of Section 30 (2) are fulfilled and no provision of the law appears to have been contravened.

17. Section 30 (4) of the Code reads as follows:

“(4) The committee of creditors may approve a resolution plan by a vote of not less than sixty-six percent of voting share of the financial creditors, after considering its feasibility and viability, the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified by the Board.

18. Section 30(6) of the Code enjoins the Resolution Professional to submit the Resolution Plan as approved by the CoC to the Adjudicating Authority. Section 31 of the Code deals with the approval of the Resolution Plan by the Authority if it is satisfied that the Resolution Plan as approved by the CoC under section 30(4) meets the requirements provided under section 30(2) of the Code. Thus, it is the duty of the Adjudicating Authority to satisfy itself that the Resolution Plan as approved by the CoC meets the above requirements.

19. On perusal of the Resolution Plan, it is observed that the Resolution Plan provides for the following:

- a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
- b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
- c) For management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified u/s 30(2)(c) of the Code.
- d) The implementation and supervision of the Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.

20. The Resolution Plan has been approved by the CoC in its 4th meeting with 100% votes in terms of Section 30(4) of the Code.
21. In ***K Sashidhar v. Indian Overseas Bank & Others (in Civil Appeal No.10673/2018 decided on 05.02.2019)*** the Hon'ble Apex Court held that if the CoC has 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 Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex 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.
22. In ***CoC of Essar Steel*** (Civil Appeal No. 8766-67 of 2019 decided on 15.11.2019) the Hon'ble Apex Court clearly laid down that the Adjudicating Authority does not have power to modify the Resolution Plan which the CoC in their commercial wisdom has approved. In para 42 Hon'ble Court observed as under:

"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).”*

23. The Applicant has filed Compliance Certificate in Form H along with the Plan. On perusal, the same is found to be in order.
24. In view of the discussions and the law thus settled, we are 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. We are thus inclined to allow the Application in the following terms.

ORDER

25. **The Application IA No. 1130 of 2021 in CP (IB) No. 3550/2019 is allowed.** The Resolution Plan submitted by **Solar Coyer 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 the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.
26. In terms of the judgement of the Hon'ble Supreme Court in the matter of Ghanshyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited (Civil Appeal No. 8129 of 2019 decided on 13.04.2021), on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of the Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim which are not a part of the Resolution Plan. Accordingly, no person including the Central Government,

any State Government or any local authority, guarantors and other stake holders, will be entitled to initiate or continue any proceedings in respect to a claim prior to CIRP which is not a part of the Resolution Plan.

27. 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.
28. The approval of the Resolution Plan shall not be construed as waiver of any future statutory obligations/liabilities of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan relating to period after the date of this order shall be subject to approval by the Authorities concerned. This Tribunal will not deter such authorities to deal with any of the issues arising after effecting the Resolution Plan.
29. The concession sought in relation to the stamp duty, taxes, registration charges, etc. for implementation of the approved Resolution Plan is not granted. However, the Resolution Applicant is at liberty to approach the competent authorities for the exemption, if permitted under the law.
30. The Resolution Applicant for renewal of various licenses and effective implementation of the Resolution Plan, shall obtain all necessary approvals under any law for the time being in force, within such period as may be prescribed. However, if any approval of the shareholder is required for extinguishment of existing shares of the Corporate Debtor, allotment of shares to the Resolution Applicant and reduction of share capital of Corporate Debtor under the Companies Act, 2013 or any other law for the time being in force for the implementation of actions under the Resolution Plan, such shareholders' approval shall be deemed to have been given and it shall not be a contravention of that Act or law. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the concerned Registrar of Companies (RoC), for information and record.

31. With respect to the application(s) relating to preferential/fraudulent/avoidance transactions under section 43, 45, 50 and 66 of the Code pending before this Tribunal, all cost of and recovery from those proceedings shall be of the Financial Creditor.
32. As regards the other reliefs and concessions as sought for which exempts the Corporate Debtor from holding them liable for any offences committed prior to the commencement of CIRP as stipulated under Section 32A of the Code, is granted to the Resolution Applicants. However, exemptions, if any, sought in violation of any law in force, it is hereby clarified that such exemptions shall be construed as not granted.
33. The reliefs and concessions which are not specifically granted or in violation of any law in force shall be construed as not granted.
34. The moratorium declared under Section 14 of the Code shall cease to have effect from this date.
35. 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.
36. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

SD/-

MADHU SINHA
MEMBER (TECHNICAL)
/Aakansha/

SD/-

REETA KOHLI
MEMBER (JUDICIAL)