

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT - 2

ITEM No.301
IA/864(AHM)2021
in
CP(IB) 264 of 2018

Order under Section 30 IBC

IN THE MATTER OF:

Bhavi Shreyans Shah RP of Techno Forge Ltd

.....Applicant

.....Respondent

Order delivered on: 02/02/2024

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

The case is fixed for pronouncement of order.
The order is pronounced in open Court vide separate sheet.

Sd/-
DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-
CHITRA HANKARE
MEMBER (JUDICIAL)

**IN THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH -2**

**IA No. 864 of 2021
in
C.P. (IB) No. 264 of 2018**

*(Application Under Section 30(6), Section 31 of the IB Code, 2016
r.w. Reg 39(4) of IBBI Regulations, 2016)*

In the matter of:

Mrs. Bhavi Shreyans Shah,
Resolution Professional of
Techno Forge Limited,
Having a Registered office at:
C-201, Embassy Apartment,
Near Ketav Petrol Pump,
Dr. V.S. Road, Ahmedabad, Gujarat - 380015

.....Applicant

Order pronounced on: 02.02.2024

**Coram: Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)**

MEMO OF PARTIES

In the matter of:

Mrs. Bhavi Shreyans Shah,
Resolution Professional of
Techno Forge Limited,

Having a Registered office at:
C-201, Embassy Apartment,
Near Ketav Petrol Pump,
Dr. V.S. Road, Ahmedabad, Gujarat - 380015

.....**Applicant**

Appearance:

For the Applicant: Mr. Atul Sharma, Adv.

For the SRA : Mr. Arjun Sheth, Adv.

For the Objector: Mr. Harshal Kumar, Adv.

RP in person: Ms. Bhavi Shreyans Shah

JUDGMENT

1. The present application is filed under section 30 (6) read with section 31 of the Insolvency and Bankruptcy Code, 2016 and read along with the regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Process of Corporate Persons) Regulations, 2016 seeking for approval of Resolution Plan of Techno Forge Limited.

2. Brief facts of the case are hereunder:

3. The Bank of India (hereinafter referred to as "Financial Creditor") filed the petition under Section 7 of the Code for initiation of the Corporate Insolvency Resolution Process against Techno Forge Limited (hereinafter referred to as 'Corporate Debtor') which was admitted by this Tribunal vide its

order dated 02.07.2020 and the present applicant was appointed as the Interim Resolution Professional.

4. In accordance with the public announcement dated 08.07.2020 inviting claims from all the creditors, the IRP received collated claims from the creditors of the Corporate Debtor and constituted the CoC. Thereafter, the IRP convened the First Committee of Creditors (hereinafter referred to as "CoC") meeting on 04.08.2020 wherein the CoC resolved to appoint IRP as RP.
5. It is submitted that the 2nd meeting of CoC on 27.08.2020 wherein the CoC resolved to initiate the process of EOI along to fix the minimum eligibility criteria and fix the valuation matrix.
6. The RP published the invitation for EOI in prescribed Form-G in English newspapers namely Times of India on 30.08.2020, Economic Times on 31.08.2020 and regional newspapers namely Sandesh on 30.08.2020 in pursuance of Regulation 36A (1) of the Insolvency and Bankruptcy Board of India (Corporate Insolvency Resolution Process) Regulations, 2016.
7. In the 3rd Meeting of CoC conducted on 25.11.2020 wherein the RP apprised the members of the CoC about receiving a resolution plan from only one Prospective Resolution

Applicant, i.e. Joint Resolution Applicant namely Mr. Ashok Kapasi, Mr. Arun Kapasi and Mr. Vikram Kapasi. The applicant submits that as the terms of payment in the plan were not feasible, the members of the CoC in the said meeting directed the Resolution Applicant to submit the revised resolution plan.

8. The RP convened the Fourth Meeting of CoC on 17.12.2020 wherein the revised resolution plan submitted by joint Resolution Applicants on 09.12.2020 came to be rejected by members of the CoC as being not feasible and viable. The RP apprised the members of the CoC about the expiry of 180 days of CIRP on 29.12.2020, and the CoC resolved to extend the CIRP process for 90 days beyond 180 days and the said extension was allowed by this Tribunal on 15.01.2021. In the said meeting, the members of the CoC resolved to initiate the EOI process afresh thereafter and the RP published and re-invitation for EOI on 24.12.2020.
9. In the Fifth Meeting of CoC on 24.02.2021, the RP apprised the members of the CoC of receipt of the Revised Resolution Plan dated 15.02.2021 from the same Joint Resolution Applicants namely Mr. Ashok Kapasi, Mr. Aroon Kapasi and Mr. Vikram Kapasi. The CoC directed the joint resolution applicants

to make certain modifications to the revised resolution plan and to re-submit the same.

10. In the Sixth Meeting of CoC on 03.03.2021 members of the CoC discussed the Revised Resolution Plan dated 27.02.2021. and again suggested certain modifications in the plan and accordingly joint prospective resolution applicants were directed to modify the same.
11. In the Seventh Meeting of CoC on 20.03.2021 the applicant apprised the member of the CoC about the revised resolution plan dated 03.03.2021 received from the joint resolution applicants. The CoC again discussed on the plan value and terms of the resolution plan and no decision was taken.
12. In the 8th CoC, meeting held on 25.03.2021 wherein the terms and value of the resolution plan were discussed. In the said meeting, the members of the CoC decided to keep the resolution plan as well as the resolution for liquidation for E-Voting till 30.03.2021. The applicant submitted that when the said plan was pending for voting by the members of the CoC, the joint resolution applicants submitted the addendum on 27.03.2021 revising the Major Financial terms of the resolution plan. In furtherance to the said addendum received from the joint

resolution applicant, the Bank of India being a member of CoC vide e-mail dated 30.03.2021 requested for a further time period to consider the resolution plan. The applicant apprised the members of CoC about the expiry of the CIRP process of a corporate debtor on 29.03.2021 and further proposed to grant only 2 weeks i.e. till 12.04.2021 only after obtaining approval from this Tribunal.

13. In the 8th CoC meeting dated 25.03.2021 wherein the Resolution Plan was not approved but decided to approve the proposal for liquidation with majority by E-Voting. Accordingly, the RP filed an application IA No. 346 of 2021 seeking for liquidation of the corporate debtor and the Joint Resolution Applicant filed an IA 547 of 2021 for opposing the liquidation passed by CoC and for dismissal of the application, i.e. IA 346 of 2021. This Tribunal vide order dated 27.09.2021 while allowing the application, i.e. IA 547 of 2021 filed by the Joint Resolution Applicants made the following observations: -

"10. In the case of Essar Steel (supra), the Hon'ble Supreme Court while holding that the timeline should be maintained, being one of the prime objectives of the IB Code, 2016, also observed that in a specific case where the corporate debtor could be put into back on its feet some relaxations in the timelines can be given. In the present case, as stated earlier, the corporate debtor is a

going concern and can be revived and continued as a going concern as well. Hence, though more than 330 days have passed which include exceptional circumstances due to the COVID-19 pandemic, we are of the view that an opportunity may be given for the revival of the corporate debtor through a Resolution Plan. However, considering the factor of timelines is also one of the prime considerations and key objects of IB Code, 2016, we direct the applicant to submit their final proposal within 15 days from the date of this order to the CoC who shall take a final call from the date of this order to CoC who shall take a final call on the resolution plan so submitted within 15 days thereafter. If no resolution works out, then the CoC may again recommend for liquidation of the corporate debtor and direct RP to complete the procedural formalities by filing the necessary additional affidavit in IA 346 of 2021 before this Adjudicating Authority within seven days thereafter, this Adjudicating Authority may pass an appropriate order therein."

Further, IA 346 of 2021 is kept pending ...

14. In compliance with the order passed by this Tribunal, the RP called for the Ninth Meeting of CoC held on 12.10.2021 wherein the members of CoC discussed the Addendum dated 06.10.2021 along with the revised resolution plan dated 03.03.2021 suggested some changes and further directed to submit the resolution plan by 13.10.2021.

15. In the Eleventh Meeting of the CoC held on 28.10.2021 wherein the CoC approved the Revised Resolution Plan dated 12.10.2021 along with the Final Addendum dated 26.10.2021 by 89.11% voting in favour.
16. The Revised Resolution Plan dated 12.10.2021 along with Addendum dated 26.10.2021 as approved by the members of CoC along with Affidavit u/s. 29A of the Code as submitted by the Joint Resolution Applicants has the following payment as below:-

Application of Funds	Amount (Rs.)
Liabilities to be resolved/settled	
a. Insolvency Resolution Process Cost	NA
b. Financial Creditors (Secured)	9,87,28,125
c. Financial Creditors (Unsecured-nonrelated)	4,300
d. Workmen / Employees	NIL
e. Statutory dues	1,700
f. Operational creditors	2,500
g. Other Creditors (Related Parties)	NIL
h. Equity Share Capital	NIL
i. Contingent Liabilities*	11,41,500
Total Cost of Resolution Plan	9,98,78,125

The Applicant submits that the Resolution Applicant has proposed to pay Rs. 9,98,78,125/- within 2 years and 6 months from the date of order of this Hon'ble Tribunal approving the resolution plan.

The said payment is categorized as under: -

PART A: COST OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

Since the Resolution Professional is making payments of all Insolvency Resolution Process Costs from the running business the revenue of the Corporate Debtor is sufficient to pay the Insolvency Resolution Process Costs which has been estimated at an amount of Rs. 40.00Lakh which includes the payment to Interim Resolution Professional and/ or Resolution Professional and all amount of expenses incurred by IRP and/or RP, or any other expenses to the extent duly ratified or approved by the committee of creditors (COC). So there is no provision made. However, if the revenue of the Corporate Debtor is in a shortfall to cover the Resolution Process Cost, the Resolution Applicant shall bring the amount from their own funds to meet such shortfall amount.

Part B: SETTLEMENT OF CORPORATE FINANCIAL DEBTS AND WORKMEN OR EMPLOYEES DUES:

Secured Financial Creditor:

List of Secured Financial Creditors:

Name of the Financial Institutions	Claims received by RP (Rs)	Claims admitted by RP (Rs.)
Bank of India	35,46,06,384	35,46,06,384
Total	35,46,06,384	35,46,06,384

Terms of Settlement:

Resolution Applicants proposes to settle the dues of secured financial creditors by making the payment of Rs. 9,00,00,000/- along with interest @ 10% p.a. amounting to Rs. 87,28,125/- aggregating a total payment of Rs. 9,87,28,125/-

Resolution applicants shall make payment in the following manner:

Term of Payment	Amount of principal payment	% of payment offered
Upfront Payment within 90 days	3,00,00,000	33.33%
Payment in Year – 1 (in 3 Qtrs)	1,27,50,000	14.17%
Payment in Year – 2 (in 4 Qtrs)	2,60,00,000	28.89%
Payment in Year – 3 (in 2 Qtrs)	2,12,50,000	23.61%
Total	9,00,00,000	100.00%

Sr. No.	Particulars	Corporate Secured / unsecured Financial Creditors
1	Admitted Dues	35,46,06,384
2	Amount to be paid	Consolidated sum of Rs. 9,87,28,125/- inclusive interest for all the dues and all claims of Secured Financial Creditors, Principal Amount: 9,00,00,000/- Interest: 87,28,125/- Total: Rs.9,87,28,125/-
3	Repayment tenure	2 years and 6 months from effective date (In 10 Quarterly Instalments)
4	Interest of Payment term	Interest at 10% p.a. shall be payable on the balance amount after the moratorium period of 90 days.
5	Other terms	➤ No pre-payment penalty shall be levied/collected from the Resolution Applicants if any amount is paid by the Resolution Applicants prior to the date on which it falls due

		<p>for payment.</p> <p>➤ 3 months grace period shall be given in case any instalment falls due for payment and no payment is made by the Resolution Applicants due to any unwanted situation. In such a situation, the balance of unpaid EMIs shall be shifted by one quarter. However, the Resolution Applicants shall pay interest @ 10% p.a. for any such delay and the shifting of EMI shall be allowed only once in the entire tenure of the resolution plan</p>
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Repayment Schedule of Amount Mentioned in Resolution Plan for Secured FC:

Quarter	Amount	Interest	Total	Balance	Percentage of Principal amount	% of Payment in Year
Upfront along with Plan	50,00,000	–	50,00,000	8,50,00,000	5.56%	Year – 1 47.50 %
Upfront within 60 days	1,00,00,000	–	1,00,00,000	7,50,00,000	11.11%	
Upfront within 90 days	1,50,00,000	–	1,50,00,000	6,00,00,000	16.67%	
2	42,50,000	15,00,000	57,50,000	5,57,50,000	4.72%	
3	42,50,000	13,93,750	56,43,750	5,15,00,000	4.72%	
4	42,50,000	12,87,500	55,37,500	4,72,50,000	4.72%	

	0	00	0	00		
5	65,00,00 0	11,81,2 50	76,81,25 0	4,07,50,0 00	7.22%	Year – 2 28.89 %
6	65,00,00 0	10,18,7 50	75,18,75 0	3,42,50,0 00	7.22%	
7	65,00,00 0	8,56,25 0	73,56,25 0	2,77,50,0 00	7.22%	
8	65,00,00 0	6,93,75 0	71,93,75 0	2,12,50,0 00	7.22%	
9	1,06,25, 000	5,31,25 0	1,11,56,2 50	1,06,25,0 00	11.81%	Year – 3 23.61 %
10	1,06,25, 000	2,65,62 5	1,08,90,6 25	0	100%	
	9,00,00, 000	87,28,1 25	9,87,28,1 25			

Terms and Conditions for Secured Financial Creditors

1. Resolution Applicants proposes to settle the Corporate Financial Debts through Settlement amount as mentioned the below table "Terms of Settlement to be paid within 2 years and 6 months from the effective date.
2. Upon making an upfront payment to secured financial creditors of Rs. 3.00 Cr., RA shall be at liberty to dispose of the obsolete stock and machinery at their own discretion. No prior permission or NOC shall be required to be taken from the secured financial creditor. If the receivable from such disposed asset exceeds beyond Rs. 3.00 Cr. then the additional amount over the Rs. 3.00 Cr. shall be deposited to the bank and adjusted towards the principal amount of the upcoming instalment.
3. The Secured Financial Creditor will cease to have and release their all claims/lien/charges/

encumbrances/mortgage/hypothecation on the Fixed Assets, Current Assets and Non-Current Assets of the Corporate Debtor on full and final payment of the amount as envisaged under Implementation plan of this Resolution Plan.

4. Simultaneously, upon release of all claims charges/lien/encumbrances, the secured lender shall hand over original title document/ security documents to the authorized person of Resolution Applicants and effectively intimate to concerned Sub Registrar and Revenue authorities for such release of charge.
5. There would be no further claim of whatsoever nature or right of recompense of Secured Financial Creditors in any form or manner against C.D. and / R.A.
6. The secured financial creditors shall release all existing personal guarantees of existing directors or promoters or guarantors of the Corporate Debtor if any executed by the Promoter/Directors/Guarantors of the Corporate Debtor on full and final payment of the amount as envisaged under this part.
7. Any amount paid by CD or appropriated by the financial creditor after the commencement of the CIRP process shall stand adjusted in amount and such financial creditor will be entitled to balance / net amount only
8. Upon receipt of full payment of the amount, the Financial Creditors shall issue the No Due Certificate to the Corporate Debtor and existing directors and promoters of

the Corporate Debtor and also remove the name of the Corporate Debtor and its promoters and guarantors from the list of Defaulters.

WORKMEN & EMPLOYEES DUES

1. As per the information given in the Information Memorandum, there is no claim received from workmen and employees. As per Audited Financial Statements, there are no outstanding liabilities of Corporate Debtor towards workmen & employees. Hence, no payment is proposed towards dues of Workmen & Employees by Resolution applicants. All dues and claims of the workmen and other employees against the corporate debtor if any arise in future due to past performance, shall stand waived/satisfied in terms of Regulation no 37(f) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

Unsecured Financial Creditor:-

As per the Information Memorandum, under "List of Financial Creditors" total outstanding of Unsecured Financial Creditors (Non-Related) of the Company is Rs. 4,33,32,138/- who has submitted the claims and also verified and admitted by Resolution Professional are as follows:

List of Unsecured Financial Creditors:

Name of the Financial	Claims received by RP (INR)	Claims admitted by RP (INR)
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Institutions		
Paisalo Digital Limited (Formerly known as S.E. Investments Limited)	4,33,32,138	4,33,32,138
Total	4,33,32,138	4,33,32,138

Proposal for Payment: -

All claims of such financial creditors shall stand extinguished and no claim shall be raised by such creditor on approval of resolution plan by Adjudicating Authority.

Proposal for Statutory Dues of Corporate Debtor

As per Information Memorandum, the total amount claimed by statutory departments of the corporate debtor at Rs. 1,65,50,258/- Whereas the admitted claim by the Resolution Professional is Rs. 1,65,18,989/- The RA has proposed to pay 0.01% of the Amount claimed admitted i.e. Rs. 1700/- (rounded off to nearest Rs. 100/-) within 90 days from the effective date.

Proposal for Contingent Liabilities and Other Operational Creditor of Corporate Debtor

Resolution Applicants shall pay 0.01% of the amount so determined subject to a maximum of Rs. 11,41,500/- against all

contingent liability known or unknown after the resolution plan is approved by the Adjudicating Authority.

Proposal for Shareholders of Corporate Debtor

1. On the effective date existing issued, subscribed and paid-up share capital held by promoters and a group of promoters shall stand cancelled and considered extinguished. New Shares shall be issued in the name of Resolution applicants or any person nominated by Resolution Applicants in the ratio as proposed by Resolution Applicants upon approval of this resolution plan, against the upfront payment to be brought by Resolution Applicants.
2. Shares held by the public (Public Shareholding) shall be reduced to 5% of their shareholding.
3. Any other equity-linked securities/ warrants, securities/ warrants convertible into or exchangeable with equity shares of the corporate debtor and all other securities of the corporate debtor, if any, shall also stand cancelled and extinguished without any payment and for further act and deed. None of the Equity Shareholders, Preference Shareholders or holders of any security/warrants convertible rights shall stand cancelled immediately upon sanction of the Resolution Plan by NCLT.

4. In terms of the *circular (ref IBC/01/2017) dated 25 October 2017 issued by the Ministry of Corporate Affairs*, approval of the shareholders of the corporate debtor to the transactions contemplated under the instant Resolution Plan including the transfer of the existing share capital shall be deemed to have been given without any further act and deed on the approval of the plan by this Tribunal.
5. Upon approval of the Resolution Plan by this Tribunal, within 7 days of the sanction of the Resolution Plan, the Resolution Professional shall:
 - a. file the certified copy of the approved Resolution Plan to the Registrar of Companies;
 - b. Reconstitution of Existing Board of Directors as may be communicated by RA by complying with the requirements of the Companies Act with ROC;
 - c. Handover the records of the company by proper handover document.

Treatment of Listing Status of the Corporate Debtor

Corporate Debtor was listed on the Bombay Stock Exchange. However, due to various non-compliances and non-payments, the Listing of the Corporate Debtor was suspended. Securities and Exchange Board of India and Bombay Stock Exchange, on approval of this resolution plan, shall relist the securities of the

Corporate Debtor without making any payment of any additional fees or outstanding fees. RA shall complete the necessary formalities to get the securities listed as per provisions of the SEBI Act and Companies Act. Public Shareholding shall be increased to the minimum threshold requirements within 2 years from the date of relisting of security as per provisions of SEBI.

On approval of this resolution plan SEBI/BSE/DP/RTA/Banks shall defreeze the demat account of all the promoters and their relatives, which were frozen due to non-compliance on the part of the Corporate Debtor."

17. The Applicant has also received EMD of Rs. 5,00,000/- and Rs. 50,95,000/- along with the submission of the EOI and the Resolution Plan respectively.
18. The Applicant submits that in compliance with the Resolution Plan as under Section 30(2) of the Code and Regulation 39 (4) of the CIRP Regulations, the Applicant has also provided a compliance checklist at the time of seeking approval of the Resolution Plan in Form H.
19. The Resolution Applicant had furnished the performance security as mandated under sub-regulation (4A) of regulation 36 (B) of the Corporate Insolvency Resolution Process

Regulation, 2016 amounting to Rs 25,00,000/- (Twenty-Five lakhs Only).

20. The objector /Dissenting Financial Creditor filed its written submission and stated that it holds a 10.50% voting share in the CoC, the admitted claim of the objector is 4.33 crores and Resolution Applicant offered in the Resolution Plan to the objector is Rs. 4,330/- and in the plan the provisions for the release of their personal guarantee of Rs. 4.33 crores which is against the Contract Act and IBC. It is further stated that he has an arbitral award dated 23 10 2014 passed by Ld Sole Arbitrator Mrs Archana Maheswari. He has pleaded that the provisions of the Indian Contract Act 1872 will be contravened if the personal guarantee is released. The RA are the Ex-Directors of the Corporate Debtors therefore as per his submission, they are responsible and accountable for the mismanagement of the CD.
21. We have heard learned counsel for the applicant and perused the material available on record. It is noted that Form H has been filed by the Resolution Professional giving details of compliances as required under provisions of section 30 r.w. 31 of the Code.
22. From the above, it is observed as under:

- a. The CD is stated to be a MSME but necessary documents in support were not provided.
- b. The Resolution Plans were repeatedly submitted by the same applicants who were part of suspended management under Section 29 (A) of the IB Code, 2016 they were otherwise not found to be ineligible. The COC took an extraordinarily long time in deciding the proposal. The Ex-Management seeks to be exempt from the personal guarantee provided which has been objected by Dissenting F. In case of a Resolution Plan, if approved even with such conditions, the Personal Guarantee given continues to be liable to the extent up to which the stated guarantors have executed a commitment for any borrowing in a personal capacity. The Company seems to be a listed company and hence they need to comply with the modifications/compliance needed before altering the equity pattern as proposed in the plan. The Plan has been approved by the majority members of COC and is a commercial decision and provides for all the statutory requirements for all creditors. The Resolution Plan Applicants are individuals and their net worth is not stated. However, the resolution applicants were the same whenever EOI was made and bids received, COC has considered the same after directions of this Tribunal. There was an IA filed by the RP under Sec 43

was adjudicated and Disposed of due to full payment was made to CD's A/c with the Bank of India. However, the clauses in the Resolution Plan on the discharge of personal guarantee stated to have been given in favour of the Dissenting FC, which stands to be against the provisions of the IBC in resolving the corporate entity as the resolution plan has not taken into consideration guarantee given by the directors or ex-management in their personal capacity while releasing them under the resolution plan. There is extinguishment of personal guarantee by the Resolution applicants who are the ex-management and no amount is reserved for such relief in the Plan. It is stated that the Resolution Applicant was offered a settlement of Rs 85 lakhs to the objector/dissenting Financial Creditor which was accepted but not acted upon. In view of the same, any concession of personal guarantee of directors is not allowed.

23. Following rulings are relevant to decide the application:

a. In the matter of ***Vishram Narayan Panchpor, Resolution***

Professional of “ Blue Frog Media Private Limited.”

wherein the Hon'ble NCLAT held that Former Directors and Directors can submit bids if not ineligible under Sec 29A of IBC.

"Section 29A does not make per se promoters and directors ineligible to submit a plan unless they are ineligible under clauses (a) to (g)" of the IBC.

- b. As regards the discharge of personal guarantee the COC has approved the proposal with a majority required. In this regard, the order passed by the Hon'ble NCLAT in Company Appeal No.266 of 2023 in the matter of ***SVA Family Welfare Trust V. Ujaas Energy Ltd & Ors (CAAT(1) No.266 of 2023)*** has been held that COC cannot absolve the liability.
- c. In the matter of ***Lalit Kumar Jain V Union of India & Ors (2020) 8 SCC 531***, the Hon'ble Supreme Court categorically stated that *approval of the resolution plan does not ipso facto discharge a personal guarantor of her or his liabilities under the contract of guarantee.*
24. It is further noted that an affidavit as regards the eligibility of the resolution applicant under Section 29A along with the undertaking of the resolution applicant to this effect has been filed. We have also perused the contents of the resolution plan, we are of the view that Regulations 36 to 39 of CIRP Regulations, 2016 have been complied with. We further noted that the resolution plan complies with all requirements under Section 30(2)(b) of IBC, 2016. We also find that the resolution

plan contains measures to run the Corporate Debtor in future and that the resolution plan is both feasible and viable as held by CoC and it also contains provisions for its effective implementation. We approve the resolution plan subject to the compliance with the directions issued herein.

25. Hence, we pass the following orders:

ORDER

- I. Application is allowed.
- II. The Tribunal approves the Resolution Plan shall become effective from the date of passing of this order.
- III. The release of personal guarantees of the Ex-Directors/Management who are also the Joint -Joint-Resolution Applicants are not allowed, who will continue to be liable in their individual capacity.
- IV. The order of moratorium dated 02.07.2020 passed by this Adjudicating Authority under Section 14 of IBC, 2016 shall cease to have effect from the date of this order.
- V. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

- VI. The monitoring committee as proposed in the resolution plan shall be constituted for supervising the effective implementation of the Resolution Plan.
- VII. The Resolution Professional, Mrs. Bhavin Shreyans Shah shall be released from the duties of the Resolution Professional of the Corporate Debtor as per the provisions of the IBC, 2016 and rules/regulations made thereunder from the date of this order.
- VIII. The Resolution Professional shall forward all records relating to the conduct of the corporate insolvency resolution process and Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database.
- IX. As regards various reliefs and concessions which are being sought, we hereby grant the following reliefs and concessions only as against reliefs and concessions claimed by the resolution applicant:
- a) After the payment of the dues to the creditors, as per the resolution plan, all the liabilities/claims of the said stakeholders shall stand extinguished and other claims including Government/Statutory Authority, whether

lodged during CIRP or not, shall stand extinguished after the approval of the resolution plan.

- b) From the date of this order, all claims against the Corporate Debtor, except those provided in the plan of the Corporate Debtor stand extinguished.
- c) From the date of this order, all beneficiaries of guarantees issued by the Corporate Debtor (except personal guarantee of the Ex Management or Directors), if any, all liabilities of the Corporate Debtor with respect to such guarantees shall be extinguished and such recipients shall not thereafter be entitled to raise any claims against the Corporate Debtor.
- d) From the date of this order, all encumbrances on the assets of the Corporate Debtor before the plan shall stand extinguished.
- e) For reliefs and concessions sought from the Government/Statutory Authorities, we direct the resolution applicant to approach the concerned Authorities. The concerned Authorities are to consider and decide the matter as per applicable provisions of law for effective implementation of the Resolution Plan.

- f) The Resolution Applicant shall be entitled to review, revise or terminate any appointments/agreements/understanding entered into by or on behalf of the Corporate Debtor in accordance with the terms and conditions of such agreements/MoUs/contracts;
- g) The management of the Corporate Debtor shall be handed over to the Board of Directors as may be nominated by the resolution applicant for the proper running of the operations /business of the Corporate Debtor;
- h) The Board of Directors of the Corporate Debtor shall also be reconstituted and procedural compliances shall be done to give effect to such reconstitution. If any IAs pending adjudication against the Ex-Directors/suspended management under IBC 2016 before the Adjudicating Authority will be continued till disposal by the RA;
- i) The Resolution Applicant shall, pursuant to the resolution plan approved under Section 31(1) of the Code, obtain necessary approvals required under any law for the time being in force within a period of one year from

the date of approval of the resolution plan vide this order or within such period as provided for in such law, as the case may be;

- j) All the approvals of shareholders/members of the Corporate Debtor shall be deemed to have been obtained and the provisions made in the resolution plan as regards the restructuring of capital shall be binding on them;
- k) With respect to the grant of license/ Government approval, if the license or approval is terminated, suspended or revoked, the resolution applicant may approach the concerned Department/ Authorities for such approval/ renewal and Government Authorities may consider the request of the resolution applicant as per applicable provisions of law for effective implementation of the resolution plan.
- l) Certified copy of this order be issued to all concerned parties upon compliance with all requisite formalities.

26. IA No. 864 of 2021 in CP(IB) No. 264 of 2018 is disposed off.

Sd/-

**DR. V.G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)**

Sd/-

**CHITRA HANKARE
MEMBER (JUDICIAL)**