

Sr. No. 80/2024

1

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**JAIPUR BENCH**

**CORAM: SHRI DEEP CHANDRA JOSHI,**  
**HON'BLE JUDICIAL MEMBER**

**SHRI RAJEEV MEHROTRA,**  
**HON'BLE TECHNICAL MEMBER**

**IA(IBC) No. 01/JPR/2024**  
**In CP No. (IB)- 36/9/JPR/2022**

(Under Section 9 of the Insolvency and Bankruptcy Code, 2016 Read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

**IN THE MATTER OF:**

**M/S SANMATI EDIBLE OILS PVT. LTD.**

**...Operational Creditor/Applicant**

**Versus**

**M/S SATWIKI PROTEINS PVT. LTD.**

**...Corporate Debtor/Respondent**

**IA (IBC) No. 01/JPR/2024:**

**MEMO OF PARTIES**

**Mr. Sumit Sharma**

Resolution Professional of M/s Satwiki Proteins Pvt. Ltd

Having his office at C-3/69 A,

Keshav Puram, Delhi-110035

Email id: cirp.satwikiproteins@gmail.com

**...Applicant**

IA No. 01/JPR/2024



CP No. (IB) 36/9/JPR/2022

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## VERSUS

**1. Punjab National Bank**

Having its Office at Zonal Sastra Centre,  
3<sup>rd</sup> Floor, Nehru Palace,  
Tonk Road, Jaipur- 302015

**2. Small Industries Development Bank of India (SIDBI)**

Having its Office at SIDBI Tower, 15, Ashok Marg,  
Lucknow- 226001, Uttar Pradesh

...Respondents

|                       |                           |
|-----------------------|---------------------------|
| For the Applicant     | : Saumil Sharma, Adv.     |
| For the SRA           | : Karan Gandhi, Adv.      |
| For the Respondent(s) | : Anuradha Upadhyay, Adv. |

**Order Pronounced On: 12.03.2024****ORDER****Per: Shri Rajeev Mehrotra, Technical Member**

1. This Interlocutory Application ('Resolution Application' / 'IA') is filed by *Mr. Sumit Sharma*, Resolution Professional ('RP' / 'Applicant') of *M/s Satwiki Proteins Pvt. Ltd.* ('Corporate Debtor') under Sections 30(6) and 31 of the Insolvency and Bankruptcy Code, 2016 ('IBC' / 'Code') read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Process of Corporate Persons) Regulations, 2016 ('CIRP Regulations') seeking approval of the Resolution Plan.
2. The main petition bearing CP No. (IB)- 36/9/JPR/2022 was filed by the Operational Creditor *M/s Sanmati Edible Oils Pvt. Ltd.* under Section 9 of the Code for initiation of Corporate Insolvency Resolution Process ('CIRP')

IA No. 01/JPR/2024

Sd/-



CP No. (IB) 36/9/JPR/2022

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National Company Law Tribunal  
Jaipur

against the Corporate Debtor. The Insolvency Application was admitted by this Adjudicating Authority *vide* Order dated 13.01.2023 and *Mrs. Garima Diggiwal* was appointed as the Interim Resolution Professional ('IRP'). The IRP issued a public announcement on 18.01.2023 as per Regulation 6 of the Regulations read with Sections 13 and 15 of the Code in Form A in two newspapers i.e., *The Indian Express* (English) and *Jansatta* (Hindi), inviting claims from the creditors of the Corporate Debtor.

3. The IRP upon receipt of claims, constituted the Committee of Creditors ('CoC') in compliance with Section 21 (1) of the Code on 09.02.2023 and convened the 1<sup>st</sup> CoC meeting on 16.02.2023. The agendas, as provided in the first CoC meeting, were put to e-vote from 18.02.2023 to 21.02.2023 over a secured platform. In the meeting, the CoC rejected the proposal concerning the appointment of the IRP as the RP of the Corporate Debtor.
4. In the 2<sup>nd</sup> CoC meeting convened on 09.03.2023, the CoC unanimously approved and appointed the Applicant, *Mr. Sumit Sharma* as RP, and *Crest Valuation Services Pvt. Ltd.* and *M/s GTech Valuers Pvt. Ltd.* were appointed for determination of the fair value of the Corporate Debtor. In its meeting, the CoC authorized the RP to publish Form-G in selected newspapers having wide circulation in the State of Rajasthan and approved the Draft Expression of Interest. Further, in compliance with the resolution passed by the CoC, the RP made a public announcement in Form G in two newspapers i.e., *The Indian Express* (English) and *Jaipur Mahanagar Times* (Hindi) inviting

IA No. 01/JPR/2024

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CP No. (IB) 36/9/JPR/2022

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Expression of Interest ('EOI') on 14.03.2023. Consequently, the RP received four EOI from Prospective Resolution Applicants ('PRAs') and the provisional list of PRAs was issued on 08.04.2023. A copy of Form G published in the Newspapers along with the provisional list of PRAs is annexed as Annexure-IA/4 of the IA. The appointment of the Applicant as Resolution Professional of the Corporate Debtor was approved by this Adjudicating Authority vide its order dated 25.04.2023.

5. The 4<sup>th</sup> CoC meeting was held on 19.05.2023 wherein the CoC passed the resolution to reissue Form-G. In compliance with the resolution passed by the CoC, the RP reissued Form G in two newspapers i.e., *The Indian Express* (English) and *Jaipur Mahanagar Times* (Hindi), inviting EOI on 21.05.2023. Subsequently, the RP received EOI from eleven (11) PRAs and a provisional list of PRAs was published on 21.05.2023. A copy of reissued Form G as published in the Newspapers along with the provisional list of PRAs is annexed as Annexure-IA/5 of the IA. Thereafter, the RP invited objections against the provisional list of PRAs. The final list of PRAs was issued on 20.06.2023 as no objections were raised against the said list.
6. The RP shared the Information Memorandum ('IM') with the PRAs and requested them to submit their Resolution Plan before 12.07.2023. The RP received four (4) Resolution Plans from the PRAs. The Resolution Plans were produced before the CoC in its 6<sup>th</sup> meeting dated 19.07.2023 wherein the RP was directed to legally vet the Resolution Plans. A copy of minutes

IA No. 01/JPR/2024

Sd/-



CP No. (IB) 36/9/JPR/2022

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of the 6<sup>th</sup> CoC meeting is annexed as Annexure IA/7 of the IA. In the 7<sup>th</sup> CoC meeting dated 22.09.2023, the CoC approved the Swiss Challenge Method for negotiation of the Resolution Plans with the PRAs. A copy of minutes of the 7<sup>th</sup> CoC meeting is annexed as Annexure IA/10 of the Resolution Application.

7. In the intervening period, an IA bearing no. 412/JPR/2023 was filed by the RP for the restoration of electricity connection in the premises of the Corporate Debtor. During the hearing of the said Application, the Counsel for the RP confirmed that necessary steps will be taken to clear the dues of the electricity department concerning the post CIRP period, the same has also been recorded by this Adjudicating Authority in its order dated 07.11.2023.
8. In the 8<sup>th</sup> CoC meeting dated 20.11.2023, the CoC members elaborately negotiated the plans through Hybrid Swiss Challenge Method, and after detailed discussion approved the plan submitted by *M/s Mount Maltbru Limited* with the Addendum dated 08.11.2023 by 96.68% votes in favour. The Addendum dated 08.11.2023 deals with the dues of Rajasthan State Electricity Board ('RSEB'). In the addendum, the Resolution Applicant has provided for full payment of admitted dues of RSEB amounting to Rs. 1,88,517/- (Rupees One Lakh Eighty Eight Thousand and Five Hundred and Seventeen only) within 90 days. As per the Resolution Plan, a settling amount of Rs. 8,93,00,000/- (Rupee Eight Crore Ninety-Three Lakh Only)

IA No. 01/JPR/2024

Sd/-

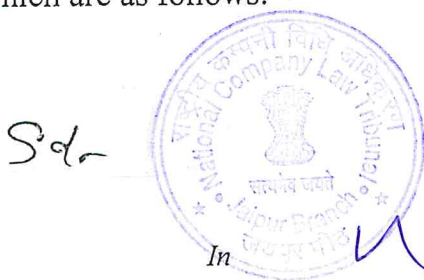


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CP No. (IB) 36/9/JPR/2022

is agreed upon as full and final settlement of the debt owed by the Corporate Debtor.

9. The Resolution Plan also provides for transfer of the land mortgaged to *Punjab National Bank* by the promoters of the Corporate Debtor to the Resolution Applicant at an additional payment of Rs. 4,00,00,000/- (Rupees Four Crore Only). Moreover, the CoC had also approved the distribution of the amount payable to the Secured Financial Creditor under the Resolution Plan in the ratio of their share in the admitted debt.
10. Subsequently, the Resolution Professional issued a Letter of Intent ('LOI') dated 09.12.2023 to the Resolution Applicant intimating about the decision of the CoC, and seeking deposit of Performance Security for an amount equivalent to Rs. 2 Crore (Rupees Two Crore Only). In compliance with the terms and conditions of the LOI and Regulation 39(4), the Resolution Applicant has provided Performance Security of Rs. 2 Crore (Rupees Two Crore Only) by way of Bank Guarantees. Further, the Successful Resolution Applicant has also submitted an affidavit concerning its eligibility to submit Resolution Plan in terms of Section 29A of the Code. A copy of the Affidavit is filed with the IA and is marked as Annexure- IA/16.
11. The Applicant RP has provided brief details of the Resolution Plan along with Addendums, which are as follows:

IA No. 01/JPR/2024



In

CP No. (IB) 36/9/JPR/2022

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| S. No. | Claimants                  | Amount Proposed (in Crore) | Payment Period                                |
|--------|----------------------------|----------------------------|---|
| 1.     | IRP Cost                   | 0.75                       | Within 30 days from the date of NCLT approval |
| 2.     | Secured Financial Creditor | 0.02                       | 30 days                                       |
| 3.     | Operational Creditor       | 0.16                       | 30 days                                       |
| 4.     | Workmen and Employees      | -                          | -   |
| 5.     | Financial Creditor         | 8.75                       | 90 days                                       |
| a      | Upfront                    | 2.19                       | 30 days                                       |
| b      | Upfront                    | 6.56                       | 90 days                                       |
| 6.     | Total                      | 9.68                       |   |
| 7.     | Capex/ Working Capital     | 35.00                      |   |
| 8.     | Grand Total                | 44.68                      |   |

*\* The PRA is giving Additional Payment of Rs. 4 Crore to Punjab National Bank for Land within maximum 180 days of Effective date for transfer of land in the name of Successful Resolution Applicant as the land on which the plant is built belongs to the promoters and is exclusively mortgaged to Punjab National Bank.*

12. Accordingly, the RP is duty bound to prefer an application under Sections 30(6) and 31 of the Code read with Regulation 39(4) of the CIRP Regulations seeking approval of the Resolution Plan which was duly accepted by the CoC, from this Adjudicating Authority. The Applicant has submitted the Resolution Plan along with a compliance certificate in Form H under Regulation 39(4) of the Regulations. In the matter of **Committee of Creditors of Essar Steel India Private Limited vs. Satish Kumar**, the Hon'ble Supreme Court held that in consonance with the provisions of Regulation 28(1A), the Resolution Plan should take care of the interest of all

IA No. 01/JPR/2024

Sd/-



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CP No. (IB) 36/9/JPR/2022



the stakeholders, including operational creditors of the Corporate Debtor. Therefore, the resolution plan has fulfilled the parameters of the said Judgment, inter alia, the maximization of the value of the assets of the Corporate Debtor and the interest of all the stakeholders has been taken into consideration. A copy of the Resolution Plan along with the Addendum dated 08.11.2023 and the compliance certificate in Form H are annexed as Annexure IA/12 (Colly) and IA/14 of the IA, respectively.

13. The RP has stated that the Resolution Plan envisages revival of the Corporate Debtor and sustains it as a going concern. In case of rejection of the Resolution Plan, the Corporate Debtor would be liquidated and that would seriously prejudice the interest of all stakeholders.
14. Moreover, the RP states that as per Section 30 of the Code, the Resolution Plan ought to be approved by 66% of the voting share of financial creditors. It is submitted that the Resolution Plan has been duly approved by the CoC by a majority of 96.68% of the members. It is imperative to mention that one of the members of the CoC, Small Industries Development Bank of India, holding 3.32% of the voting share has rejected the Resolution Plan.
15. We have carefully considered the submissions of the learned counsel for the RP and have also perused the record.
16. The Corporate Debtor was incorporated on 09.01.2013 and the CIRP proceedings were initiated under Section 9 of the Code against the Corporate Debtor by order dated 13.01.2023. The present application is filed for

IA No. 01/JPR/2024

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CP No. (IB) 36/9/JPR/2022

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approval of the resolution plan submitted by *M/s Mount Maltbru Limited* (Successful Resolution Applicant). The approval has been sought under the provisions of Section 31 (1) of the Code.

17. We may first of all state that after receipt, verification, and collation of claims as discussed above, the IRP constituted the CoC as per the provisions of Section 21 of the Code. The details of the financial creditors, the distribution of voting share among them and the position of voting for the resolution plan are as under (Para No.5 of Form H) -

| S. No. | Name of Creditor  | Voting Share (%) | Voting for Resolution Plan (Approved/Dissented/Abstained) |
|--------|---|------------------|---|
| 1      | Punjab National Bank (Secured Creditor)                               | 96.68%           | Approved  |
| 2      | Small Industries Development Bank of India (SIDBI) (Secured Creditor) | 3.32%            | Rejected  |
| Total  |   | 100%             |   |

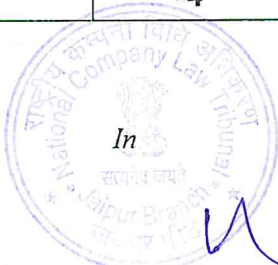
18. The details of stakeholders under the resolution plan as contained in the Affidavit filed by the Applicant on 29.02.2024 is as follows:

\*(Amount in Rs. Crore)

| S. 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                                    |

IA No. 01/JPR/2024

Sd/-



CP No. (IB) 36/9/JPR/2022

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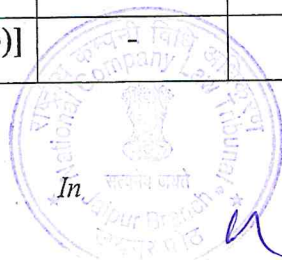
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|    |                               |  |       |       |      |       |
|----|-------------------------------|--|-------|-------|------|-------|
| 1  | Secured Financial Creditors   | (a) Creditors not having a right to vote under sub-section (2) of Section 21 | 0     | 0     | 0    | 0     |
|    |                               | (b) Other than (a) above:  | 59.80 | 59.80 | 8.75 | 14.64 |
|    |                               | (i) Who did not vote in favour of the Resolution Plan                        | 1.98  | 1.98  | 0.19 | 9.70  |
|    |                               | (ii) Who voted in favour of the Resolution Plan                              | 57.82 | 57.82 | 8.56 | 14.80 |
|    | Total [(a)+ (b)]              |  | 59.80 | 59.80 | 8.75 | 14.64 |
| 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)]             |  | -     | -     | -    | -     |

IA No. 01/JPR/2024

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|--------------------|-----------------------|---|--------------|--------------|--------------|-------------|
| 3.                 | Operational Creditors | (a) Related Party of Corporate Debtor                                     | -            | -            | -            | -           |
|                    |                       | (b) Other than (a) above:   | 2.14         | 2.14         | 0.02         | 0.93        |
|                    |                       | (i) Government  | 2.14         | 2.14         | 0.02         | 0.93        |
|                    |                       | (ii) Workmen  | -            | -            | -            | -           |
|                    |                       | (iii) Employees   | -            | -            | -            | -           |
|                    |                       | <b>Total [(a) + (b)]</b>  | <b>2.14</b>  | <b>2.14</b>  | <b>0.02</b>  | <b>0.93</b> |
| 4.                 | Other debts and dues  | Operational Creditor other than workmen and employees and Government Dues | 15.69        | 13.71        | 0.14         | 0.89        |
| <b>Grand Total</b> |                       |   | <b>77.31</b> | <b>77.31</b> | <b>75.65</b> |             |

19. The abovementioned amount of Rs. 8,75,00,000/- (Rupees Eight Crore and Seventy-Five Lakh Only) payable to the Financial Creditors (secured and unsecured) is proposed to be paid within 90 days as per the Repayment Schedule provided in the Resolution Plan.
20. The compliance aspect of the resolution plan has been given in Para No. 9 of Form H, which is as follows:

| 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 | Yes, he was part of final list of PRA | Yes                 |

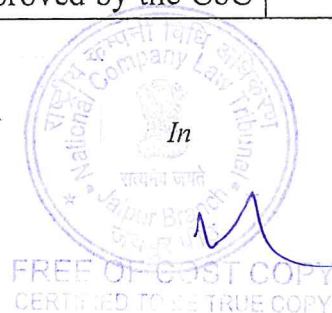
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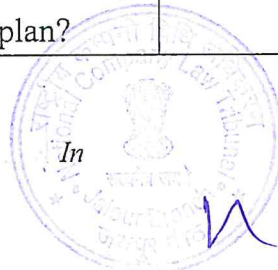


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|               |  |   |     |
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|               | having regard to the complexity and scale of operations of business of the CD?   |   |     |
| Section 29A   | Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority? | Yes. Resolution Applicant meets the eligibility Order, if any, of the Adjudicating Authority? | Yes |
| Section 30(1) | Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?   | 29A undertaking received in format III of RFRP  | Yes |
| Section 30(2) | Whether the Resolution Plan- (a) Provides for the payment of insolvency resolution process costs?  | Clause 5.3 on Page No. 13   | Yes |
|               | (b) provides for the payment to the operational creditors?   | Clause 5.2 on Page No. 12   | Yes |
|               | (c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?   | Clause 5.2 on Page No. 12   | Yes |

IA No. 01/JPR/2024

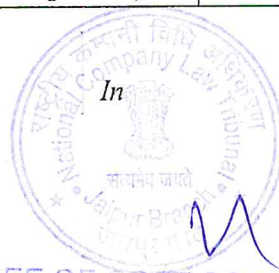
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|                   |  |  |  |
|                   | (d) provides for the management of the affairs of the corporate debtor?  | Page No. 34  | Yes  |
|                   | (e) provides for the implementation and supervision of the resolution plan?  | Implementation schedule has been provided vide clause 5.8 on Page 27 | Yes  |
|                   | (f) contravenes any of the provisions of the law for the time being in force?  | Para viii on Page 39 the Resolution Plan                             | No, Plan does not contravene any provision |
| Section 30(4)     | Whether the Resolution Plan (a) is feasible and viable, according to the CoC?<br>(b) has been approved by the CoC with 66% voting share? | Yes, CoC has discussed the same in CoC<br><br>Yes                    |  |
| Section 31(1)     | Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC                                   | Para 7 on Page 36  |  |
| Regulation 38 (1) | Whether the amount due to the operational creditor under the Resolution Plan has been given priority in                                  | Page No. 19  | Yes  |

IA No. 01/JPR/2024

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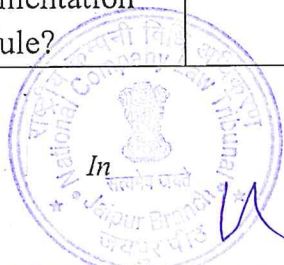
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|                   |   |                         |     |
|-------------------|---|-------------------------|-----|
|                   | payment over financial creditors?   |                         |     |
| Regulation 38(1A) | Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?   | Clause 8(ii) on Page 40 | Yes |
| Regulation 38(1B) | i. Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code.<br>ii. If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation? | No<br>Page 39           | Yes |
| Regulation 38(2)  | Whether the Resolution Plan provides:<br>(a) the term of the plan and its implementation schedule?  | Clause 5.8 on Page 19   | Yes |

IA No. 01/JPR/2024

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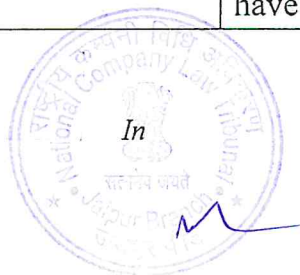
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|                  | <p>(b) for the management and control of the business of the corporate debtor during its term?</p> <p>(c) adequate means for supervising its implementation?</p>  |   |     |
| Regulation 38(3) | <p>Whether the resolution plan demonstrates 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>Para 5.7 and 5.8</p> <p>Para 5.7 and 5.8</p> <p>Para 7</p> <p>Para 7</p> <p>Para 2</p>                             | Yes |
| Regulation 39(2) | Whether the RP has filed applications in respect of transactions observed, found or determined by him?  | No, the suspended Board has not provided any information and are not traceable. Bailable warrants have been issued in | Yes |

IA No. 01/JPR/2024

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|                  |  | application u/s<br>19(2)  |  |
| Regulation 39(4) | Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B. | Rs. 25 lakhs by way of Bank guarantee No. 0299IFBG2305002 dated 17.05.2023 issued by Jammu and Kashmir Bank and Rs. 1.75 Crore by way of Bank Guarantee no. 02991PG2312002 dated 14.12.2023 expiring on 13.12.2024 issued by Jammu and Kashmir Bank. Copy of the Bank Guarantee is annexed with Form H. |  |

21. The approval of the Resolution Plan has been sought under Section 31(1) of the Code, which reads as follows:

*“If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and 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 such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan.*

IA No. 01/JPR/2024

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*Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation."*

22. The conditions provided in Section 31(1) of the Code for approval of the Resolution Plan are as follows:

- (a) *The Resolution Plan is approved by the CoC under Section 30(4) of the Code;*
- (b) *The Resolution Plan so approved meets the requirements as referred to in Section 30(2) of the Code;*
- (c) *The Resolution Plan has provisions for its effective implementation.*

The satisfaction of the conditions is discussed below.

23. It is submitted by the RP that the Resolution Plan has been approved by a vote of 96.68% of the voting share of the financial creditors and therefore, the conditions provided for by Section 30(4) of the Code are satisfied.

24. The provisions of Section 30(2) of the Code are as follows:

*"(2) The resolution professional shall examine each resolution plan received by him to confirm that each resolution plan -*

- (a) 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;*
- (b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-*

- (i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or*
- (ii) 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,*

IA No. 01/JPR/2024

Sd/-



CP No. (IB) 36/9/JPR/2022

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*whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.*

*Explanation 1. — For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.*

*Explanation 2. — For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-*

*(i) where a resolution plan has not been approved or rejected by the Adjudicating Authority;*

*(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or*

*(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;*

*(c) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;*

*(d) The implementation and supervision of the resolution plan;*

*(e) does not contravene any of the provisions of the law for the time being in force*

*(f) confirms to such other requirements as may be specified by the Board.*

*Explanation. — For the purposes of clause (e), if any approval of shareholders is required under the Companies Act, 2013(18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law."*

25. The compliance of Section 30(2) of the Code is provided in Para No. 9 of Form H (*supra*). The same is being further examined as under:

IA No. 01/JPR/2024

Sdr



Sdr

CP No. (IB) 36/9/JPR/2022

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25.1. **Section 30(2)(a):** The Resolution Plan (Para 5.3 Part 5 on Page 173 of the IA) states that the Resolution Applicant shall pay any outstanding CIRP Cost in priority to the payment of any other debt under the Resolution Plan. The Applicant has made a provision of Rs. 75 Lakh against the estimated CIRP cost of Rs. 60 Lakh and it also undertakes to bear the difference if the actual CIRP Cost exceeds the above amount.

25.2. **Section 30(2)(b):** The Resolution Plan (Para 5.3 Part 5 on Page 172 of the IA) provides that the Resolution Applicant shall pay an amount to the Operational Creditors which shall not be less than the amount that would have been paid to such creditors, if the amount to be distributed under Resolution Plan had been distributed in accordance with the order of priority in sub-section (1) of Section 53 of the Code or the amount to be paid to such creditors in the event of liquidation of the Corporate Debtor under Section 53, whichever is higher. It could be seen that the outstanding amount of Operational Creditors (goods & services) is Rs. 13,69,18,000/- (Thirteen Crore Sixty Nine Lakh and Eighteen Thousand Rupees Only). The Resolution Applicant has proposed to pay an amount of Rs. 14,00,000/- (Fourteen Lakh Rupees Only) within 30 days of the approval of the Resolution Plan to the Operational Creditors against the full and final settlement of all claims.

Further, the amount owed to Operational Creditors (statutory dues) by

IA No. 01/JPR/2024

Sd/-



Sd/-  
CP No. (IB) 36/9/JPR/2022

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the Corporate Debtor is Rs 2,14,52,829/- (Two Crore Fourteen Lakh Fifty-Two Thousand Eight Hundred and Twenty-Nine Rupees Only), including Rs 12,586/- (Twelve Thousand and Five Hundred and Eighty Six Rupees Only) owed to EPFO. The Resolution Plan provides for a payment of Rs. 2,14,000/- (Two Lakh and Fourteen Thousand Rupees Only) including the amount owed to EPFO, against the full and final settlement of all claims. With respect to payment to financial creditors who did not vote in favour of the Resolution Plan (Para 5.2 Part 5 on Page 172 of the Application), it is seen that the Resolution Applicant shall pay the amount which shall not be less than the amount to be paid to such Creditors in accordance with sub-section (1) of Section 53 of the Code. Further, the plan envisages payment of Rs. 8,75,00,000/- (Eight Crore Seventy Five Lakh Rupees Only) to the Financial Creditors as full and final settlement of their admitted debt of Rs. 59,80,00,000/- (Fifty Nine Crore Eighty Lakh Rupees Only), and the Resolution Applicant undertakes to make payment of Rs. 2,19,00,000/- (Two Crore Nineteen Lakh Rupees Only) within 30 days of approval of the plan, and the remaining payment is to be made within 90 days of the approval of the Resolution Plan.

25.3. **Section 30(2)(c):** The Resolution Plan (Part 6 at Page 192 of the Application) provides that all the suspended directors of the Corporate Debtor shall be deemed to have resigned from the Board of Directors

IA No. 01/JPR/2024

Sdr



CP No. (IB) 36/9/JPR/2022

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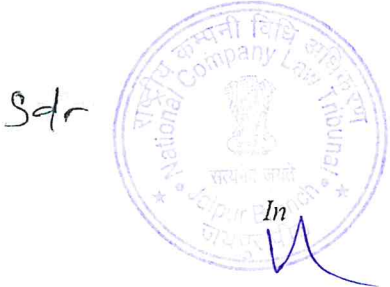
and on approval of the Resolution Plan, the Resolution Applicant shall nominate its representatives to join the Board of Directors of the Corporate Debtor. The new management of Directors of the Corporate Debtor shall have management and control of the Corporate Debtor.

25.4. **Section 30(2)(d):** Para 5.8 Part 5 Page 186 of the Resolution Plan provides the implementation schedule for the Resolution Plan which is as follows:

|  |   |
|--|---|
| <i>Approval of the Resolution Plan by NCLT</i>   | <i>X</i>  |
| <i>Payment for CIRP cost and Operational Creditor</i>  | <i>X + 30</i>                                   |
| <i>Appointment of new directors in the board of corporate debtor</i>   | <i>On payment of at least 25% of plan value</i> |
| <i>Extinguishment of all existing shares and issue of fresh shares in f/o new Resolution Applicants or the persons nominated by them</i> | <i>X + 30</i>                                   |
| <i>Full payment to Financial Creditor</i>  | <i>X + 90</i>                                   |

Further, the Resolution Plan (Para 7 at Page 196) provides that the implementation of the Resolution Plan shall be monitored by a committee comprising of RP (who shall be the chairman of the committee), two representatives of the Resolution Applicant, and two representatives of the Secured Financial Creditors.

IA No. 01/JPR/2024



CP No. (IB) 36/9/JPR/2022

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Jaipur

- 25.5. **Section 30(2)(e):** In Form H Para 4, the RP has certified that the Resolution Plan does not contravene any of the provisions of the law for the time being in force. Further, in the Resolution Plan, an undertaking has been given that the Resolution Plan does not contravene any of the provisions of the law.
26. The Resolution Applicant, *M/s Mount Maltbru Limited*, through its Director, *Mr. Vinayak Choudhary*, has submitted an affidavit pursuant to Section 30(1) of the Code confirming its eligibility under Section 29A of the Code to submit the resolution plan. A copy of the Affidavit of the Resolution Applicant is filed with the IA as Annexure- IA/16.
27. As per the requirement of Regulation 39(4) of the CIRP Regulations concerning performance security, it is stated in Form H that the Resolution Applicant has given Bank Guarantees of Rs. 2 Crores as performance security for the Resolution Plan.
28. In relation to the compliance under Regulation 35A, it is stated that there are no transactions that have been identified yet in respect of the Corporate Debtor which is required to be avoided under Sections 43, 45, 50, or 66 of the Code.
29. A perusal of Regulation 38 would clearly show that by virtue of the mandatory contents of the resolution plan as discussed in the preceding paragraphs in relation to Section 30 and Section 31 of the Code, the

IA No. 01/JPR/2024

Sdr



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CP No. (IB) 36/9/JPR/2022

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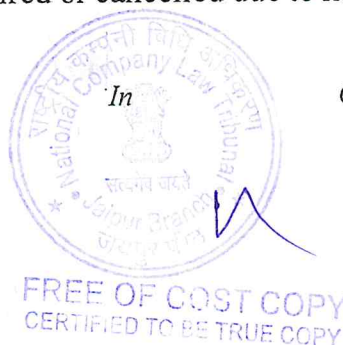
requirement of Regulation 38 also stands fulfilled. Thus, the Resolution Plan fulfils all the requirements of Regulation 38 of the CIRP Regulations.

30. The Resolution Plan *inter-alia* entails the following:

- 30.1. Revival of operations of the Corporate Debtor through capex and infusion of working capital. The plan envisages capital expenditure of Rs. 5 Crore for refurbishment of the unit and infusion of working capital of Rs. 30 Crores over the resolution period to ramp up capacity utilization.
- 30.2. Corporate Restructuring through the cancellation of the present share capital of the Corporate Debtor and issuance of new share capital in favour of the Resolution Applicant and its nominees.
- 30.3. Reset financial debt and operational debt as per the parameters of the Resolution Plan.
- 30.4. Extinguishment of any/ all claims against the Corporate Debtor along with related legal proceedings, including criminal proceedings and other proceedings which shall stand abated, settled, and extinguished.
- 30.5. Change of Board of Directors and handing over of management to the Resolution Applicant who shall nominate its nominees to the Board of Directors upon sanction of the Plan and payment of the upfront amount to the Creditors as provided in the plan.
- 30.6. The Resolution Plan provides that the licenses, lease hold rights, and approvals, if any, expired or cancelled due to non-payment of dues and

IA No. 01/JPR/2024

Sd/-



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Sd/-

CP No. (IB) 36/9/JPR/2022



wherever need to be reapplied, the Resolution Applicant will reapply and obtain permission as per applicable procedure, rules, regulation, and law.

- 30.7. The Financial Creditor, *Punjab National Bank*, will transfer the ownership of land on which it has security interest in favour of the new promoters as appointed by the Resolution Applicant for the consideration provided in the Resolution Plan.
- 30.8. If any recovery is made from the transactions falling within the category of Preferential, Undervalued, Extortionate and Fraudulent transactions, then the said recovery amount would go to the Secured Financial Creditors in the same proportion as the fund allocated to them in the Resolution Plan.
- 30.9. The Resolution plan envisages a duration of 3 months for payment of the settled dues of Creditors as per the terms of the Resolution Plan.
31. In view of the above discussion, the Resolution Plan submitted by *M/s Mount Maltbru Ltd.* as approved by the CoC under Section 30(4) of the Code is hereby approved. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, and 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 such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.

IA No. 01/JPR/2024

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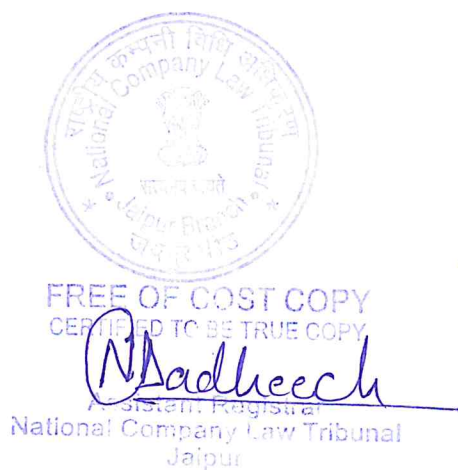
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CP No. (IB) 36/9/JPR/2022

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32. Under the provisions of Section 31(3) of the Code, we also direct as under:
- 32.1. The moratorium order passed by the Adjudicating Authority under Section 14 of the Code on 13.01.2023 shall cease to have effect; and
- 32.2. The RP shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the Board to be recorded on its database.
33. In view of the foregoing, IA (IBC) (Plan) No. 01/JPR/2024 is disposed off.



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**DEEP CHANDRA JOSHI,  
JUDICIAL MEMBER**

Sd-

**RAJEEV MEHROTRA,  
TECHNICAL MEMBER**