

(2023) 10 NCLT CK 0077

National Company Law Tribunal, Mumbai Bench Bench Court I

Case No: IA No. 1234 Of 2023 IN CP (IB) No. 299/MB/C-I/2020

Speed O Controls Private Limited

APPELLANT

Vs

Darr Media Private Limited

RESPONDENT

Date of Decision: Oct. 27, 2023

Acts Referred:

- Insolvency and Bankruptcy Code, 2016 - Section 12(2), 14, 21(2), 29A, 30(1), 30(2), 30(2)(a), 30(2)(b), 30(2)(c), 30(2)(d), 30(2)(e), 30(2)(f), 30(4), 30(6), 31(1), 53
- Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 - Regulation 35A, 36B(4A), 38, 38(1), 38(1A), 38(1B), 38(3), 39(4)

Hon'ble Judges: V.G. Bisht (Retd.), Member (J); Prabhat Kumar, Member (T)

Bench: Division Bench

Advocate: Pushpa Tiwari, Mayank Padiya

Final Decision: Disposed Of

Judgement

Prabhat Kumar, Member (Technical)

1. The present application is moved by Resolution Professional Mr. Paresh Chandulal Mehta (hereinafter called as "the Applicant") under section 30 (6) of the Insolvency and Bankruptcy Code, 2016 ("code") r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the resolution plan of Speed-O-Controls Private Limited (hereafter called as the "Successful Resolution Applicant/SRA") under the provisions of Section 31(1) of the code, for Darr Media Private Limited. (hereinafter called as the "Corporate Debtor") and for passing order/appropriate direction that this Tribunal may deem fit in the present matter.
2. The CIRP was initiated against the Corporate debtor vide Order dated 06.05.2022. The Applicant herein was appointed as the Interim Resolution Professional (hereinafter

referred to as the IRP).

3. The Applicant was appointed as the Resolution Professional by the CoC in its first meeting held on 12.06.2022. The Applicant submits that till the date of filing of the present Application, a total of 7 (Seven) CoC meetings of the Corporate Debtor have been held from time to time.

4. The total resolution amount offered by the Successful Resolution Applicant is as follow:

Sr. No.	Category	Claim admitted (in Rs.)	Resolution Amount Allocated	
		As % of Claim admitted Unpaid		
1	CIRP Costs	13,55,255	13,55,255	100%
2	Financial Creditors	7,46,91,095	10,44,745	42%
3	Operational Creditors	2,52,77,837	1,00,000	4%
4	Statutory Authorities	0	0	0%
5	Workmen	0	0	0%
	Total	10,13,24,187	25,00,000	

5. The Applicant submits that the CoC comprises of the Sole Financial Creditor i.e. Speed-O-Controls Private Limited (Original Petitioner).

6. The Applicant had appointed two registered valuers i.e. Mr. Navin Khandelwal, CA and Mr. Modilal Pamecha to determine the fair value and the Liquidation Value. The Average Fair Value is Rs.3,70,744/-and the Average Liquidation Value is Rs.3,70,744/-. The valuation reports are placed as Annexure-4 of the Application.

7. Form G was published on 26.07.2022 in newspapers and the last date for submission of EOI's by Prospective Resolution Applicant's being 10.08.2022.

8. Subsequently, the Applicant received only one EOI from Speed-O-Controls Private Limited, who is also the sole Financial Creditor. In the 5th CoC meeting held on 12.10.2022 the Resolution Applicant expressed its inability to submit the Resolution Plan due to some difficulty in obtaining professional opinion and non-availability of complete data/information on the Corporate Debtor due non-corporation by the suspended board.

9. The Applicant had filed an Application for extension of timeline of CIRP period under section 12(2) of the Code. This Tribunal extended the CIRP for a period of 90 days, last date of completion of CIRP was extended till 03.02.2023.

10. In the 6th CoC meeting held on 24.01.2023, the CoC approved the Request for Resolution Plans ("RFRP") and Evaluation Matrix and the time for submission of Resolution Plan. The Applicant issued the RFRP, Information Memorandum and Evaluation Matrix to the Prospective Resolution Applicant on 24.01.2023.

11. The Resolution Applicant submitted the Resolution Plan on 29.01.2023. The Applicant after conducting due diligence submitted the Resolution Plan to CoC for approval. Thereafter, the CoC in 7th meeting held on 31.03.2023, approved the Plan by the vote of 100%. The minutes of the 7th CoC meeting is placed as Annexure 10.

12. The Resolution Amount is Rs.25,00,000/- towards full and final settlement of dues of creditors and CIRP costs. The entire resolution amount is proposed to be paid within 30 days from effective date.

13. Pursuant to the approval of the Resolution Plan by the CoC, the Successful Resolution Applicant has accepted the Letter of Intent and the Successful Resolution Applicant has issued a cheque of Rs.24,000/- (Rupees Twenty Four Thousand) towards Performance Security and has deposited EMD of Rs. 1,00,000/- (Rupees One Lakh Only).

14. The Applicant submits that the Resolution Plan and the approval of the Resolution Plan are in accordance with all the provisions of the Code and CIRP Regulations and that it does not contravene any of the provisions of the law for the time being. The Successful Resolution Applicant has also confirmed its eligibility under Section 29A of the Insolvency Bankruptcy Code, 2016 ("Code").

Section 30(2) of the Code

15. In compliance of Section 30(2) of IBC, 2016, the Resolution Professional has examined the Resolution plan of the Successful Resolution Applicant and confirms that this Resolution Plan:

a) Provides for payment of Insolvency Resolution Process cost in a manner specified by the Board in the priority to the payment of other debts of the corporate debtor;

- b) Provides for payment of debts of operational creditor 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 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 sub-section (1) of Section 53 in the event of liquidation of the corporate debtor.
- c) Provides for management of the affairs of the Corporate Debtor after approval of Resolution Plan;
- d) The implementation and supervision of Resolution Plan;
- e) Does not prima facie contravene any of the provisions of the law for time being in force,
- f) Confirms to such other requirements as may be specified by the Board.
- g) As per the Affidavit, the Resolution Applicant is not covered under 29A.

16. In compliance of Regulation 38 of CIRP Regulations, the Resolution Professional confirms that the Resolution plan provides that

- a) The amount due to the Operational Creditors under resolution plan shall be given priority in payment over Financial Creditors.
- b) It has dealt with the interest of all Stakeholders including Financial Creditors and Operational Creditors of the CD.
- c) A statement that neither the Resolution Applicants nor any related parties have failed to implement nor have contributed to the failure of implementation of any other Resolution Plan approved by the AA in the past.
- d) The terms of the plan and its implementation schedule.
- e) The management and control of the business of the CD during its term.
- f) Adequate means of Supervising its implementation.
- g) The Resolution Plan Demonstrate that it addresses i. The cause of the Default
 - ii. It is feasible and viable
 - iii. Provision for effective implementation
 - iv. Provisions for approvals required and the time lines for the same.

v. Capability to Implement the Resolution Plan

17. The Resolution Professional has annexed Form H of the Application under Regulation 39(4) In FORM H of the CIRP Regulations to certify that the resolution plan as approved by the CoC meets all the requirements of the IBC and its Regulations.

FORM H

COMPLIANCE CERTIFICATE

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

I, Paresh Chandulal Mehta, an insolvency professional enrolled with Insolvency Professional Agency of Institute of Cost Accountants of India and registered with the Board with registration number IBBI/IPA-003/IP-N00099/2017-2018/11008, am the resolution professional for the corporate insolvency resolution process (CIRP) of Dar Media Private Limited (CD)

2. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	Dar Media Pvt. Ltd.
2	Date of Initiation of CIRP	06/05/2022 (Order Recd. On 12/05/2022)
3	Date of Appointment of IRP	12-05-2022
4	Date of Publication of Public Announcement	15-05-2022
5	Date of Constitution of CoC	05-06-2022
6	Date of First Meeting of CoC	12-06-2022
7	Date of Appointment of RP	12-06-2022
8	Date of Appointment of Registered Valuers	26-06-2022
9	Date of Issue of Invitation for EoI	26-07-2022
10	Date of Final List of Eligible Prospective Resolution Applicants	13-09-2022

11	Date of Invitation of Resolution Plan	23-01-2023
12	Last Date of Submission of Resolution Plan	29-01-2023
13	Date of Approval of Resolution Plan by CoC	31-01-2023
14	Date of Filing of Resolution Plan with Adjudicating Authority	02-01-2023
15	Date of Expiry of 180 days of CIRP	05-11-2022
16	Date of Order extending the period of CIRP	06-01-2023
17	Date of Expiry of Extended Period of CIRP	03-02-2023
18	Fair Value	Rs. 401884/- (By Valuer 1) Rs. 339603/- (By Valuer 2)
19	Liquidation value	Rs. 401884/- (By Valuer 1) Rs. 339603/- (By Valuer 2)
20	Number of Meetings of CoC held	7 (Seven)

3. I have examined the Resolution Plan received from Resolution Applicant Speed-O-Control Pvt. Ltd. and approved by Committee of Creditors (CoC) of Dar Media Pvt. Ltd.

4. I hereby certify that-

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

being in force.

(ii) the Resolution Applicant Speed-O-Control has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.

(iii) the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100 % of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.

(iv) The voting was held in the meeting of the CoC on 31/01/2023 where all the members of the CoC were present.

5. The list of financial creditors of the CD Dar Media Private Limited being members of the CoC and distribution of voting share among them is as under:

Sl. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for / Dissented / Abstained) Voted for Resolution Plan
1	Speed-O-Control Private Limited	100%	

NIL

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

7. The amounts provided for the stakeholders under the Resolution Plan is as under:

(Amount in Rs. lakh)

2Unsecured Financial Creditors

3Operational Creditors

4Other debts and dues

Sl. No.	Category of Stakeholder	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided	
					Provided under the Plan#	the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)						
		Creditors				
		not				
		having				
		a				
		right				
Secured to						
1	Financial Creditors	vote	NIL	NIL	NIL	NIL
		under				
		sub-				
		section				
		(2)				
		of				
		section				
		21				
(b)						
		Other				
		than				
		(a)				
		above:				
		(i)				
		who				
		did	NIL	NIL	NIL	NIL
		not				
		vote				
		in				
		favour				
		of				
		the				
		resolution				
		Plan				

(ii)
who
voted
in
favour NIL NIL NIL NIL

of
the
resolution

plan

Total[(a)

+ NIL NIL NIL NIL

(b)]

(a)

Creditors

not

having

a

right

to

vote NIL NIL NIL NIL

under

sub-

section

(2)

of

section

21

(b)

Other

than

(a)

above:

(i)

who

did

not

vote

in

favour NIL NIL NIL NIL

of 7469109546910950824751.45%

the

resolution

Plan

(ii)

who

voted

in

favour

of

the

resolution

plan

Total[(a)

+ 7469109546910950824751.45%

(b)]

(a)

Related

Party NIL NIL NIL NIL

of

Corporate

Debtor

(b)

Other

than

(a) NIL NIL NIL NIL
above: NIL NIL NIL NIL
(i) Government NIL NIL NIL
(ii) Workforce 25277832527783700000 0.40%
(iii) Employees
(iv) Unrelated party
Total[(a)]

+ 25277832527783700000 0.40%

(b)]

NIL NIL NIL NIL NIL
Grand 9996893999689321824751.18%
Total

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

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

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

Sl. No	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share held before CIRP	Voting Share held after CIRP
1	Equity	12545153	0	100	0
2	Preference	45458500	0	100	0
3					

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

Section of the Code /Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	<p>Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?</p> <p>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?</p>	<p>Chapter I, Pg. 1 and Financial Statements submitted with EOI</p>	Yes
Section 29A		Annex-3 of the Plan	Yes

Section 30(1)	<p>Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?</p> <p>Whether the</p>	Annex-3 of the Plan	Yes
Section 30(2)	<p>Resolution Plan-</p> <p>provides for the payment of insolvency resolution process costs?</p> <p>provides for the payment to the operational creditors?</p>	<p>Clause B, Chapter III, at pg. 4</p> <p>Clause 3.3, Chapter IV at pg. 9</p> <p>Clause B, Chapter III, at pg. 4</p> <p>Clause 3.4 to 3.6, Chapter IV at pg. 9-10</p>	Yes
Section of the Code /Regulation No.	<p>Requirement with respect to Resolution Plan</p> <p>provides for the payment to the financial creditors who did not vote in favour of the resolution plan?</p>	<p>Clause of Resolution Plan</p> <p>Clause B, Chapter III, at pg. 4</p>	Compliance (Yes / No)

	Clause 3.7, Chapter IV at pg. 10	
provides for the management of the affairs of the corporate debtor?	Chapter VII at Pg. 24-25	Yes
provides for the implementation and supervision of the resolution plan?	Chapter X, pg. 34-35	Yes
contravenes any of the provisions of the law for the time being in force?	Clause F, Chapter III, Pg. 6	Yes
Section 30(4)	Whether the Resolution Plan	Yes
- is feasible and viable, according to the CoC?	Ref. Minutes of 7 th CoC Meeting	Yes
- has been approved by the CoC with 66% voting share?	Ref. Minutes of 7 th CoC Meeting	Yes

Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation, according to the CoC?	Ref. Minutes of 7 th CoC Meeting	Yes
		Chapter VII at Pg. 24-25 Chapter X, pg. 34-35	

	Whether the resolution professional made a determination if the corporate debtor has been subjected to any transaction of the nature covered under sections 43, 45, 50 or 66, before the one hundred and fifteenth day of the insolvency commencement date, under intimation to the Board? Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Not Applicable	Not Applicable
Regulation 38 (1)		Clause B, Chapter III, at pg. 4	Yes

Section of the Code /Regulation No.	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders? Requirement with respect to Resolution Plan	Clause 3.4 to 3.6, Chapter IV at pg. 9-10	Yes
Regulation 38(1B)	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.	Clause of Resolution Plan	Compliance (Yes / No)
Regulation 38(1A)	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.	Chapter V, Pg. 12-20	Yes

	If whether the Resolution Applicant has submitted the statement giving details of such non-implementation? Whether the	so, Not Applicable	Not Applicable
Regulation 38(2)	Resolution Plan provides:		
the term of the plan and its implementation schedule? adequate means for supervising its implementation?	Chapter XI, Pg. 36-38	Yes	
	Chapter X, pg. 34-35	Yes	
Regulation 38(3)	Whether the resolution plan demonstrates that –		
it addresses the cause of default?	Chapter XIII, Pg. 42	Yes	
	it is feasible and viable?	Ref. Minutes of 7 th CoC Meeting	

	it has provisions for its effective implementation?	Chapter VII at Pg. 24-25
	it has provisions for approvals required and the timeline for the same?	Chapter X, pg. 34-35 Chapter VI, Pg. 21-25
	the resolution applicant has the capability to implement the resolution plan?	Chapter XI, Pg. 36-38
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Not Applicable Not Applicable

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No) way of cheque)
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Not Applicable	Yes (Performance Security of 2 % of amount receivable financial creditors by

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

Section of the Code / Regulation No.	Description of Activity	Latest Timeline under regulation	Actual Date
Section 16(1)	Commencement of CIRP and Appointment of IRP	T	12-05-2022
Regulation 6(1)	Publication of Public Announcement	T+3	15-05-2022
Section 15(1)(c) / Regulation 12 (1) Regulation 13(1)	Submission of Claims Verification of Claims	T+14 T+21	26-05-2022 30-05-2022

Section 26(6A) / Regulation 15A	Application for Appointment of Authorised Representative, if necessary Filing of Report Certifying Constitution of CoC	T+23	NO
Regulation 17(1)		T+23	06-06-2022
Section 22(1) and regulation 17(2)	First Meeting of the CoC	T+30	12-06-2022
Regulation 35A	Determination of fraudulent and other transactions	T+115	24-07-2022
Regulation 27	Appointment of two Registered Valuers	T+47	26-07-2022
Regulation 36 (1)	Submission of Information Memorandum to CoC	T+54]	26-06-2022
Regulation 36A	Invitation of EoI	T+75	26-07-2022
Publication of Form G	T+75	26-07-2022	
Provisional List of Resolution Applicants	T+100	03-09-2022	
Final List of Resolution Applicants	T+115	13-09-2022	

Regulation 36B	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants Submission of CoC	T+105	23-01-2023
Section 30(6) / Regulation 39(4)	approved Resolution Plan Approval of	T+165	02-02-2022
Section 31(1)	Resolution Plan	T=180	

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

Sl. No.	Nature of Approval	Name of applicable Law	Name of Authority who will grant Approval	When to be obtained
1				
2				
3				

12. The Resolution Plan is not subject to any contingency.

13. Following are the deviations / non-compliances of the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made or circulars issued thereunder (If any deviation/ non-compliances were observed, please state the details and reasons for the same): NOT APPLICABLE

Sl. No.	Deviation/Non-compliance observed	Section of the Code / Regulation No. / Circular No.	Reasons	Whether rectified or not
1				
2				
3				

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

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

(a) applied to the Adjudicating Authority on or before the one hundred and thirty-fifth day of the insolvency commencement date: No

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

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

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

	Extortionate credit transactions under section 50	NO
3	Fraudulent transactions under section 66	NO
4		

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

- a. Estimated liquidation cost: Rs NO
- b. Estimated liquid assets available: Rs NO
- c. Contributions required to be made: Rs NO
- d. Financial creditor wise contribution is as under:

Sl. No.	Name of financial creditor	Amount to be contributed (Rs.)
..		
Total		

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

- a. Sale of corporate debtor as a going concern: No
- b. Sale of business of corporate debtor as a going concern: No

The details of recommendation are available with the resolution professional.

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

16. I , Paresh Chandulal Mehta hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has

been concealed therefrom.

Name of the Resolution Professional: Paresh Chandulal Mehta

IP Registration No:IBBI/IPA-003/IP-N00099/2017-2018/11008

Address as registered with the Board: 13B, Nirmal Society, Pandurang Wadi, Dombivli East, 421201

Email id as registered with the Board: pareshmehta5959@gmail.com

Date: 31/01/2023

Place: Dombivli

18. On perusal of the Resolution Plan, we find 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 Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.

19. The RP has complied with the requirement of the Code in terms of Section 30(2)(a) to 30(2)(f) and Regulations 38(1), 38(1)(a), 38(2)(a), 38(2)(b), 38(2)(c) & 38(3) of the Regulations.

20. The RP has filed Compliance Certificate in Form-H along with the Plan. On perusal the same is found to be in order. The Resolution Plan has been approved by the CoC by 100%.

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 had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2). The Hon'ble 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 view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38 (1A) and 39 (4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same needs to be approved. Hence ordered.

23. The Resolution Plan annexed to the Application is hereby approved. It shall become effective from this date and shall form part of this order with the following directions:

i. 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.

ii. The approval of the Resolution Plan shall not be construed as waiver of any 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, shall be subject to approval by the Authorities concerned in light of the Judgment of Supreme Court in **Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited**, the relevant para's of which are extracted herein below:

“95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of 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 is not part of the resolution plan;

(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;

(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under

Section 31 could be continued."

- iii. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), Mumbai, Maharashtra for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.
- iv. The moratorium under Section 14 of the Code shall cease to have effect from this date.
- v. The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.
- vi. 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.
- vii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.