

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT – IV**

IA/21/2024

In

C.P.(IB)/3402(MB)2019

(Under Section 30(6) and Section 31 of the Insolvency and Bankruptcy Code, 2016 r/w Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.)

Mr. Jagdish Kumar

...Resolution Professional of the Corporate Debtor

In the matter of:

UCO Bank

...Financial Creditor

Versus

Deege Orchards Private Limited

...Corporate Debtor

Order delivered on 16.05.2024.

Coram:

Ms. Anu Jagmohan Singh
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member(Judicial)

Appearances:

For the Applicant

:

Mr. Amit Tungare a/w Mr.
Prathamesh Nirbhe., Ld.
Counsel Applicant/RP

ORDER

1. It is an application filed by **Mr. Jagdish Kumar**, Resolution Professional of the Corporate Debtor (“RP/Applicant”) under Section 30(6) and Section 31 of the Insolvency & Bankruptcy Code, 2016 (“the Code”) read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process Corporate Persons) Regulations, 2016 for seeking approval of Resolution Plan submitted by **M/s. Shrinivas Spintex Private Limited** (referred as to as “Resolution Applicant”), for **Deege Orchards 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. **Brief Facts:-**

2.1. The Corporate Debtor’s CIRP was initiated vide this Tribunal’s Order dated 03.03.2023 and Mr. Arundeeep Singh Pathania was appointed as the Interim Resolution Professional (“IRP”) of the Corporate Debtor.

2.2. The IRP had made a public announcement on 8.03.2023 in two newspapers, namely Financial Express (English) and Navshakti (Marathi) for calling of submission of claims from the Creditors in appropriate claim form.

2.3. The Applicant received claims forms from 6 Banks as Financial Creditors and out of that two Claims have been submitted by UCO Bank and IDBI bank, who are lenders to the Corporate Debtor. It was further recorded that other Claims have been submitted by Banks/ARC towards corporate guarantee. The Applicant submits that the claims of Financial Creditors amounting to Rs. 476,36.87 Lakhs being admitted and accordingly the CoC was constituted with voting share as below:

Sr. No.	Name of Financial Creditor	Voting Right	Voted for the Resolution Plan
1.	UCO Bank	46.08%	46.08%
2.	IDBI Bank	25.40%	25.40%
3.	Union Bank of India	7.12%	0.00
4.	Phoenix ARC Limited	10.21%	10.21%
5.	Canara Bank	6.75%	6.75%
6.	Punjab National Bank	4.44%	0.00
	Total	100%	88.44%

2.4. That the 1st meeting of the CoC was conducted by the IRP on 03.04.2023 after the constitution of the CoC wherein, inter alia the status of the claims of the Creditors of the Corporate Debtor was apprised by the IRP to the CoC. The IRP was also confirmed as the RP in this meeting. It was further apprised by the Applicant that he has received claims from creditors amounting to Rs.5,22,64.10 Lakhs and thereafter it was further informed by the Applicant that that on the basis of perusal of books and account only amount of Claim aggregating to Rs.5,17,57.84 Lakhs was admitted by the Applicant.

2.5. Subsequent thereto in the 2nd CoC meeting was held on 28.04.2023 and in the 2nd CoC meeting, six registered valuers were appointed namely Sushant Agarwal, Abhishek Shukla, Anand Prakash Sharma, Rakesh Kumar Gupta, Bhavin R Patil and Ankit Gupta to conduct the valuation of the assets of the Corporate Debtor. The said determination of the requisite Fair Value and Liquidation Value, as provided in FORM-H, are as hereunder:

Fair Value	Rs.5.40 Cr.
Liquidation value	Rs. 4.02 Cr.

- 2.6. The Applicant further states that 13th CoC meetings were conducted during the CIRP of the Corporate Debtor.
- 2.7. The Applicant states that the Applicant had published the Form G in two newspapers as per the statutory requirement, namely Free Press Journal (English) and Navshakti (Marathi) for calling of Expression of Interest on 21.05.2023 .
- 2.8. The Applicant states that in the 4th CoC meeting the applicant had informed only six prospective Resolution Applicants are eligible in accordance with the provisions of Section 29A of Insolvency and Bankruptcy Code, 2016.
- 2.9. The Applicant states that pursuant to the publication of Form G the last date of submission of Resolution Plan was 04.08.2023. Following this, upon the request from the PRAs, 15 days were granted for submission of the resolution plan. However, only one resolution plan was received till the last date of submission of resolution plan.
- 2.10. In the 5th COC meeting held on 18.09.2023 COC deliberated on the sole resolution plan received and COC was of the view that there is a scope for increase in the resolution amount. Accordingly, CoC approved for republication of Form G. Form G was republished in two widely published newspapers namely Free Press Journal (English) and Navshakti (Marathi) on 28.09.2023. Based on documents submitted by prospective resolution applicants, the RP issued the final list with four prospective resolution applicants on 26.10.2023.

- 2.11. That pursuant to the form G, the RP received three resolution plans till the last date for submission of resolution plan i.e., 26.2023. Accordingly, in the 7th COC meeting held on 30.11.2023, the COC deliberated on the resolution plans received from Shri Gopal Sharma, Shrinivas Spintex Industries Private Limited, and Hinganghat Infrastructure Private Limited.
- 2.12. That in the 8th COC meeting held on 15.12.2023, the COC members deliberated on the resolution plans and identified shortcomings in the resolution plans. Specific concerns were raised regarding the adequacy of amounts allocated for settling dues, the treatment of avoidance applications, payment distribution to unsecured financial creditors, and the timeline for specific approvals. The COC requested to PRAs to address the concern identified during the meeting and decided to schedule another meeting for further negotiation and deliberation on the resolution plans.
- 2.13. That in the 9th COC meeting held on 22.12.2023, the COC members negotiated and evaluated the resolution plans and deferred the meeting to 26.12.2023 for final negotiations. Thereafter, on 26.12.2023, after in depth discussions on resolution amount and distribution patter among the creditors, and negotiations with the PRAs, the COC decided that all prospective resolution applicants would submit their modified resolution plans by 30.12.2023 as deliberated during the COC meetings and further decided to place each resolution plan for approval by e-voting.

2.14. That the PRAs offered the following resolution amounts in their final resolution plan:

Sr. No	Prospective Resolution applicant	Resolution amount (Rs.Crores)
1	Mr. Gopal Sharma / PRA 1	4.80
2	Shriniwas Spintex Industries Private Limited / PRA 2	5.71
3	Hinganghat Infrastructure Private Limited / PRA 3	5.36

2.15. That Hinganghat Infrastructure/ PRA 3 filed the application (IA 437/2024) before this tribunal for reversal of the process followed by the RP and for the direction to hold the voting process of the final resolution plans till the pendency of the application. The tribunal allowed the application vide order dated 08.02.2024 and directed the RP to call for fresh bids from all the prospective resolution applicants and table the same before the CoC for taking a considered decision. Accordingly, the CoC in 12th meeting held on 09.02.2024 decided to withhold the voting process to comply with directions of this tribunal. Following this the Hon'ble NCLAT vide order dated 22.02.2024 took the view that the order passed by the Adjudicating Authority on 08.02.2024 was unsustainable and directed to set aside the order dated 08.02.2024 and further directed the RP and the COC to take further steps in accordance with law.

2.16. That in compliance with the said order the RP convened 13th COC meeting on 23.02.2024. Wherein, the COC members deliberated and decided to resume the e- voting on the resolutions placed in the 9th

COC meeting held on 26.12.2023, wherein resolution plans submitted by all the three Prospective Resolution Applicant were placed before the members of the COC for approval. Accordingly, the following resolution was approved with the majority vote share:

“RESOLVED THAT, Committee of Creditors hereby approves the Resolution Plan dated 25-11-2023 submitted by Shrinivas Spintex Industries Private Limited for resolution of Deegee Orchards Private Limited, the Corporate Debtor, after considering its feasibility and viability in terms of section 30(4) of Insolvency and Bankruptcy Code, 2016 (“Insolvency Code”) and has provisions in compliance of section 30(2) of IBC Code, 2016 and regulation 37,38 and 39(1) of Insolvency and Bankruptcy Board of India(Insolvency Resolution Process for Corporate Persons) regulations, 2016 and confirms that it has provisions for effective implementation.”

“RESOLVED FURTHER THAT the Resolution Professional be and is hereby authorized to submit an application before the Hon’ble NCLT, Mumbai Bench, for submission of Resolution Plan under section 30(6) of Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016 for approval of resolution plan by Adjudicating Authority as approved by the members of committee of creditors.”

- 2.17. The CoC approved the Resolution Plan of M/s. Shrinivas Spintex Industries Private Limited with assent vote share of 88.44%. Resultantly, Shrinivas Spintex Industries Private Limited was declared

as the Successful Resolution Applicant (“SRA”) for the Original Petitioner herein.

3. M/s. Shrinivas Spintex Industries Private Limited The Applicant states that the Successful Resolution Applicant in his Affidavit has given undertaking regarding the eligibility of Resolution Applicant as enshrined under Section 29 A of Insolvency and Bankruptcy Code, 2016.
4. The key features of the Resolution Plan for Corporate Debtor submitted by the Resolution Applicant viz. M/s. Shrinivas Spintex Industries Private Limited is summarized below:

In Lakhs

Sr. No	Category of Stakeholder	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan
1	Estimated CIRP cost			44.00	44.00
2	Secured Financial Creditors		25192.51	2,51,00.88	486.00
3	Unsecured Financial Creditors	Non-related party	22950.62	2,25,35.99	35.00
4		Related party	313.46	313.46	Nil
5	Operational Creditors	Government dues	38,07.51	38,07.51	6.00
Grand Total			52264.10	51801.84	571.00

5. Furthermore, the Resolution Applicant has proposed to implement the Resolution Plan in full as per the timelines provided hereinafter:

Sr. No.	Activity	Indicative Timeline (days)
1	Presentation of Resolution Plan to the COC	To be completed prior to Hon'ble NCLT approval of the Resolution Plan.
2	Application to the Hon'ble NCLT for approval of the Resolution Plan.	To be completed prior to Hon'ble NCLT approval of the Resolution Plan.
3	Approval of Resolution Plan by the Hon'ble NCLT and receipt of NCLT order (such date, "T").	T
4	Formation and appointment of the Implementation and Monitoring Committee.	T
5	Full payment to all stakeholders and complete implementation of Resolution Plan ("Completion Date")	T+90 days.

6. Further, some of the salient features of the Resolution Plan submitted by the Resolution Applicant are as under:-

6.1. Resolution plan provides for payment of minimum amount to operational creditors and further provides for payment of minimum amount to dissenting creditors on priority and provides that the same will be adjusted from amount allocated for financial creditors in accordance with section 30(2)(b).

- 6.2. Resolution plan provides for management of CD between NCLT Approval Date and Completion Date by monitoring committee followed by reconstitution of Board of directors on the Completion Date.
- 6.3. Resolution plan provides that liquid funds are available with the Resolution Applicant, promoters, and associates.
- 6.4. The Resolution Plan provides that any recovery made pursuant to order passed by the Hon'ble NCLT under section 43,45, 50 and 66 of the code shall be exclusive right of financial creditors and the recovery shall be distributed according to the voting rights. The Financial creditors shall pursue the said applications and appeals (if any) and any costs in relation to the same shall be borne by the FCs with no recourse for the same against the resolution applicant.
- 6.5. The Resolution plan provides for Cancellation of existingshares of the CorporateDebtor and issue of fresh shares as required.
- 6.6. The Resolution Plan provides for the extinguishment of unpaid/unclaimed liabilities, and the resolution applicant shall acquire the corporate debtor on a "clean slate".
- 6.7. The Resolution plan provides relief and waivers at page 69 to 71 of the Resolution plan which is attached hereto as Exhibit "J".
7. That the applicant states that the Resolution Applicant has submitted the performance security equivalent to 10% of the resolution amount in compliance with Regulation 36 B(4) of the CIRP Regulations, 2016 amounting to Rs. 57,10,000/- in the bank account of the Corporate Debtor.

8. The Applicant submits that as provided in the Resolution Plan, the Monitoring Committee shall have the Responsibility of the supervision of the day-to-day affairs and management of the Corporate Debtor and implementation supervision of the Resolution Plan till the completion date. It is furthermore submitted by the Applicant that the Resolution Plan submitted by the Resolution Applicant is viable and feasible and thus have provision for effective implementation of Plan.
9. The Applicant submits that the source of funds of the Resolution Applicant for meeting the abovementioned amount shall come from the internal sources and the reserves and surplus of the Resolution Applicant.

10. CIRP completion period

10.1. That the corporate insolvency resolution process of the Corporate Debtor was initiated on 03.03.2023, the Applicant/RP sought two extension one of 90 days (as the statutory period of 180 days, w.e.f. 30.08.2023) and of 60 days (CIRP Period beyond 270 days) and this Bench was pleased to grant the same vide order dated 04.10.2023 and 08.12.2023. Accordingly, time limit for completion of corporate insolvency resolution process got shifted to 27.01.2024.

10.2. That resolutions for approval of final resolution plans was started for e voting from 03.01.2024 and was due for closure on 15.01.2024. The closure date was extended to 25.01.2024 in two trenches based on the request of Punjab National Bank and UCO Bank. The closure date for e voting was further extended by 15 days based on the request of UCO Bank on the ground that the proposal has to be approved by the Board of Directors and competent authorities are not available. The

CoC also approved for extension of the time limit for completion of corporate insolvency resolution process by 15 days in the 11th meeting of CoC held on 23.01.2024. The RP have filed the application on 26.01.2024 which are pending before this tribunal.

10.3. That the completion of time period of CIRP process was further deliberated during the 13th COC meeting, considering the directions issued by the Hon'ble NCLAT vide order dated 22.02.2024 resulting into completion of pending activities such as approval of resolution plan by Committee of creditors and submission of resolution plan for approval to Adjudicating Authority. Following this, the COC deliberated and approved the exclusion of 15 days from the date of impugned order i.e., 08.02.2024 till the date of the order passed by the Hon'ble NCLAT i.e., 22.02.2024 and further an extension of 15 days, which will shift the completion date of CIRP period to 12.03.2024, with 88.44% Yes vote share.

11. At the time of hearing on 07.05.2024 , the counsel for the RP submitted that he has filed 2 applications one seeking extension of 15 days and another seeking exclusion of 15 days. This Bench was pleased to grant the same.

12. The Learned Counsel for the Applicant Resolution Professional has annexed a certificate of the Form-H to the Application, under Regulation 39(4) of the CIRP Regulations, 2016 to certify that the Resolution Plan has approved by the CoC meets all the requirements of the IBC and its Regulations, as extracted hereto:

FORM H
COMPLIANCE CERTIFICATE

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

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I, Jagdish Kumar, an insolvency professional enrolled with Indian Institute of Insolvency Professionals of ICAI and registered with the Board with registration number IBBI/IPA-001/IP-P00671/2017-18/11143, am the resolution professional for the corporate insolvency resolution process)CIRP(of M/s Deegee Orchards Private Limited.

2. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	M/s Deegee Orchards Private Limited
2	Date of Initiation of CIRP	03-03-2023 (Copy of the order received on 04-03-2023)
3	Date of Appointment of IRP	03-03-2023
4	Date of Publication of Public Announcement	07-03-2023
5	Date of Constitution of CoC	28-03-2023
6	Date of First Meeting of CoC	03-04-2023
7	Date of Appointment of RP	04-05-2023
8	Date of Appointment of Registered Valuers	12-04-2023
9	Date of Issue of Invitation for EoI	21-05-2023 (first round) 28-09-2023 (second round)
10	Date of Final List of Eligible Prospective Resolution Applicants	26-10-2023
11	Date of Invitation of Resolution Plan	26-10-2024
12	Last Date of Submission of Resolution Plan	26-11-2023
13	Date of Approval of Resolution Plan by CoC	12-03-2024
14	Date of Filing of Resolution Plan with Adjudicating Authority	16-03-2024

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15	Date of Expiry of 180 days of CIRP	30-08-2023
16	Date of Order extending the period of CIRP	04-10-2023, 08-12-2023
17	Date of Expiry of Extended Period of CIRP	27-01-2024 (Two applications namely one seeking extension of 15 days and another seeking extension of 15 days and exclusion of 15 days is pending adjudication before the Hon'ble Tribunal. If the extension and exclusion sought is allowed the CIRP period is due for completion on 12-03-2023)
18	Fair Value	5.40 Cr
19	Liquidation value	4.02 Cr
20	Number of Meetings of CoC held	13 COC meetings held to date

3. I have examined the Resolution Plan received from Resolution Applicant M/s Shrinivas Spintex Industries Private Limited and approved by Committee of Creditors)CoC(of M/s Deegee Orchards Private Limited.

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 M/s Shrinivas Spintex Industries Private Limited 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 88.44% of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.

)iv(I sought vote of members of the CoC by electronic voting system which was kept open at least for 24 hours as per the regulation 26.

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5. The list of financial creditors of the Deegee Orchards 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(
1	UCO Bank	46.08%	Voted for
2	IDBI Bank	25.40%	Voted for
3	Union Bank of India	7.12%	Absent
4	Phoenix ARC Limited	10.21%	Voted for
5	Canara Bank	6.75%	Voted for
6	Punjab National Bank	4.44%	Absent
	Total	100.00%	

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)

Sr. No.	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan	Amount Provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Estimated CIRP cost			44.00	44.00	100%
2	Secured Financial Creditors		25192.51	2,51,00.88	486.00	1.94%

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3	Unsecured Financial Creditors	Non-related party	22950.62	2,25,35.99	35.00	0.16%
4		Related party	313.46	313.46	Nil	0
5	Operational Creditors	Government dues	38,07.51	38,07.51	6.00	0.16%
Grand Total			52264.10	51801.84	571.00	1.10%

*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:

Sr. 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	1,00,00,000	nil	100%	nil

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(	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?	Section I	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?		Yes
Section 30)1(Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?		Yes

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Section 30)2(Whether the Resolution Plan- (a) provides for the payment of insolvency resolution process costs? (b) provides for the payment to the operational creditors? (c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan? (d) provides for the management of the affairs of the corporate debtor? (e) provides for the implementation and supervision of the resolution plan? (f) contravenes any of the provisions of the law for the time being in force?	Clause 1.2 (Page 27-31)	Yes
Section 30)4(	Whether the Resolution Plan a) is feasible and viable, according to the CoC? b) has been approved by the CoC with 66% voting share?	Clause 1.2 (Page 27-32)	Yes
Section 31)1(	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Section XI (Page 72 to 75)	Yes
Regulation 38)1(	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Clause 3 (Page 41 to 44)	Yes
Regulation 38)1A(Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause 11 and 14 (Page 60)	Yes

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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. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	Section III (Page 24)	Yes
Regulation 38)2(	Whether the Resolution Plan provides:)a(the term of the plan and its implementation schedule?)b(for the management and control of the business of the corporate debtor during its term?)c(adequate means for supervising its implementation? (d) manner in which avoidance application be pursued and also provides the manner in which the proceedings shall be distributed	Section V & XI Page 76 Page 72 Page 72 to 75 Page 41	Yes
38)3(Whether the resolution plan demonstrates that –	Section II, IX, XII, X and I Page 20 Page 72 to 75 Page 16, 17, 31	Yes

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	<p>)a(it addresses the cause of default?)b(it is feasible and viable?)c(it has provisions for its effective implementation?)d(it has provisions for approvals required and the timeline for the same?)e(the resolution applicant has the capability to implement the resolution plan?</p>		
39)2(	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Clause 7 (Page 55)	Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Yes (PRA has deposited 10% of resolution amount in the bank account of CD)	Yes

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 40A	Actual Date
Section 16)1(	Commencement of CIRP and Appointment of IRP	03-03-2023	03-03-2023 (copy of the order received on 04-03-2023)
Regulation 6)1(Publication of Public Announcement	06-03-2023	08-03-2023 (The NCLT order was passed on 03-03-2023 but received to IRP on 04-03-2023. The Public announcement was made on 08-

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			03-2023 as there was no circulation of newspapers due to the festival of Holi)
Section 15)1)c(/Regulation 12)1(	Submission of Claims	17-03-2023	18-03-2023
Regulation 13)1(	Verification of Claims	24-03-2023	24-03-2023
Section 26)6A(/ Regulation 15A	Application for Appointment of Authorised Representative, if necessary	26-03-2023	NA
Regulation 17)1(	Filing of Report Certifying Constitution of CoC	26-03-2023	28-03-2023
Section 22)1(and regulation 17)2(	First Meeting of the CoC	02-04-2023	03-04-2023 (Banks were close on 02/04/2023, being Sunday being Holiday)
Regulation 35 A	Determination of fraudulent and other transactions	26-06-2023	01-06-2023
Regulation 27	Appointment of two Registered Valuers	19-04-2023	12-04-2023
Regulation 36)1(	Submission of Information Memorandum to CoC	06-06-2023	31-05-2023
Regulation 36 A	Invitation of EoI	02-05-2023	21-05-2023
	Publication of Form G	02-05-2023	28-09-2023 (The COC in the 5 th COC meeting decided to republish the Form G. Accordingly, second form G was published on 28-09-2023)
	Provisional List of Resolution Applicants	27-05-2023	18-10-2023
	Final List of Resolution Applicants	11-06-2023	26-10-2023

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Regulation 36 B	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants	16-06-2023	26-10-2023
Section 30)6(/ Regulation 39)4(	Submission of CoC approved Resolution Plan	15-08-2023	16.03.2024
Section 31)1(	Approval of Resolution Plan	30-08-2023	

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

S. No.	Nature of Approval	Name of applicable Law	Name of Authority who will grant Approval	When to be obtained
1	None	NA	NA	NA

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(:

Sl. No.	Deviation/Non-compliance observed	Section of the Code / Regulation No. / Circular No.	Reasons	Whether rectified or not
1	None	NA	NA	NA

14. The resolution plan was approved within the CIRP period The Resolution Plan is being filed 2 days after the expiry of the period of CIRP provided in section 12 of the Code.

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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:

Yes

(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	NA	NA	NA
2	Undervalued transactions under section 45	NA	NA	NA
3	Extortionate credit transactions under section 50	NA	NA	NA
4	Fraudulent transactions under section 66	11-07-2023	Pending for adjudication	NA

15A. The Committee of Creditors has deliberated for approval of plan for contribution under Regulation 39B of CIRP Regulations, 2016 and further rejected the resolution placed that members will contribute to the liquidation cost. as and when requested by the Liquidator during liquidation proceedings in proportion to financial debts owed to them by the Corporate Debtor and approved the resolution plan of M/s Shrinivas Spintex Industries Private Limited.

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 COC rejected the resolution placed for e-voting and approved the resolution plan of M/s Shrinivas Spintex Industries Private Limited.

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

16. I, Jagdish Kumar 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.

Mr. Jagdish Kumar

Resolution Professional

Deegee Orchards Private Limited

IBBI Regn No.: IBBI/IPA-001/IP-P00671/2017-18/11143

IBBI Regd Email Id- jkparulkar.ip@gmail.com

AFA Valid till: 18-10-2024

Communication address: GS-2, CSIDC Commercial Complex, Raipura Chowk, Raipur -492001

Regd Add: B56, Wallfort City, Bhatagaon, Ring Road No.1, Raipur, Chhattisgarh ,492001

Date: 16-03-2024

Place: Raipur

13. In the circumstances mentioned hereinabove, the Applicant Resolution Professional has filed this Application seeking approval of this Tribunal on the Resolution Plan, submitted by the Resolution Applicant viz. M/s. Shrinivas Spintex Industries Private Limited stating that the plan is in accordance with Section 30(2) of IBC, 2016, and other provisions laid thereunder.

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

- i. Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
- ii. Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
- iii. 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.
- iv. The implementation and supervision of Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.

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- v. Does not prima facie contravene any of the provisions of the law for time being in force;
 - vi. Confirms to such other requirements as may be specified by the Board.
 - vii. As per the Affidavit, the Resolution Applicant is not covered under 29A. 20.

15. The Applicant RP has complied with the requirements laid down under Regulations 38 of the CIRP Regulations. The Applicant RP has filed Compliance Certificate in Form-H along with the plan. On perusal the same is found to be in order.

16. During the course of hearing on 07.05.2024 in the captioned application this bench has raised an query with regards to the PUFEE transaction stating that, whether there are pending PUFEE applications and if so, who will pursue the said applications and in response to a query of this Bench thereto, the Ld. Counsel for the Applicant has duly submitted that there are 2 IAs being filed the details of the same are as follows:

Sr. No	Application Number	Section Amount in	Amount in Cr.
1	IA No. 3010/2023	Section 66 of IBC, 2016	12.5 Cr
2	IA No. 1509/2024	Section 66 of IBC, 2016	2.72 Cr

Further, the Ld. Counsel for the Applicant submitted that, the financial Creditors shall pursue the said Applications and Appeals. The relevant portion with reagrds to said query as stated in the Resolution Plan is as follows:

“Recovery if any, made pursuant to the order passed by Hon’ble NCLT, under Section 43, Section 45, Section 50 and Section 66 of the

Code before Hon'ble NCLT, Mumbai Bench shall be the exclusive right of the Financial Creditors. The recovery proceedings shall be distributed according to the voting rights. The financial Creditors shall pursue the said Applications and Appeals (if any) and any costs in relation to the same shall be borne by the Financial Creditors with no recourse for the same against the Resolution Applicant”.

17. Be that as it may, the Learned Counsel for the Applicant RP has categorically affirmed that the implementation of the Resolution Plan is not conditional or contingent upon grant of any or all of such reliefs, concessions and dispensations by this Adjudicating Authority.

18. 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 Court observed that the role of the NCLT is 'no more and no less'. The Hon'ble Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) when the Resolution Plan does not conform to the stated requirements.

19. In ***CoC of Essar Steel (Civil Appeal No. 8766-67 of 2019 decided on 15.11.2019)*** the Hon'ble Apex Court clearly laid down that the Adjudicating Authority

would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved. In para 42 Hon'ble Court observed as under:

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

20. 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.

21. The **Interlocutory Application No.21/2024** in **C.P.(IB)/3402(MB)2019** is **allowed**. The Resolution Plan submitted by **M/s. Shrinivas Spintex Industries Private Limited** is hereby **approved**. It shall become effective from this date and shall form part of this order.

- 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.

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- ii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law.
 - iii. We make it expressly clear that **no** reliefs, concessions and dispensations that fall within the domain of other government department/authorities are granted hereto, and the same shall be dealt with by the respective competent authorities/fora/offices, Government (State or Central) with regard to the respective reliefs, if any.
 - iv. Further in terms of the Judgment of Hon'ble Supreme Court in the matter of *Ghanshyam Mishra and Sons Private Limited v/s Edelweiss Asset Reconstruction Company Limited*, on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of 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 a part of the Resolution Plan.
 - v. 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.
 - vi. The moratorium under Section 14 of the Code shall cease to have effect from this date.

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- vii. 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.
- viii. 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.
- ix. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.

22. The **Interlocutory Application No.21/2024** in **C.P.(IB)/3402(MB)2019** is accordingly *allowed* and *disposed of*.

Sd/-

ANU JAGMOHAN SINGH
MEMBER (TECHNICAL)
16.05.2024.

Sd/-

KISHORE VEMULAPALLI
MEMBER (JUDICIAL)