

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, PRAYAGRAJ**

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**IA (Plan) No.2/2024 IN CP NO.(IB) 50/ALD/2022**

***IN THE MATTER OF:***

*An application under Section 30(6) R/W Section 60(5) of the Code also R/W Regulation 30(4) of the CIRP Regulations also R/W Rule 11 of the NCLT Rules.*

***IN THE MATTER OF:***

**HADIRAH STEELS PVT. LTD.**

**.....FINANCIAL CREDITOR**

***Versus***

**RANA HEAVY ENGINEERING LTD. ....CORPORATE DEBTOR**

**AND IN THE MATTER OF**

**HEMI GUPTA**

**...RESOLUTION PROFESSIONAL**

Hemi Gupta

Resolution Professional

M/S Rana Heavy Engineering Ltd. (UNDER CIRP)

IBBI Registration No.- IBBI/IPA002/IP-N00147/2017-18/10383

Address: B-84, TAKHSILA COLONY, GARH ROAD, MEERUT (UP)-  
250004

Email:hemigupta@rediffmail.com

**...Applicant**

**Order Pronounced on- 19<sup>th</sup> April, 2024**

**Coram:**

Mr. Praveen Gupta. : Member (Judicial)  
Mr. Ashish Verma : Member (Technical)

**Appearances:**

Sh. Sumit Shukla alongwith : For the RP  
Sh. Sanjeev Panda, Advs.  
Sh. Mukesh Singh Bhadauria, PCMA : For the SRA

**ORDER**

***Preliminary***

1. The present interlocutory application bearing IA. No. 2/2024 was moved on behalf of Mr. Hemi Gupta, Resolution Professional ("**RP**") of M/s Rana Heavy Engineering Limited. (under the provisions of Sections 30(6) and 31(1) of the Insolvency & Bankruptcy Code, 2016 [hereinafter referred to as "**the Code**" or "**IBC**"] read with Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("**CIRP Regulations**") for approval of the Resolution Plan in respect of M/s Rana Heavy Engineering Limited. ("**Corporate Debtor**").
2. The underlying Company Petition CP (IB) No.50/ALD/2022 filed by the Bank of India under Section 7 of the Code for

initiation of Corporate Insolvency Resolution Process (“**CIRP**”) against the Corporate Debtor Namely M/s Rana Heavy Engineering Ltd. which was admitted by this Adjudicating Authority *vide* its order dated 03.03.2023 (“**Admission Order**”). On that date, *i.e.*, 03.03.2023 (“**Insolvency Commencement Date**”), Mr. Hemi Gupta (IBBI Reg. No. IBBI/IPA-002/IP-N00147/2017-18/10383) was appointed as IRP. Subsequently, IRP Conducted 1<sup>st</sup> CoC meeting on 30.03.2023 whereby IRP was confirmed to be appointed as RP.

### ***Collation of claims by RP***

- 3.** It is stated in Resolution Plan that the public announcement was made on 08.03.2023 in *Hindustan Times (English)* and *Hindustan (Hindi)*, the last date for submission of claims was 07.03.2023, and RP called for proof of claims from the creditors of the Corporate Debtor and informed lenders to submit their claims as envisaged under the Code.
  
- 4.** Pursuant to the collation and verification of claims received, the COC was constituted on 23.03.2023 with sole Financial Creditor. The list of Financial Creditors and the distribution

the of voting share among them is as under:

<b>Financial Creditors</b>	<b>Voting Share</b>
M/s Hadira Steels Private Limited	100%
Total	100%

5. The details of claims submitted are as follows:

<b>Particulars</b>	<b>Amount Claimed in Cr. Rupees</b>	<b>Claim Admitted in Cr. Rupees</b>
Secured Financial Creditors	NIL	NIL
Unsecured Financial Creditors	8,36,67,553.44	7,69,44,056.44
Workmen & Employees	NIL	NIL
Government Dues	37,22,38,626.00	36,51,52,552.26
Other Operational Creditors	NIL	NIL
<b>Total</b>	<b>45,59,06,179</b>	<b>44,20,96,609</b>

6. The RP submits that a total of 10 CoC meetings have been held during the whole CIRP period.

### ***Evaluation and voting***

7. It is stated in the Resolution plan that the 2nd CoC was held on 28.4.2023 whereby the CoC Inter alia approved the

publication of Form G, Request for Resolution plan, Evaluation Matrix, and eligibility criteria with 100% voting shares. Accordingly, invitations for Expression of Interest (EOIs) in Form-G were published on 02.05.2023 in Financial Express (English) and Jansatta (Hindi). The said Form-G was also published on the IBBI website. The last date for receiving the EOI was 17.05.2023. Consequent thereupon no resolution plan was received. The CoC vide letter dated 16.05.2023 recommended the Applicant/RP to extend the timeline of Form-G by 10 days. Accordingly, Applicant/RP to published fresh Form-G for the second time on 17.05.2023 wherein the last date for receiving the EOI was 27.05.2023. and the same was also approved by the CoC in the 3rd meeting held on 03.06.2023 by passing resolution with 100% votes.

- 8.** Pursuant to the Publication of EOI, the sole Financial Creditor i.e M/s Hadirah Steels Private Limited/Prospective Resolution Applicant(PRA) submitted EOI on 27.05.2023 along with EMD of Rs. 2.50 crores via cheque which was credited into the CIRP Bank Account on 31.05.2023.

- 9.** The PRA vide letter dated 04.07.2023 requested the Applicant/RP to extend the timeline for submission of Resolution Plan from 05.7.2023 to 10.08.2023. The CoC in its 4<sup>th</sup> meeting held on 05.07.2023 approved the extension of timeline for submitting Resolution Plan from 05.07.2023 to 10.08.2023 with 100% voting. The CoC also approved to convert the EMD amount into Fixed Deposit.
  
- 10.** The PRA vide letter dated 09.08.2023 requested the Applicant/RP to extend the time line for submission of Resolution Plan from 01.8.2023 to 01.09.2023 as they were unable to submit the Plan due to some business exigencies. Pursuant to which CoC in its 5<sup>th</sup> Meeting held on 12.08.2023 approved the revised time lines for submission of resolution plan with 100% voting. The Applicant/RP informed the CoC that a claim has been received from the Commercial Tax Department on 20.04.2023 which was partly admitted and rest of the amount claimed is still under the process verification subject to availability of additional documents from the department. Further, RP also informed the CoC that the valuation report has been submitted by Mr. S.K Saluja who is a Registered Valuer for Land and Building and other

valuation report is still in process. RP further informed that CIRP period is expiring on 30.08.2023. The CoC authorised the RP to file an application before the tribunal for extension of CIRP timelines. The RP filed an application before this tribunal i.e I.A No. 422 of 2023 for seeking extension of time in the CIRP period by 90 days. This tribunal vide order dated 14.09.2023 granted 90 days' extension from 31.08.2023 to 29.11.2023.

- 11.** Subsequently, RP received another letter dated 31.08.2023 from the PRA informing that they will not be able to submit plan due to some business exigencies and requested to extend the timeline of submission of resolution plan from 01.09.2023 to 01.10.2023. thereafter, COC in its 6th COC Meeting held on 04.09.2023 approved the additional time for submission of resolution plan. The CoC further extended the additional time for submission of resolution plan from 02.10.2023 to 31.10.2023 in its 7th meeting held on 12.10.2023.
- 12.** The Applicant/RP received the resolution plan from the PRA i.e M/s Hadirah Steels Private Limited on 31.10.2023 along

with 2.5cr EMD. The RP submitted resolution plan before the CoC in its 8<sup>th</sup> Meeting held on 23.11.2023. The CoC deliberated in accordance with Section 30(4) and 30(6) of the Code read along with CIRP Regulations, 2016 keeping into consideration the fact that only one EOI was received after publication of Form –G for inviting EOI i.e from Financial Creditor itself who are themselves sole members of CoC with 100% voting share. The CoC approved the resolution plan in 8<sup>th</sup> CoC meeting with 100% vote share.

- 13.** The relevant portion of 8<sup>th</sup> CoC for approval of resolution plan is reproduced here:-

*The CoC observed that the Resolution Plan submitted by Hadirah Steels Private Limited*

**"RESOLVED THAT** pursuant to sub-section (3), (4) and sub-section (6) of Section 30 of the Insolvency and Bankruptcy Code, 2016, read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations 2016 and other applicable provisions of Insolvency and Bankruptcy Code, 2016 and rules and regulations made thereunder, the approval of the Committee of Creditors (COC) of Rana Heavy Engineering Limited be and is hereby accorded for the Resolution Plan by Hadirah Steels Private Limited being the most feasible and viable resolution plan.

**RESOLVED FURTHER THAT** *the Committee of Creditors of Rana Heavy Engineering Limited hereby authorize the resolution professional to file necessary application(s) before the adjudicating authority seeking the approval of the resolution plan approved by the COC with highest vote share.”*

*The sole COC Member i.e. M/s Hadrish Steel Private Limited voted in favour of the Resolution by 100% votes.*

*Therefore, the Resolution was declared as*  
**Approved by 100% voting right.**

**14.** This Adjudicating Authority has granted extensions and exclusion twice in the whole CIR Process which are elaborated as follows:

- i. 14.09.2023 (extension of 90 days)
- ii. 01.12.2023 (exclusion of 15 days)

**15.** This tribunal vide order dated 14.02.2024 directed the SRA to reconsider the total plan value at par with liquidation value and submit revise resolution plan. The relevant part of the order dated 14.2.2024 reads as under:-

“.....

2. *The matter was reserved on 19.01.2024. However, on perusal of the record it was found that the amount of Resolution plan comprises of CIRP Cost, Unsecured Financial Creditors, Unsecured Operational Debt, Operational Debt of Contingent Claims (Towards Government Dues only including*

*by the EPFO/ESI, Gratuity Authority etc.) which amounts to Rs. 6.70 cr. This sum is less than the liquidation value which is to the tune of Rs. 7.69 cr. The Liquidation Assets comprises of Plant, Machinery, Land and Building.*

- 3. Further, considering the fact that CoC is solely formed by the Unsecured Financial Creditor, who is also the Successful Resolution Applicant, this tribunal deems it appropriate to direct the SRA to match the plan value which however is currently not at par with liquidation value of Rs. 7.69 cr. However, if SRA does not find it viable, such reasons may also be brought on record.*
- 4. We are also conscious of the fact that commercial wisdom of the Committee of Creditors in the matter of approval of resolution plan should be regarded. However, in the peculiar circumstances of the case where the financial creditor who is member of CoC itself is the SRA as well, we therefore, find it justifiable in passing such directions to the SRA to consider matching the total plan value at par with the liquidation value with corresponding pro-rata rise in the amount of disbursement. SRA is at liberty to move an appropriate application, accordingly for consideration of the revised resolution plan by this Adjudicating Authority.  
.....”*

- 16.** RP apprised the Committee of Creditors in their 9<sup>th</sup> COC meeting held on 04.03.2024 about the aforesaid order. The RP received the revised resolution plan on 09.03.2024. The COC in their 10<sup>th</sup> COC meeting held on 15.03.2024 approved the revised resolution plan by 100% voting share. The

relevant extract of the 10<sup>th</sup> COC Meeting is reproduced below:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Assent/Dissent/Abstained</b> <b>Hadirah Steels Private Limited</b>
<b>B5</b>	<p><b>Pursuant to the provisions u/s 30(4) of the code r/w regulation 39(2) of CIRP regulations RP to submit to the committee seeking its decision on the resolution plan notifying referring to his observations u/s 30(2) of the code and accordingly seek decision of the committee</b></p> <p><b>Proposed Resolution:</b></p> <p><i>"RESOLVED THAT pursuant to sub-section (3). (4) and sub-section (6) of Section 30 of the Insolvency and Bankruptcy Code, 2016, read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons). Regulations 2016 and other applicable provisions of Insolvency and Bankruptcy Code, 2016 and rules and regulations made thereunder, the approval of the Committee of Creditors (COC) of Rana Heavy Engineering Limited be and is hereby accorded for the Resolution Plan by Hadirah Steels Private Limited being the most feasible and viable resolution plan.</i></p> <p><i>RESOLVED FURTHER THAT the Committee of Creditors of Rana Heavy Engineering Limited hereby authorize the resolution professional to file necessary application(s) before the adjudicating authority seeking the approval of the resolution plan approved by the COC with highest vote share.</i></p>	<b>Assent</b>

**17.** The Compliance Certificate Form-H to the Resolution plan was filed before this tribunal. A compliance Certificate in terms of prescribed Form-H under Regulation 39 (4) of the CIRP Regulations. As per FORM-H, the fair value of the Corporate Debtor is Rs.100.00(in lakhs) and the liquidation value is Rs.770.29 (in lakhs) as per the registered valuers report.

***Details of Resolution Plan/Payment Schedule***

**18.** The Successful Resolution Applicant i.e M/s Hadirah Steels Private Limited is engaged in the business of manufacturing TMT Bars, Angles, Channels, Beams, Plates, Sheets, Coils, Pipes and tubes. They are also engaged in trading of various grades and sizes of Iron and Steel products sourced from reputed domestic suppliers. Currently, they are in the fourth year of operation.

**19.** It is stated in the resolution plan that business of the Corporate Debtor continued to suffer from 2015 to 2023 due to non-compliances of various financial and legal obligations under Income Tax Act,1961, Goods and Service Tax Act,2017, Muzaffarnagar Development Authority so on and so forth. Accordingly, they were unable to pay such fees and

penalty on account of default. It was not able to achieve its full operational capacity and was unable to repay loan facility availed from Punjab National Bank which was later on declared NPA by the M/s Edelweiss Asset Reconstruction Company, who took over the said loan facility. M/s Hadirah Steels Private Limited paid the said liability of the Corporate Debtor. The Resolution Plan is meant to restart the business of the Corporate Debtor by synergizing the existing capabilities of the Resolution Applicant.

- 20.** The amount proposed in the Resolution Plan are tabulated below:

<b>Sl. No.</b>	<b>Types of debts</b>	<b>Resolution Amount</b>	<b>Payment Term</b>
1.	CIRP Cost	50,00,000	Within 90 days from the approval of the Resolution Plan by the Adjudicating Authority
2.	Financial Creditor (unsecured M/s Hadirah Steels Private Limited)	5,82,50,000	Within 180 days from the approval of the Resolution Plan by the Adjudicating Authority
3.	Operational Debt- Government Dues- Deputy Commissioner State Tax	1,16,50,000	Within 180 days from the approval of the Resolution Plan by the Adjudicating Authority

<b>Sl. No.</b>	<b>Types of debts</b>	<b>Resolution Amount</b>	<b>Payment Term</b>
4.	Operational Creditors (Trade Payables)	NIL	NIL
5.	Workmen/Employees	NIL	NIL
6.	Contingent Liabilities (Non-Statutory) towards Government Dues only including EPFO/ESI/ Gratuity Authority etc.	25,00,000	As per the information received from the RP no such claim has been submitted however the sum proposed to address any contingency to prevent delays in the implementation of the resolution plan. Such payments shall be made within 270 days from the approval of the resolution plan by the Adjudicating Authority.
7.	Statutory Dues as per Information Memorandum	-	-
8.	Infusion of Funds and Capex/Working Capital	14,00,00,000	

**Estimated Total Amount Proposed to be brought in the Corporate Debtor for the turnaround of the Corporate Debtor:-**

Cost of Project & Means of Finance (Sources of Funds)

- 21.** The RA proposes to source the funds with a finance mix of equity, preference share capital or loans and other instruments.

<b>S.No</b>	<b>Particulars</b>	<b>Amount (in Rs.)</b>
A	CIRP Cost	50,00,000
B	Upfront cash payment to the Financial Creditors to be paid within 180 days from the Cut-Off date	5,82,50,000
C	Total Upfront Cash Payment as part of Resolution Plan	2174,00,000
D	Deferred payment to the Financial Creditors to be paid within 180 days from the Cut-Off date	NIL
E	Cost to be incurred on the Repair Maintenance /Renovation of the Building	75,00,000
F	Workmen & Employee /due/claim retirement benefit	NIL
G	Operational Creditor	NIL
H	Other Creditors (Government dues- Deputy Commissioner State Tax)	1,16,50,000
J	Contingent Liabilities	25,00,000
K	Repairs /Refurbishment/ new investment in the plant and machinery including installation of infrastructure to meet the compliances/requirements	10,00,00,000
L	Working Capital Requirement, Consumables and Tools	2,50,00,000
M	Cost of implementation to be incurred after the NCLT Approval date during on the monitoring and applying the reliefs and concessions	75,00,000
<b>N</b>	<b>Total Fund Required (A+B+E+H+J+K+L+M)</b>	<b>21,74,00,000</b>

## **SOURCES OF FUNDS**

**22.** It is stated in the resolution plan that the overall Resolution Plan is for a total amount of approximately Rs. 7,74,00,000 Crores which shall be funded with a mix of Equity/Preference Shares or loans or other instruments. The

upfront cash shall be used for the payment of outstanding CIRP cost in priority to the payment of debts of the Corporate Debtor as stated in paragraph 06 of the resolution plan. The CIRP cost and claimants and creditors shall be funded by the Resolution Applicant from its own sources.

***Compliance of the successful Resolution Plan with various provisions:***

- 23.** In compliance of Section 30(2) of IBC, 2016, it is stated in the plan that CIRP cost shall be paid in priority to any other creditor. The outstanding CIRP cost shall be paid from the internal accruals or current assets or receivables during the CIRP period to the extent that internal accruals are not adequate, the balance of outstanding CIRP cost shall be paid at accruals by the Resolution Applicant/ Nominee from the upfront cash.
- 24.** The Applicant has submitted the details of various compliances as envisaged by the Code and the CIRP Regulations which a Resolution Plan is required to adhere to, as follows:-

**a) Compliance with Section 30(2) of the Code:**

<b>Section 30(2) of Insolvency and Bankruptcy Code, 2016</b>	<b>Compliance under Resolution Plan</b>	<b>Relevant Page Number of Section 30 Application</b>
(a) Plan must provide for payment of CIRP cost in priority to repayment of other debts of the CD in the manner specified by the Board.	Provided in paragraph 6 and 7.7 of the Resolution Plan	Page 27 of the Resolution Plan and Page No. 384 of the Application  Page 30 of the Resolution plan and Page no. 387 of the Application.
(b) Plan must provide for payment of debts of OCs in such manner as may be specified by the Board which shall not be less than	Provided in Paragraph 6 of the Resolution Plan for the payment of CIRP Cost in accordance with the provisions u/s 53 of the IBC,2016.	Page 27 of the Resolution Plan and Page No. 384 of the Application
(b)(i) the amount payable to them in the event of liquidation u/s 53; or	Provided in Paragraph (6) of the Resolution Plan	Page 27 of the Resolution Plan and Page No. 384 of the Application
b(ii) 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, whichever is higher and	Provided in Paragraph (6) and paragraph 7.9 of the Resolution Plan	Page 27 of the Resolution Plan and Page No. 384 of the Application; Page 31 of the Resolution Plan and 388 of the Application.
provides for 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.	Provided in paragraph 7.16 of the Resolution Plan regarding treatment of dissenting financial creditors	Page No. 39 of the Resolution Plan and Page No. 396 of the Application;
(c) Management of the affairs of the Corporate Debtor after approval of the Resolution Plan.	Provided in Paragraph 9 of Resolution Plan	Page 49 of Resolution Plan and Page 406 of the Application.

(d) Implementation and Supervision.	Provided in Paragraph 10 of Resolution Plan	Page 53-57 of Resolution Plan and Page 410-414 of the Application.
(e) Plan does not contravene any of the provisions of the law for the time being in force.	Provided in Para 14 of the Resolution Plan	Page No.45 of the Resolution Plan and Page 432 of Application.
(f) Conforms to such other requirements as may be specified by the Board.	Provided in the different parts of the Resolution plan	

**b) Mandatory contents of Resolution Plan in terms of Regulation 37 of CIRP Regulations.**

<b>Regulation 37 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</b>	<b>Compliance under Resolution Plan</b>	<b>Relevant Page Number of Section 30 Application</b>
transfer of all or part of the assets of the corporate debtor to one or more persons;	Provided in paragraph 9.4.5 of the Resolution Plan.	Page no. 408 of the Application; Page no 51 of the Resolution Plan
sale of all or part of the assets whether subject to any security interest or not;	Not proposed by the Resolution Applicant in the plan.	
ba) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;	Provided in paragraph 8.3 of the Resolution Plan.	Page no. 399 of the Application; Page no 42 of the Resolution Plan
c) the substantial acquisition of shares of the corporate debtor, or the merger or the consolidation of the corporate debtor with one or more persons;	The Resolution Applicant Proposes that the Nominee shall subscribe equity shares of the Corporate Debtor as specified under	Page no. 408 of the Application; Page no 51 of the Resolution Plan

	Clause 9.4.3 of Resolution Plan	
ca) cancellation or delisting of any shares of the corporate debtor, if applicable;	The Resolution applicant proposes that all equity shares of the Corporate Debtor shall stand cancelled as specified in Paragraph 8.3.12 (b) of the Plan.	Page no. 402 of the Application; Page no 45 of the Resolution Plan
d) satisfaction or modification of any security interest;	Provided in Clause 8.4.2 of Resolution Plan	Page no. 405 of the Application; Page no. 48 of Resolution Plan
e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;	Not Provided by the Applicant in the Plan	
f) reduction in the amount payable to the creditors;	Provided in Clause 6.1 of the Resolution Plan	Page no. 384 of the Application; Page No. 27 of Resolution Plan
g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;	Not proposed by the Resolution Applicant.	
h) Amendment of the constitutional documents of the corporate debtor	Provided in clause 9.6 of the Resolution Plan	Page no. 408 of the Application; Page No. 51 of Resolution Plan
i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;	Not proposed by the Resolution Applicant.	
j) change in portfolio of goods or services produced or rendered by the corporate debtor;	No Change in the Portfolio of Goods or services the RA is also in the same line of business i.e Iron & Steel sector manufacturing and trading.	

k) change in technology used by the corporate debtor; and	Provided in Clause 7.3 of the Resolution Plan	Page no. 386 of the Application; Page 29 of Resolution Plan
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**(c) Mandatory contents of Resolution Plan in terms of Regulation 38 of CIRP Regulations:**

<b>Regulation 38(1) and (2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016</b>	<b>Compliance under Resolution Plan</b>	<b>Relevant Page Number of Application</b>
38(1)(a) The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors	Provided in Para 7.9 of the Resolution plan	Page No.389 of Application and Page No. 32 of the Resolution Plan.
38(1)(b) The amount payable under a resolution plan -  (b) to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan.	Provided in Para 7.16 of the Resolution plan	Page No. 39 of the Resolution Plan and Page no. 416 of the Application
38 (1A) Shall include a statement as to how it has dealt with the interests of all the stakeholder, including financial creditors and operational creditors of the Corporate Debtor	Provided in Para 11.1 and 14 of the Resolution plan	Page No.59 of the Resolution Plan and Page 416 of Application.  Page No.45 of the Resolution Plan and Page 432 of Application.

38 (1B) shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past	Provided in Para 14 of the Resolution plan	Page no. 45 of Resolution Plan and Page no 432 of the Application.
38 (2)(a) shall provide for the term of the plan and its implementation schedule;	Provided in paragraph 10.3 of the resolution plan	Page No. 57 of the Resolution plan and Page no 414 of the Application.
38 (2)(b) shall provide for the management and control of the business of the Corporate Debtor during its term	Provided in paragraph 10 of the resolution plan	Page No. 53 of the Resolution plan and Page No. 410 of the Application.
38 (2)(c) Shall provide for the adequate means for supervising its implementation.	Provided in paragraph 10.2 of the resolution plan	Page No. 53 of the Resolution Plan and Page No. 410 of the Application.
38 (3) A resolution plan shall demonstrate that –  it addresses the cause of default;	This has been provided in para 6 r/w para 7.3 and 14 of the Resolution Plan.	Page no. 384 of the Application; Page No. 27 of Resolution Plan  Page no. 29 of the resolution plan and Page no 386 of the Application.

		Page no. 45 of Resolution Plan and Page no 432 of the Application.
it is feasible and viable;	This has been provided in Para 14 of the Resolution Plan.	Page No. 53 of the Resolution Plan and Page no. 435 of the Application.
it has provisions for its effective implementation	This has been provided in Para 10 and 14 of the Resolution Plan.	Page No. 53 of the Resolution plan and Page No. 410 of the Application. Page No. 78 of the Resolution Plan and Page No. 435 of the Application.
It has provisions for approvals required and the timeline for the same; and	This has been provided in Para 14 of the Resolution Plan.	Page No. 78 Resolution Plan and Page no. 435 of the Application.
The resolution applicant has the capability to implement the resolution plan.	This has been provided in Para 14 of the Resolution Plan.	Page No. 78 Resolution Plan and Page no. 435 of the Application.

**25.** The Applicant submits that the Successful resolution applicant has submitted an affidavit in regard to the eligibility under section 29A of the Code, as required by Regulation 39(1)(a) of the CIRP Regulations. An undertaking has also been submitted by the Successful Resolution Applicant, as mandated in terms of regulation 39(1)(c) of the CIRP Regulations. The affidavit under Section 29A is at page

no.442-456 in the application, which is reproduced thereunder:-

*“...In furtherance of the Request for Resolution Plan dated 11 June 2023 and in view of the IB Code. We (Hadirah Steels Private Limited) state, submit and confirm as follows:-*

*1. We hereby unconditionally state, submit and confirm that we are not disqualified from submitting a Resolution Plan in respect of Rana Heavy Engineering Private Limited, pursuant to the provisions of the 13 Code and/or otherwise.*

*2. We hereby state, submit and declare that none of (a) us being the Resolution Applicant; (b) any other person acting jointly or in concert with us; (c) any person who is a promoter and/or in the management and/or control of the Resolution Applicant; (d) any person who I shall be the promoter and/or in management and/or control of the business of Hadirah Steels Private Limited during implementation of the Resolution Plan; and/or (e) the holding company, subsidiary company, associate company or related party of any person referred to in(c) and/or (d)*

*(a) is an undischarged insolvent;*

*(b) has been identified as a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;*

*(c) has an account, or an account of Rana Heavy Engineering Private Limited under my/our management or control or of whom I/us/is/are a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;*

*(d) has been convicted for any offence punishable with imprisonment for two years or more:*

*(e) has been disqualified to act as a director under the Companies Act, 2013:*

*(f) has been prohibited by the Securities and Exchange Board of India from trading in securities or assessing the securities market:*

*(g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under IBC Code*

*(h) has executed an enforceable guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this IBC Code; and/or*

*(i) has been subject to any disability corresponding to (a) to (h) above under any law in a jurisdiction outside India.*

*(i) has a connected person not eligible under clauses (a) to (i). The expression "connected person" means- (i) any person who is the promoter or in the management or control of the resolution applicant: or (ii) any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan: or (iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii):*

*.....”*

- 26.** The Applicant has filed a Compliance Certificate in prescribed Form, i.e. Form 'H' in compliance with Regulation 39(4) of the CIRP Regulations. The RP has issued the Letter of Intent dated 03.12.2023 to the Successful Resolution Applicant and the Successful Resolution Applicant provided the Performance Bank Guarantee of Rs.2.5 cr/- (Rupees Two

Crores and Fifty Lakhs Only) through RTGS dated 30.10.2023 and 31.10.2023 and the same is at page no.344 to 347, which is required under Regulation 36B (4A) of CIRP Regulations, 2016.

**Details of Resolution Plan/ Payment Schedule**

**27.** The Applicant submits the relevant information about the amount claimed, the amount admitted, and the amount proposed to be paid by the Successful Resolution Applicant, *i.e., M/s Hadirah Steel Private Limited.* under the said Resolution Plan which is tabulated as under:

<b>Sl. No.</b>	<b>Types of debts</b>	<b>Claim Amount Admitted (in Rs.)</b>	<b>Resolution Amount (in Rs.)</b>	<b>Payment Term</b>
1.	CIRP Cost		50,00,000	The actual amount proposed to be paid within 90 days of approval of Resolution Plan by the Adjudicating Authority.
2.	Unsecured Financial Creditors	7,69,44,056.44	5,82,50,000	To be paid within 180 days from the approval of the Resolution Plan by the Adjudicating Authority. (upfront cash payment)

<b>Sl. No.</b>	<b>Types of debts</b>	<b>Claim Amount Admitted (in Rs.)</b>	<b>Resolution Amount (in Rs.)</b>	<b>Payment Term</b>
3.	Operational Creditors (Trade payables)		NIL	NIL
4.	Operational Creditors (Government Dues-Tax)	36,51,52,552.26	1,16,50,000	To be paid within 180 days from the approval of the plan by the Adjudicating Authority.
5.	Workmen/ Employees		NIL	NIL
6.	Operational Debt - Contingent Liabilities (Non Statutory) Towards Government Dues only including by the EPFO/ESI/Gra tuity Authority etc.)		25,00,000	To be paid within 270 days from the approval of the plan by the Adjudicating Authority.
7.	Statutory Dues as per Information Memorandum		NIL	NIL
8.	Infusion of funds for Capex/ Working Capital		1400,00,000	

**28.** The Resolution plan size is approximately of Rs.

7,74,00,000/- (Rupees Seven Crores and Seventy-Four Lakhs Only). The remaining amount of Rs. 14,00,00,000 as included in the plan, will be covered by the future investments by way of financial assistance from Banks and Financial Institutions as stated in para 7.5 of the Resolution Plan at Page 30.

***Details on Management and Implementation as per the Resolution Plan***

- 29.** The Resolution Plan also provides for details of management and control, implementation and supervision of the Resolution Plan and term of plan and the same is already set out in Para 9 and 10 of the Resolution Plan as stated *supra*.

***Details on fraudulent and avoidance transaction***

- 30.** The Resolution Professional via Form-H confirms that the suspended Board of Directors of the Corporate Debtor has not been engaged in the any kind of fraudulent and avoidance transactions and therefore, no such avoidance applications are pending as on date.

### ***Waivers, Reliefs and Exemptions***

**31.** The SRA has sought/prayed for the reliefs, waivers and concessions as enumerated under paragraph 13 of the Resolution Plan approved by the CoC, that from the plan approval date all inquiries, investigation and proceedings, whether civil or criminal, suits, claims, disputes, interests and damages in connection with the Corporate Debtor or the affairs of the Corporate Debtor, pending or threatened, present or future in relation to any period prior to the plan approval date, or arising on account of implementation of this Resolution Plan, shall stand withdrawn, satisfied and discharged. From the date of approval of the 'Resolution Plan', the Resolution Applicant shall be legally authorized to seek appropriate orders from respective authorities/courts/tribunals for renewal of licenses/withdrawal/dismissal or abetment of the proceedings as the case may be.

### ***Analysis & Findings***

**32.** On hearing the submissions made by the Ld. Counsel for the Resolution Professional and perusing the record, we find that the Resolution Plan has been approved by the CoC with 100%

of the members voting in favour of the Resolution Plan. As per the CoC, the Plan meets the requirement of being a viable and feasible revival of the Corporate Debtor. By and large, there are provisions for making the Plan effective after approval by this Bench.

- 33.** On perusal of the documents on record, we are satisfied that the Resolution Plan is in accordance with Sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- 34.** The reliefs, concessions and waivers sought by the Successful Resolution Applicant will be dealt with strictly in accordance with the applicable laws.
- 35.** It may be clarified that litigations wherever pending against the Corporate Debtor would be governed by Section 32A of the Code.
- 36.** As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed

to do the same within one year as prescribed under section 31(4) of the Code.

**37.** As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under section 31(4) of the Code.

**38.** In case of non-compliance with this order or withdrawal of the Resolution Plan within the stipulated time, in addition to other consequences which follow under law, the CoC shall forfeit the EMD amount of Rs. 2.5 cr. already paid by the Resolution Applicant as well as the Performance Bank Guarantee of Rs. 2.5 cr.

### **Orders**

**39.** Subject to the observations made in this Order, the Resolution Plan of **Rs. 7,74,00,000** (Rupees Seven crores and Seventy-Four Lakhs only), is here by approved as per Section 30(2) and the mandatory contents of Resolution Plan in terms of Regulation 38(1). The remaining amount of **Rs. 14,00,00,000. (Rupees Fourteen Crores Only)** as included

in the plan, will be covered by the future investments by way of financial assistance from Banks and Financial Institutions as stated in para 7.5 of the Resolution Plan at Page 30. The Successful Resolution Applicant, is also here by allowed.

**The Resolution Plan shall form part of this Order.**

- 40.** The reliefs, concessions and waivers sought/prayed by the Successful Resolution Applicant will be dealt with strictly in accordance with the applicable laws including Companies Act, 2013 and Income Tax Act, 1961, etc.
- 41.** The Moratorium imposed under section 14 of the Code shall cease to have effect from the date of this order.
- 42.** The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- 43.** Liberty is hereby granted for moving appropriate application if required in connection with implementation of this Resolution Plan.
- 44.** A copy of this Order shall be filed by the Resolution Professional with the Registrar of Companies.

**45.** The Monitoring Committee as proposed in the resolution plan is appointed as under:

Name(s) of the proposed member(s) of implementation and monitoring committee	Brief description of the Proposed member(s) of the I & M committee
Hemi Gupta	Resolution Professional
Nominee of the SRA	One Member Nominated by the Resolution Applicant

**46.** The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.

**47.** The Resolution Professional is further directed to hand over all records, premises/ factories/documents available with it to the Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records and premises through the Resolution Professional to finalise the further course of action required for starting of operations of the Corporate Debtor.

- 48.** The Registry is directed to send copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- 49.** The registry is further directed to send the copy of the order to the IBBI also for their record.
- 50.** Certified copy of this order may be issued, if applied for, upon compliance of all requisite formalities.
- 51.** **IA No. 02/2024** shall stand ***disposed of*** accordingly.
- 52.** File be consigned to the record.

-Sd-

**(Ashish Verma)**  
**Member (Technical)**

-Sd-

**(Praveen Gupta)**  
**Member (Judicial)**

**Date :19<sup>th</sup> April, 2024**