

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

**IA (PLAN) NO.04/2024
IN
CP (IB) NO.40/ALD/2023**

IN THE MATTER OF:

(An Under Section 30 of Insolvency and Bankruptcy Code, 2016 read with Regulation 39 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016)

Satya Prakash Gupta,
Resolution Professional,
Khatima Fibres Limited,
IP Registration No. IBBI/IPA-001/IP-P00737/2017-2018/11234,
Address: KBDS & Co. 808, Eros Apartment,
56 Nehru Place, New Delhi,
National Capital Territory of Delhi, 110019

..... Applicant/ Resolution Professional

In the matter of:

ASSETS CARE AND RECONSTRUCTION ENTERPRISE LIMITED

.....Financial Creditor

V/S

KHATEMA FIBRES LIMITED

.....Corporate Debtor

Order pronounced on 6th August, 2024

Coram:

Mr. Praveen Gupta : Member (Judicial)

Mr. Ashish Verma : Member (Technical)

Appearances:

Ms. Jasmine Damkewala with : *For the Financial Creditor*
Ms. Vaishali Sharma, Advs.

Sh. Gaurav Mitra with : *For the Applicant/ RP*
Sh. Himanshu Kohli, Advs.

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ORDER

Preliminary

1. The present interlocutory application bearing IA (Plan) No.04/2024 was moved on behalf of Satya Prakash Gupta, Resolution Professional (***hereinafter referred as “RP/ Applicant”***) of Khatema Fibres 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 Khatema Fibres Limited.

2. The underlying Company Petition CP (IB) No.40/ALD/2023 filed by Assets Care & Reconstruction Enterprise Ltd. under Section 7 of the Code for initiation of Corporate Insolvency Resolution Process (**“CIRP”**) against the Corporate Debtor namely Khatema Fibres Limited, which was admitted by this Adjudicating Authority *vide* its order dated 13.10.2023 (**“Admission Order”**) appointing Mr. Satya Prakash Gupta (IBBI/IPA-001/IP-P00737/2017-2018/11234) as IRP, who was subsequently appointed as Resolution Professional (RP) in first CoC meeting

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dated 09.11.2023, which was later on confirmed as RP *vide* order dated 07.12.2023 passed by this Tribunal.

Collation of claims by RP

3. As averred in the instant IA giving the details leading to submission of present Resolution Plan, it is stated that during the 1st meeting of COC, RP apprised about the public announcement made on 20.10.2023, in *Dainik Jagran (Nainital Jagran)*, *Nainital Edition circulating in Khatema (Hindi)*; *Financial Express (English)*; *Economic Times (All India Edition)* and *Jansatta (Hindi)* in *New Delhi Edition*, which was also uploaded on the website of the Insolvency and Bankruptcy Board of India, and he called for proof of claims from the creditors of the Corporate Debtor and informed lenders to submit their claims as envisaged under the Code. The last date of submissions of claims was 01.11.2023.
4. That pursuant to the public announcement made in FORM-A by the Resolution Professional, the claims have been submitted on or before the last date of submission i.e. 01.11.2023. However, the claims have also been received after 01.11.2023 till 29th May, 2024, which was considered as per Regulation. The claims were received by the RP from time to time till the date of approval of

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the Resolution Plan. The details of the total claims received by the Applicant as on the date of approval of the Resolution Plan, is tabulated below for reference:-

S.N.	Type of Creditors	Total amount claimed (in Lakh)	Total amount admitted (in Lakh)
1.	Secured Financial Creditors (other than financial creditors belonging to any class of creditors)	111,484.36	111,484.36
2.	Unsecured financial creditors (other than financial creditors belonging to any other class of creditors)	112.30	110.85
3.	Operational Creditors (Workmen)	214.34	212.81
4.	Operational Creditors (Employees)	370.59	370.10
5.	Operational Creditors (Government Dues)	812.48	619.68
6.	Operational Creditors (other than workmen and Employees and Government Dues)	9813.03	5343.35
7.	Other Creditors	5527.89	4866.82
	Total	128,335.01	123,007.98

5. After last date of submission of claims i.e. 01.11.2023, Applicant/ RP constituted the CoC on the basis of the financial statements *interalia* information available and provided at the relevant time. The first constituted CoC dated 01.11.2023 with the following Financial Creditor by mentioning its voting percentage, is as under :-

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Sr.	Name	Percentage
1.	Asset Care & Reconstruction Enterprise Limited	100.00%

6. Thereafter, the CoC was reconstituted on 21.11.2023 and approved by this Tribunal on 07.12.2023 with the following Financial Creditor by mentioning its voting percentage, is as under :-

Sr.	Name	Percentage
1.	Asset Care & Reconstruction Enterprise Limited	99.90%
2.	Manikaran Credit & Leasing Co. Pvt. Ltd.	00.10%
Total		100.00%

7. As submitted by the RP in the instant IA that a total of 10 CoC meetings have been held during the whole CIRP period.

Evaluation and voting

8. It is stated in the instant IA that the 3rd CoC was held on 25.12.2023, whereby the CoC *interalia* approved the publication of Form G, Request for Resolution plan, Evaluation Matrix, and eligibility criteria. Accordingly, invitations for Expression of Interest (EoIs) in Form-G were published on 28.12.2023 in

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Dainik Jagran (Hindi), Haldwani Nainital Edition; Financial Express (English) Delhi NCR Edition, Corporate Office; Economic Times (English) (All India Edition); and Jansatta (Hindi) in New Delhi Edition, wherein the last date of receipt of the EOI was fixed as 12.01.2024.

9. In the 4th Meeting of CoC, the Applicant apprised the members of CoC regarding the receipt of 11 Expression of Interest. Thereafter, checking their eligibility to participate as Resolution Applicants and as against Section 29A and the criteria setup by the CoC, the Applicant in consultation with the members of the CoC issued a final list of Prospective Resolution Applicants (*hereinafter referred to as “PRAs”*), which are as under :

List of Prospective Resolution Applicants	
1.	<i>KR Pulp and Paper Ltd.</i>
2.	<i>Bhadrashree Steel and Power Ltd.</i>
3.	<i>Dynamic weaving Pvt. Ltd.</i>
4.	<i>Mogli Labs (India) Pvt. Ltd.</i>
5.	<i>West Coast Paper Mills Ltd.</i>
6.	<i>Resurgent Property Ventures Pvt. Ltd. and Jakson Limited (In Consortium)</i>

10. Thereafter, the Applicant/ RP issued the Request for Resolution Plan (RFRP) including the Information Memorandum and Evaluation Matrix, to the PRAs and the PRAs were granted 30 days' time to submit their Resolution Plan with deadline set for

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12.03.2024. However, the Applicant received the request from three PRAs with regard to extend the timeline for Resolution Plan, which was communicated by the Applicant to the CoC members in its 5th meeting held on 11.03.2024. Consequently, the CoC extended the deadline by an additional two weeks i.e. till dated 26.03.2024.

- 11.** Therefore, the Applicant/ RP received the Resolution Plans submitted by the following PRAs on the respective dates :-

Sl. No.	Name	Date
1.	KR Pulp and Papers Ltd.	26.03.2024
2.	Mogli Labs (India) Pvt. Ltd.	26.03.2024

- 12.** It is also stated by the Applicant that on 26.03.2024, the Resurgent Property Ventures Ltd. and Jakson Ltd. (“Resurgent”) submitted the incomplete Resolution Plan via email, and upon review of the same, it was found that the Bid Bond Guarantee (which is considered as EMD) was not included in this email. Subsequently, on 27.03.2024 the hard copy of the Resolution Plan attaching the copy of the Bid Bond Guarantee was received by the Applicant, which was after the deadline for submission of the Resolution Plan. The said situation was apprised of by the Applicant to the CoC for its approval, whether the Resolution

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Plan received with the Bid Bond Guarantee (Earned money deposit) issued after the deadline should be considered for evaluation. It was advised by the CoC to adhere to the prescribed timelines under the RFRP and stated that any deviation from the process should not be entertained. Consequently, the RP rejected the Resolution Plan as it was not submitted within the extended deadline of 26.03.2024.

- 13.** Thereafter, the Applicant presented the Resolution Plans of Mogli Labs (India) Pvt. Ltd. (*hereinafter referred to as Moglix*) and KR Pulp and Papers Ltd. (*hereinafter referred to as KR Pulp*), in the 7th CoC meeting held on 06.05.2024, in which the KR Pulp was requested to submit the improved financial proposal. Therefore, as per the request of the authorized representative of KR Pulp, the CoC granted an extension of two days time to submit the improved financial proposal by a new deadline on 8th May, 2024. However, in the 8th CoC meeting held on 09.05.2024, the authorized representative of KR Pulp refused to revise its proposal in the Resolution Plan.
- 14.** Further, the Applicant received the claims from Mr. Ram Prasad Rajpoot and Employees' Provident Fund Organization post issuance of RFRP and 7 days before voting on the Resolution

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Plan by the CoC, and subsequently it was recommended by the CoC in its 8th & 9th meeting for inclusion of claims of Mr. Ram Prasad Rajpoot as well as of EPFO in the list of Creditors respectively.

15. Thereafter, the Applicant requested both the RAs i.e. Moglix and KR Pulp to consider the treatment of claims of EPFO, DVAT and Mr. Ram Prasad Rajpoot in its Resolution Plan and to submit the revised financial proposal by 27.05.2024 at 08:00 PM. Resultantly, the revised Resolution Plan was submitted by Moglix only on 27.05.2024 and the same was placed before the 10th CoC meeting held on 29.05.2024. The said 10th CoC meeting was concluded its voting on 01.06.2024 at 05:30 PM and had resolved to approve the revised Resolution Plan submitted by the Moglix by 100% vote in favour.

16. The voting results of the 10th CoC meeting held on 29.05.2024, is as follows :-

Item no.5

"RESOLVED THAT the Resolution Plan (Including Revised Resolution Plan/Addendums to the Original Resolution Plan) submitted by Resolution Applicant "M/s. Mogli Labs (India) Pvt. Ltd." (herein after called as Successful Resolution Applicant) be and is hereby approved by the Committee of Creditors pursuant to provision of Section 30 of Insolvency and Bankruptcy Code, 2016 read with Regulation 38 and 39

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of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process of Corporate Persons) Regulations, 2016."

FURTHER RESOLVED THAT the Resolution Professional, be and is hereby authorized to communicate to the successful resolution applicant "M/s Mogli Labs (India) Pvt. Ltd." for approval of Resolution Plan and to issue Letter of Intent to the successful resolution applicant and to obtain performance Bank Guarantee in accordance with the Request for Resolution Plan (RFRP) issued to the successful Resolution Applicant.

ALSO RESOLVED THAT the Resolution Professional, be and is hereby authorize to file approved Resolution Plan with the Adjudicating Authority and to do such other acts and execute such other documents incidental thereto".

E-Voting Results:

Item # 5			
<i>DELIBERATION, DISCUSSION AND EVALUATION OF THE RESOLUTION PLAN ALONG WITH ADDENDUM AND SUBMISSIONS MADE BY THE RESOLUTION APPLICANT AND VOTE ON RESOLUTION PLAN IN ACCORDANCE WITH REGULATION 39 OF IBBI (RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016</i>			
<i>Name of CoC members voted</i>	<i>Assent</i>	<i>Dissent</i>	<i>Abstained</i>
<i>Assets Care & Reconstruction Enterprise Limited ("ACRE")</i>	99.90%	-	-
<i>Manikaran Credit & Leasing Co. Pvt. Ltd.</i>	00.10%		
<i>Total</i>	100.00%	-	-

17. A compliance Certificate in terms of prescribed "Form H" under regulation 39(4) of the CIRP Regulations was also filed before this Tribunal. As per "Form H", the fair value of the Corporate Debtor is Rs.166.13 Crore and the liquidation value is Rs.118.09 Crore as per the registered valuers report.

18. This Adjudicating Authority has granted extensions/exclusions

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in the whole CIR Process, which are in tabular form as follows:-

Particulars	Timelines
CIRP commencement date	13.10.2023
180 days	10.04.2024
Extension of 90 days beyond 180 days as well as exclusion from the date of filing of application i.e. 10.04.2024 till the passing of the order dated 19.04.2024	18.07.2024

Details of Resolution Plan/ Payment Schedule

- 19.** The Successful Resolution Applicant i.e. M/s Mogli Labs (India) Pvt. Ltd. is a company engaged into the business of E-commerce, specializing in B2B procurement of essential industrial supplies. Its diverse business units cater to a wide array of needs, including Maintenance, Repairs, and Operations (MRO), Safety, Electricals, Lighting, Cleaning & Housekeeping, Office Stationery & Supplies, Power Tools, and more.

Details of Resolution Plan/ Payment Schedule

- 20.** 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., Mogli Labs (India) Pvt. Ltd. under the said Resolution Plan

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which is tabulated as under:- :-

Particulars	Amount Claimed (In Lakh)	Amount Admitted (In Lakh)	Resolution Amount (In Lakh)		Payment Terms
CIRP Cost	-	-	400 Lakh		Within 90 days of approval of Resolution Plan
Secured financial creditors (other than financial creditors belonging to any class of creditors)	111,484.36	111,484.36	6,689.06	6.00%	The RA Proposed to upfront Payment of INR 56.9571 crore, to be made within 90 days of approval of Resolution Plan and balance INR
Unsecured financial creditors (other than financial creditors belonging to any class of creditors)	112.30	110.85	6.65	5.92%	10 crore to be paid within six (6) months of approval of Resolution Plan
Operational Creditors (Workmen)	214.34	212.81	99.89	46.60%	Within 90 days of approval of Resolution Plan
Operational Creditors (Employees)	370.59	370.10	278.58	75.17%	Within 90 days of approval of Resolution Plan
Operational Creditor (Govt. Dues)	812.48	619.68	61.41	07.56%	Within 90 days of approval of Resolution Plan

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Operational Creditors (other than Employees and Government Dues)	9813.03	5343.35	53.48	00.55%	Within 90 days of approval of Resolution Plan
Other creditors, if any, (other than financial creditors and operational creditors)	5527.89	4866.82	48.72	0.88%	Within 90 days of approval of Resolution Plan
Total	128,335.01	123,007.98	7637.80		

21. Estimated Total Amount Proposed to be brought in the Corporate Debtor for the turnaround of the Corporate Debtor:

S. No.	Particulars	Amount
A	CIRP Cost	4.0000 Cr.
B	Upfront cash payment to the Financial Creditors to be paid within 90 days from the approval date	56.9571 Cr.
C	Total Upfront Cash Payment as part of Resolution Plan (A+B)	60.9571 Cr.
D	The balance amount to be paid within six (6) months of the approval of Resolution Plan	10 Crore
E	Workmen & Employee/ due/ claim retirement benefit	3.7847 Cr.
F	Operational Creditor (Govt. dues)	0.6141 Cr.

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G	Operational Creditor (other than employees and Govt. dues)	0.5347 Cr.
H	Other Creditors	0.4872 Cr.
I	Payment to outside party (C+D+E+F+G+H)	76.3780 Cr.
J	Contingent Liabilities (Non-Statutory)	NIL
K	Repairs/Refurbishment (To be brought through equity)	NIL
L	Working capital margin (To be brought through equity)	<u>NIL</u>
	Total Fund Required (I+J+K+L)	76.3780 Cr.

Sources of Funds

22. The overall Resolution Plan is for a total amount of approximately Rs.76.3780 Crore, which shall be funded with a mix of Equity/ Preference Shares, secured and unsecured loans/ debentures by the Resolution Applicant.

Compliance of the successful Resolution Plan with various provisions:

23. 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 :-

Compliance with Section 30(2) of the Code:

Section 30(2) of Insolvency and Bankruptcy Code, 2016	Compliance under Resolution Plan	Relevant Page Number of Application
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(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 para no.2 of chapter 7 and chapter 8. page no.32 and 39-42 of the Resolution Plan	Page 469 and 476-479 of the Application
(b) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be less than	Provided in para no.3, of chapter 7 and chapter 8. page no.32 and 39-42 of the Resolution Plan	Page 469 and 476-479 of the Application
(b)(i) the amount payable to them in the event of liquidation u/s 53; or	Provided in para no.3, of chapter 7 and chapter 8. page no.32 and 39-42 of the Resolution Plan	Page 469 and 476-479 of the Application
(b)(ii) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be not less than 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 para no.3, of chapter 7 and chapter 8. page no.32 and 39-42 of the Resolution Plan	Page 469 and 476-479 of the Application
b (iii) 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 para no.4, of chapter 7 and chapter 8. page no.32 and 39-42 of the Resolution Plan	Page 469 and 476-479 of the Application
(c) Management of the affairs of the Corporate Debtor after approval of the Resolution Plan.	Provided in chapter 6 page no.30 of the Resolution Plan	Page 467-468 of the Application

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(d) Implementation and Supervision.	Provided in chapter 9 page no.51-56 of the Resolution Plan	Page 488-493 of the Application
(e) Plan does not contravene any of the provisions of the law for the time being in force.	Provided in chapter 14, para no.9, page no.82 of the Resolution Plan	Page 519 of the Application
(f) Conforms to such other requirements as may be specified by the Board.	Provided in the different parts of the Resolution plan	-

Mandatory contents of Resolution Plan in terms of Regulation 37 of CIRP Regulations

Regulation 37 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	Compliance under Resolution Plan	Relevant Page Number of Application
a) transfer of all or part of the assets of the corporate debtor to one or more persons;	Provided in clause 11.1 of chapter 14 page no.82 of the Resolution Plan	Page 519 of the Application
b) sale of all or part of the assets whether subject to any security interest or not;	Provided in clause 11.2 of chapter 14 page no.83 of the Resolution Plan	Page 520 of the Application
ba) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;	Provided in clause 11.3 of chapter 14 page no.83 of the Resolution Plan	Page 520 of the Application
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;	NA	NA
ca) cancellation or delisting of any shares of the corporate debtor, if applicable;	Provided in clause 11.4 of chapter 14 page no.83 of the Resolution Plan	Page 520 of the Application
d) satisfaction or modification of any security interest;	Provided in clause 11.5 of chapter 14 page no.83 of the Resolution Plan	Page 520 of the Application

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e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;	NA	NA
f) reduction in the amount payable to the creditors;	Provided in clause 11.7 of chapter 14 page no.83 of the Resolution Plan	Page 520 of the Application
g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;	NA	NA
h) amendment of the constitutional documents of the corporate debtor	Provided in clause 11.9 of chapter 14 page no.83 of the Resolution Plan	Page 520 of the Application
i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;	NA	NA
j) change in portfolio of goods or services produced or rendered by the corporate debtor;	Provided in clause 11.11 of chapter 14 page no.83 of the Resolution Plan	Page 520 of the Application
k) change in technology used by the corporate debtor; and	Provided in clause 11.12 of chapter 14 page no.84 of the Resolution Plan	Page 521 of the Application
l) obtaining necessary approvals from the Central and State Governments and other authorities.	Provided in clause 11.13 of chapter 14 page no.84 of the Resolution Plan	Page 521 of the Application
m) Sale of one or more assets of the Corporate Debtor to one or more successful resolution applicants submitting resolution plans for such assets and manner of dealing with remaining assets.	NA	NA

Mandatory contents of Resolution Plan in terms of Regulation 38(1) of CIRP Regulations:

Regulation 38(1) and (2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	Compliance under Resolution Plan	Relevant Page Number of Application
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 chapter 7, para no.3, page no.32 of the Resolution Plan	Page 469 of the Application
38(1)(b) The amount payable under a Resolution Plan - (b) to the financial creditors, who have a right to vote under subsection (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 chapter 7, para no.3, page no.32 of the Resolution Plan	Page 469 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 chapter 7, para no.9, page no.35 of the Resolution Plan	Page 472 of the 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 chapter 7, para no.13 and chapter 14 para no.10, page no.36 & 82 of the Resolution Plan	Page 473 and 519 of the Application
38 (2)(a) shall provide for the term of the plan and its implementation schedule;	Provided in chapter 7, para no.5 and chapter 14 para no.1, page no.32-34 & 80 of the Resolution Plan	Page 469-471 and 517 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 chapter 14 para no.2, page no.80 of the Resolution Plan	Page 517 of the Application

38 (2)(c) Shall provide for the adequate means for supervising its implementation.	Provided in chapter 7, para no.5 page no.32-34 of the Resolution Plan	Page 469-471 of the Application
38 (3) A resolution plan shall demonstrate that – it addresses the cause of default;	Provided in chapter 14, para no.4 page no.80 of the Resolution Plan	Page 517 of the Application
it is feasible and viable;	Provided in chapter 14, para no.5 page no.80-81 of the Resolution Plan	Page 517-518 of the Application
it has provisions for its effective implementation	Provided in chapter 14, para no.6 page no.81 of the Resolution Plan	Page 518 of the Application
It has provisions for approvals required and the timeline for the same; and	Provided in chapter 14, para no.11.3 page no.84 of the Resolution Plan	Page 521 of the Application
The resolution applicant has the capability to implement the resolution plan.	Provided in chapter 14, para no.6 page no.81 of the Resolution Plan	Page 518 of the Application

Details of Monitoring Committee:

Name(s) of the proposed member(s) of implementation and monitoring committee	Brief description of the Proposed member(s) of the I & M committee
1. Satya Prakash Gupta	Resolution Professional
2. One representative of Financial Creditors.	Representative of CoC
3. Two representative of Resolution Applicant.	Representatives of Successful Resolution Applicant

24. 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

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mandated in terms of regulation 39(1)(c) of the CIRP Regulations. The affidavit U/s 29A is at page no.1891-1895, Volume-XI of the application, which is reproduced thereunder:-

*In furtherance of the Request for Resolution Plan dated March, 26th, 2024 and in view of the Code, We **MOGLI LABS (INDIA) PRIVATE LIMITED** (“Resolution Applicant”) 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 KHATEMA FIBRES LIMITED, pursuant to the provisions of the 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 in management and/or control of the business of KHATEMA FIBERS LIMITED during implementation of the Resolution Plan; and/or € the holding company, subsidiary company, associate company or related party of any person referred to in (c) an/or (d).*
 - (a) is an un-discharged insolvent;*
 - (b) is a willful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;*
 - (c) at the time of submission of the resolution plan has an account, or an account of a corporate debtor 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 Resolution Act, 1949 or the guidelines of a financial sector regulator issued under any other law for the time being in force;*
 - (d) has been convicted for any offence punishable with imprisonment;*
 - (i) for two or more under any Act specified under the Twelfth Schedule, or*
 - (ii) for seven years or more under any other law for the time being in force*

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- (e) is disqualified to act as a director under the Companies Act, 2013;
- (f) is 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 code.
- (h) Has executed a 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 Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;
- (i) Is subject to any disability corresponding to (a) to (h) above under any law in a jurisdiction outside India; or
- (j) 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);

25. 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 to the Successful Resolution Applicant and the Successful Resolution Applicant provided the Performance Bank Guarantee of Rs.10 Crore, (Rupees Ten Crore Only) dated 13.05.2024 which expires on 04.05.2025 and the same is annexed as Annexure 2

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at page nos.575-578, which is required under Regulation 36B (4A) of CIRP Regulations, 2016.

Details on Management and Implementation as per the Resolution Plan

26. 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 page no.51-56 Chapter 9 of the Resolution plan.

Details on fraudulent and avoidance transaction

27. The Resolution Professional has also filed some PUFEE applications i.e. IA No.316/2024, IA No.312/2024 and IA No.313/2024, where the amount involved is about Rs.78.2 Crore. As per the Resolution Plan, these PUFEE applications are proposed to be followed up by the Resolution Applicant, and any recoveries made by the Corporate Debtor/ Resolution Applicant on account of any such application filed by the IRP and/ or the Resolution Professional, shall be to the benefit of the Corporate Debtor/ Resolution Applicant only.

Waivers, Reliefs and Exemptions

28. The SRA has sought/ prayed for the reliefs, waivers and concessions as enumerated under the Resolution Plan

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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.

- 29.** 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

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

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- 31.** The reliefs, concessions and waivers sought by the Successful Resolution Applicant will be dealt with strictly in accordance with the applicable laws.
- 32.** It may be clarified that litigations wherever pending against the Corporate Debtor, would be governed by Section 32A of the Code.
- 33.** 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.
- 34.** 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, CoC shall forfeit the Performance Bank Guarantee of Rs.10 Crore.
- 35.** 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

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provisions for making the Plan effective after approval by this Bench.

- 36.** 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.
- 37.** The reliefs, concessions and waivers sought by the Successful Resolution Applicant will be dealt with strictly in accordance with the applicable laws.
- 38.** It may be clarified that litigations wherever pending against the corporate debtor would be governed by Section 32A of the Code.
- 39.** 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.

ORDERS

- 40.** Subject to the observations made in this Order, the Resolution Plan of Rs.76.3780 Crore (Rupees Seventy Six Crore Thirty

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Seven Lakh and Eighty Thousand), is hereby approved as per Section 30(2) and the mandatory contents of Resolution Plan in terms of Regulation 38(1). The Resolution Plan shall form part of this Order.

- 41.** 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.
- 42.** The Moratorium imposed under section 14 of the Code shall cease to have effect from the date of this order.
- 43.** The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record.
- 44.** Liberty is hereby granted for moving appropriate application, if required, in connection with implementation of this Resolution Plan.
- 45.** A copy of this Order shall be filed by the Resolution Professional with the Registrar of Companies.
- 46.** The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except

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those duties that are enjoined upon him for implementation of the approved Resolution Plan.

- 47.** As regards following up of the pending PUFEE applications i.e. IA No.316/2024, IA No.312/2024 and IA No.313/2024, we allow the Successful Resolution Applicant i.e. Mogli Labs (India) Pvt. Ltd. as proposed in the Resolution Plan, to follow up these proceedings before this Tribunal. Any recoveries made pursuant to these proceedings shall be distributed as per the provisions of Section 53 after deducting the expenses if any incurred on pursuing these applications and in case any surplus amount remains after distribution U/s 53 of the Code, the same shall be for the benefit of the Corporate Debtor/ Resolution Applicant.
- 48.** The Resolution Professional is further directed to hand over all records, premises/ factories/ documents available with it to the Resolution Applicant to finalize 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 finalize the further course of action required for starting of operations of the Corporate Debtor.

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- 49.** 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.
- 50.** The registry is further directed to send the copy of the order to the IBBI also for their record.
- 51.** Certified copy of this order may be issued, if applied for, upon compliance of all requisite formalities.
- 52.** File be consigned to the record.

-Sd-
(Ashish Verma)
Member (Technical)

-Sd-
(Praveen Gupta)
Member (Judicial)

Dated: 6th August, 2024