

**NATIONAL COMPANY LAW TRIBUNAL**

**CHANDIGARH BENCH (COURT I)**

**IA.NO. (Plan) 1734/2023, IA No. 406/2024 & IA No. 1420/2024**

**IN**

**Company Petition (IB) No. 239/Chd/Hry/2021**

**IN THE MATTER OF:**

**M/s REEM TANNERS PVT LTD**

**...Petitioner/ Operational Creditor**

**Versus**

**M/s DRISH SHOES LTD**

**...Respondent/ Corporate Debtor**

**AND IN THE MATTER OF IA (Plan) 1734/2023:**

**Mohit Chawla**

Resolution Professional  
For M/s. Drish Shoes Limited  
Having Office at:  
Unit no. 203-204, Industrial Area,  
Chandigarh- 160002

**...APPLICANT**

**AND IN THE MATTER OF IA 406/2024:**

**Drish Shoes Workers Union**

Vill. Rajpura, Bharatgarh Road, Nalagarh  
Through President/ Authorized Representative  
Mr. Sridhar Dass S/o Shri Kapilcharan, Vill. Dhanna,  
P.O. Bhatia, Tehsil Nalagarh, Solan,  
Himachal Pradesh- 174101

**...APPLICANT**

**VERSUS**

**M/s Drish Shoes Ltd through its Resolution Professional Sh.**

**Mohit Chawla**

Unit- A, 203-204, 2<sup>nd</sup> Floor, Elante Offices, Industrial Area,  
Phase No. 1, Chandigarh- 160002

**...RESPONDENT**

**AND IN THE MATTER OF IA 1420/2024:**

**Indereshwar Singh Paul**  
Erstwhile Promoter/ Director  
R/o #351, Sector 21,  
Panchkula, Haryana- 134116

...APPLICANT

VERSUS

**1. Mohit Chawla,**

Resolution Professional of M/s Drish Shoes Ltd  
SCO #2935-36, Sector 22 C,  
Chandigarh- 160022

**2. Bank of India**

CoC of M/s Drish Shoes Ltd,  
Main Branch, SCO #81-82,  
Sector 17 B, Chandigarh- 160017  
Through its Branch Manager

...RESPONDENT

**Order Delivered on: 01.07.2024**

**SECTION:** 30(6) read with 31(1) of the IBC, 2016 and Sec 60(5) of the IBC, 2016, read with R.11 (NCLT Rules, 2016).

**CORAM:**

**SH. HARNAM SINGH THAKUR, HON'BLE MEMBER (J)**

**SH. L. N. GUPTA, HON'BLE MEMBER (T)**

**PRESENT:**

**For Resolution Professional**

: Mr. Anand Chhibbar, Sr Advocate  
Mr. Harsh Garg, Advocate  
Mr. Utkarsh Khatana Advocate  
Mr. Prajwal Chauhan, Advocate

**For SRA**

: Mr Atul V. Sood, Advocate

**For Bank of India**

: Mr. Vinesh Singla, Advocate

**For the Applicant in IA 1420/2024**

: Mr. Manish Jain, Advocate

**For the Applicant in IA 406/2024**

: Mr. Abhyendra Gupta, Advocate

## **ORDER**

**PER: SH. L. N. GUPTA, M(T) & SH. HARNAM SINGH THAKUR, M(J)**

Before we deal with the IA No.1734 of 2024 preferred by RP under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code 2016, we would like to examine on merits the IA No. 406 of 2024 filed by Drish Shoes Workers Union and IA No.1420 of 2024 preferred by Mr. Indereshwar Singh Paul, the erstwhile Director of M/s Drish Shoes Limited (the "Corporate Debtor") through this common order.

### **IA- 406/2024**

2. The present IA has been preferred under Section 60(5) of the IBC 2016, by Drish Shoes Workers Union (the "**applicant**") against the Corporate Debtor through its RP, seeking adjudication/re-verification of its claim.
3. The grievance of the Applicant is that the claim of the workers shall be calculated to the tune of Rs. 3,14,31,842/-, which at present are calculated at Rs. 1,85,62,360/-. The Applicant has sought re-verification of this claim on the following grounds:
  - 3.1 The Applicant had earlier filed an IA No. 2357 of 2023 before this Tribunal to re-verify their claimed amount. This Tribunal, on 22.12.2023, directed the RP to re-examine the claims and provide detailed calculations, allowing three weeks' time for compliance.

3.2 The RP issued a notice seeking clarifications from the Workers Union, which was duly replied to by the Union.

3.3 Despite, it is alleged that the RP reaffirmed the earlier calculation of Rs. 1,85,62,360/-, without proper consideration of the detailed reply and supporting documents provided by the Workers Union.

3.4 The RP does not have jurisdiction to decide on the legality of the layoff and closure of the undertaking, which affects the claim amounts.

3.5 During the moratorium, the claim could not be adjudicated by any other forum and therefore, this Tribunal's intervention is sought under Section 60(5) of the IBC.

4. On issuance of notice, the RP filed its reply mainly stating the following:

4.1 The Applicant's initial claim of Rs. 3,14,31,842/- was partially admitted to the extent of Rs. 1,85,62,360/- after verifying the accounts and supporting documents of the Corporate Debtor.

4.2 The Applicant/Workers Union did not challenge the partial admission of their claim for over a year until the present resolution plan was approved by the Committee of Creditors (CoC).

4.3 The layoff notice issued by the Corporate Debtor on 31.07.2021 informed the workers of a 45-days' layoff, which was extended beyond the initial period due to the non-resumption of business.

4.4 Based on the layoff, the RP calculated the workers' claims only up to September 2021, rejecting any claim beyond this period. The RP has argued that the Workers Union did not claim compensation for closure in their initial submission, nor was there any adjudication by a competent authority granting such benefits.

4.5 It is also contended by the RP that no new claims could be admitted once the Resolution Plan is approved by the CoC.

5. The Applicant filed Rejoinder denying the contentions raised by the RP.

6. We heard the submissions of both the partiers and perused the pleadings on record. It is observed that the difference between the amount of Rs. 3,14,31,842 claimed by the Applicant and amount of Rs. 1,85,62,360 already admitted by RP is coming due to the reason that the RP did not consider the salary of workers beyond September 2021, which was a declared lay off period.

7. From the record, we notice that the CIRP of the Corporate Debtor commenced on 12.05.2022. The layoff notice was issued on 31.07.2021 informing the workers of a 45-days' layoff, which was extended further due to the non-resumption of business. Whether the Workers are entitled to claim their dues for the lay off period from September 2021, is an issue which relates to the period prior to the commencement of CIRP, and which could have been decided by the court of appropriate jurisdiction under the relevant Labour laws. The Applicant has, however, contended that they could not approach any

other forum for the adjudication of the lay off period amount since the moratorium under Section 14 was in force.

In this backdrop, it is worthwhile to refer to the Judgement of Hon'ble High Court of Kerala in the matter of **Deputy Commissioner (Works Contract), Kerala State Goods And Services Tax Department, Ernakulam Vs National Company Law Tribunal in WP(C) NO. 39185 OF 2022**, wherein the following was held:

*“5.3 Thus, after declaring the moratorium, there is an embargo on enforcing the demand, but there is no embargo under Section 14, read with Section 33(5) of the IBC, for determining the quantum of tax and other levies, if any, against the Corporate Debtor.”*

Thus, while drawing the simile, in our view, there was no legal embargo before the Applicant to seek adjudication before the relevant Labour Law authority of their dues pertaining to the lay off period, which pertain to the pre-CIRP period. Further, the legal embargo under Section 14(1) of IBC 2016 is only about execution of a claim and not for determining the quantum of dues/claim.

8. Further, the RP is empowered to represent the Corporate Debtor before a Judicial Forum. Since the issue whether Applicant is entitled to salary for the lay off period is arising prior to the initiation of CIRP, the same is not arising out of the insolvency proceedings and is therefore, dehors to the jurisdiction of this Adjudicating Authority under Section 60(5) of IBC 2016.

9. Moreover, the prayer of the Applicant is for seeking re-verification/ Adjudication of their claim, an exercise, that has already been done by RP under orders passed by this Adjudicating Authority in earlier IA-2357/ 2023.

10. Since this Tribunal is not having jurisdiction to adjudicate upon the entitlement of the Applicant during the lay off period and in peculiar circumstances that the resolution plan has been approved by the CoC and introduction of any fresh claim would be hydra head popping on the Resolution Applicant, we are not inclined to interfere with the decision of RP.

**11. In view of the above, IA No. 406 of 2024 is dismissed being misconceived.**

### **IA- 1420/2024**

12. The present IA has been filed under section 60(5) of the IBC 2016 by Mr. Indereshwar Singh Paul ("**the Applicant**"), the erstwhile Director of M/s Drish Shoes Limited ("**Corporate Debtor**"), seeking the following reliefs:

- "i. allow the present application;*
- ii. declare the 19th CoC meeting held on 27.07.2023 and all decisions taken therein, including approval of the Resolution Plan as illegal due to the expiration of the CIRP period on 30.06.2023;*
- iii. direct the Respondent-RP to publish Form G with respect to the Corporate Debtor afresh; and/or*
- iv. pass any other order(s) as this Hon'ble Adjudicating Authority may deem fit and proper in the given facts & circumstances."*

13. The Applicant has contended the following in support of its prayers:

13.1 The Applicant is a promoter and suspended director of the Corporate Debtor (CD), an MSME, and has submitted a copy of the MSME certificate.

13.2 The CD defaulted on credit facilities availed from Respondent No. 2 (Bank of India) due to external factors, leading to the initiation of the Corporate Insolvency Resolution Process (CIRP) on 12.05.2022. Despite the publication of Form G thrice, the CoC, consisting solely of Bank of India, was not satisfied with the resolution plans received until the 3<sup>rd</sup> publication.

13.3 The Resolution Plan of M/s Saboo Tor Pvt. Ltd., with a total value of Rs. 61.00 crores, was approved by the CoC in its 19th meeting on 27.07.2023, despite the Applicant offering a higher value of Rs. 74.30 crores. The Applicant's One Time Settlement (OTS) proposal was under consideration, and the CoC's decision to approve the Resolution Plan was allegedly made after the expiry of the CIRP period, rendering the CoC functus officio.

13.4 The Applicant also highlights that the approval of the Resolution Plan was illegal as it was made after the expiration of the CIRP period without an extension granted by this Adjudicating Authority.

14. The Respondent/RP has filed a short note of objection to the Application. The objections raised by the RP reads thus:

14.1 The application for extension of the CIRP period for 30 days beyond the 330-day limit was filed on 29.06.2023, prior to the expiration of the 330 days.

14.2 The 19th CoC meeting held on 27.07.2023 approved the Resolution Plan of M/s Saboo Tor Pvt. Ltd., and the extension application was pending adjudication before this Adjudicating Authority at that time.

14.3 The Tribunal granted the extension of 30 days beyond the 330 days on 18.10.2023, by excluding the period of pendency (29.06.2023 to 18.10.2023). The extension was valid and legal as per the order dated 18.10.2023, which has not been challenged by the Applicant.

14.4 The Applicant had previously filed a similar application vide IA No. 1748/2023, which was dismissed by this Tribunal on 22.12.2023. This dismissal was upheld by the Hon'ble NCLAT and the Hon'ble Supreme Court.

14.5 The commercial wisdom of the CoC, including decisions on OTS proposals, cannot be interfered with by this Tribunal unless there is an evidence of mala fide or arbitrary action.

15. We heard the submissions of both the parties and perused the pleadings on record including the Written Submissions. The Applicant argued that the approval of the Resolution Plan was made by COC after expiration of the CIRP period without an extension granted by this Adjudicating Authority.

*Per Contra*, the Respondent/RP contended that the 19th CoC meeting held on 27.07.2023 approved the Resolution Plan, when the extension application filed (prior to the expiration of the 330 days) on 29.06.2023 was pending adjudication before this Adjudicating Authority. Vide order dated 18.10.2023, this Adjudicating Authority granted the extension of 30 days beyond the period

of 330 days, by excluding the period of pendency (29.06.2023 to 18.10.2023). The order of extension was valid and legal, as the same was not challenged by the Applicant. In this backdrop, we refer to the order dated 18.10.2023 passed by this Adjudicating Authority, the relevant extract of which reads thus:

**IA No. 1529/2023**

The present application has been filed under Section 12(2) of Insolvency and Bankruptcy Code, 2016 on behalf of the Resolution Professional seeking extension of CIRP period by 30 days beyond the period of 330 days. It is stated by learned counsel for the applicant that 330 days period of CIRP has expired on 30.06.2023. The said extension of 30 days was approved by the CoC in its 18th meeting dated 29.06.2023 in Item No. 14 with 100% voting rights. The Resolution plan has already been approved by the CoC on 27.07.2023 and the present application was e-filed on 29.06.2023. Keeping in view the statement made by learned counsel for the applicant and the facts and circumstances mentioned in the application, this application is allowed. However, the extention of 30 days beyond 330 days period is granted from the date of this order by excluding the period of pendency of this application before this Authority.

Resolution professional is directed to utilize the extended time effectively and efficiently to conclude the CIRP within the stipulated time. IA No. 1529/2023 is allowed and disposed of accordingly.

Thus, we find from the order (ibid) that this Adjudicating Authority had allowed the extension of 30 days beyond 330 days period from the date of the order (i.e., 18.10.2023) by excluding the period of pendency of the IA filed by RP for seeking extension. Hence, in view of the above, the contention raised by the Applicant that the Resolution Plan was approved by COC after expiration of the CIRP period without an extension granted by this Adjudicating Authority, does not survive. **In view of the above, we find no force in the objection raised by the Applicant and the same is rejected.**

**16. The IA-1420/2024 is accordingly rejected.**

## **IA (Plan) No. 1734 of 2024**

17. Now, we deal with the IA No.1734 of 2024 preferred by Mr. Mohit Chawla, Resolution Professional of M/s. Drish Shoes Limited (“**Applicant/ Resolution Professional**”) under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code 2016 and Regulation 39 of the IBBI (Insolvency Resolution Process of Corporate Debtor) Regulations 2016, for approval of the Resolution plan submitted by M/s Saboo Tor Pvt Ltd (“**Successful Resolution Applicant**” / “**SRA**”).

18. The Applicant has made the following prayers:

- a. *“The present application may kindly be allowed and the resolution plan of M/s Saboo Tor Pvt. Ltd. as approved by the committee of creditors (Vide 19th CoC meeting held on 27.07.2023) in the Corporate Insolvency Resolution Process of Drish Shoes Limited may kindly be approved so to bind the corporate debtor, its employee, members, guarantors and other stakeholders involved in the resolution*
- b. *The reliefs and concessions including benefit available under Income Tax Act in relation to carry forward of losses may be granted as prayed in Resolution Plan submitted by the Successful Resolution Applicant.”*

19. To put briefly, the facts of the present case are that the Operational Creditor M/s Reem Tanners filed an application under Section 9 of IBC, 2016 for initiating CIR Process against the Corporate Debtor (CD) M/s. Drish Shoes Limited. The said Application was admitted by this Tribunal vide Order dated 12.05.2022 and Mr. Pardeep Kumar Kabra was appointed as the Interim Resolution Professional (IRP) of the CD.

20. It is submitted by the Applicant that in terms of Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the said IRP made a Public Announcement in Form-A on 14.05.2022 to invite claims, publishing in the newspapers 'Indian Express' (Chandigarh Edition, English Newspaper) and 'Himachal Dastak' (Chandigarh Edition, Regional Newspaper). The said Public Announcement was uploaded on the website of Insolvency and Bankruptcy Board of India (IBBI) too.

21. It is further submitted that the IRP constituted the Committee of Creditors (CoC) comprising of the following sole creditor:

S.No	<b>FINANCIAL CREDITOR (Secured)</b>	<b>VOTING SHARE IN PERCENTAGE</b>
1.	Bank of India	100%

22. It is stated by the Applicant that the COC in its second meeting dated 29.06.2022 resolved to replace the present IRP, and

appoint Mr. Mohit Chawla as RP of the CD, whose appointment was confirmed by this Adjudicating authority vide order dated 01.09.2022. He continued the RP of CD during the subsequent CIR process.

23. ‘Form-G’ was published on 27.07.2022 in two daily newspapers, namely, “Times of India” (English), and “Dainik Jagran” (Hindi). It is further stated that the Applicant/RP received 03 Expressions of Interest (EOIs). However, the CoC felt that the EoI should be expanded to ensure healthy negotiations, therefore, Form G was republished on 30.08.2022 and 04 more EoIs were received by IRP/RP. It is added by the applicant that as per the decision of COC, the Form G was again republished on 24.09.2022 and RP received EoIs from 03 more PRAs.

24. It is submitted by the Applicant that out of the 07 EOIs so received, the Resolution Plans were submitted by the following three (03) Prospective Resolution Applicants (PRAs) along with the required EMD. were found eligible as per Section 29 A of the IBC, 2016:

S. No	Eligible PRA(s)
1.	Khandwala Finstock Pvt Ltd
2.	United Biotech Pvt Ltd
3.	Saboo Tor Pvt Ltd.

25. Accordingly, these 03 Resolution Plans were placed before the 15<sup>th</sup> meeting of CoC of the CD held on 14.03.2023 vide Agenda Item no. 6, which is reproduced below:

**MINUTES OF THE FIFTEENTH (15<sup>th</sup>) MEETING OF COMMITTEE OF CREDITORS OF M/S DRISH SHOES LIMITED “CORPORATE DEBTOR” HELD ON TUESDAY, 14<sup>th</sup> MARCH, 2023 AT 11:30 A.M.**

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**Item no. 6**

**To place before the CoC Final Resolution Plans which comply with the requirements of the Code and Regulations**

The Resolution Professional placed before the CoC all the final resolution plans which comply with the requirements of the code and regulations alongwith the compliance certificate. The copies of the final Resolution Plan were handed over to the Bank and to the Director (Power Suspended).

The Resolution Professional alongwith the CoC discussed and evaluated the resolution plans as per evaluation matrix approved in RFRP. The CoC discussed the payment plan and viability of the resolution plan and scored the resolution plans in consultation with the Resolution Professional. Thereafter, the CoC declared the ranking of the Resolution Applicant which are as under:

Ranking	RA Name	Score (Out of 100)
H1	Saboo Tor Pvt. Ltd.	86
H2	United Biotech Pvt. Ltd.	79.28
H3	Khandwala Finstock Pvt. Ltd.	44.86

26. It is further submitted that the e-voting on the Resolutions plans put before the CoC took place in its 19<sup>th</sup> Meeting held on 27.07.2023, wherein the Resolution Plan submitted by M/s Saboo Tor Pvt Ltd was approved with 100% votes in its favour. The Resolutions approved by the said COC read thus:

*8(C) The following resolution was proposed w.r.t. the Resolution Plan of M/s Saboo Tor Pvt. Ltd.*

**"RESOLVED THAT** the Resolution Plan submitted by M/s Saboo Tor Pvt.Ltd.is hereby approved.

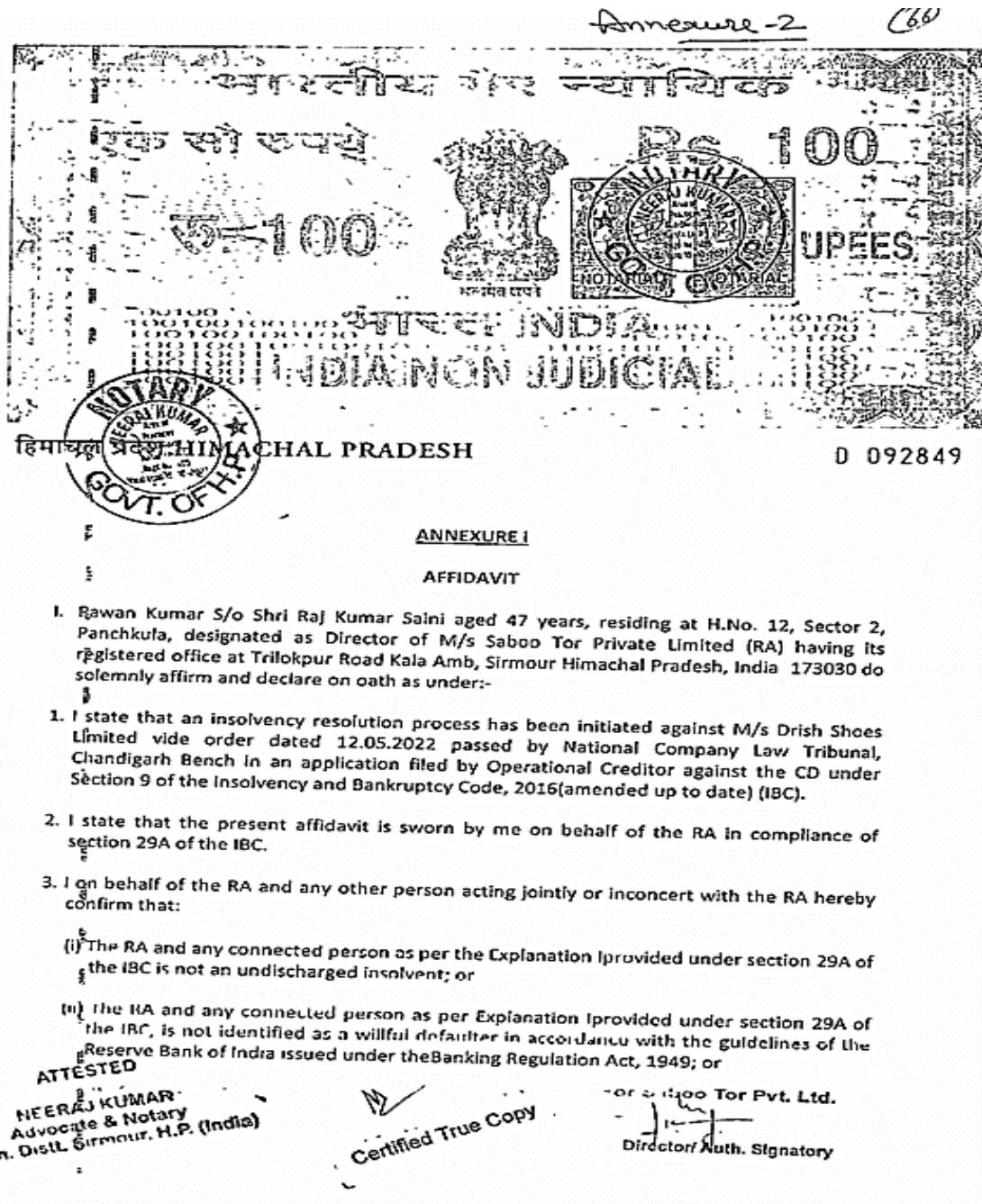
**FURTHER RESOLVED THAT** the Resolution Professional is hereby authorized to submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority"

The following CoC members voted on the resolution:

Name of Financial Creditor	Voting Share Percentage	Voted in Favour of Resolution	Voted Against Resolution	Abstained
Bank of India	100	✓	--	--

The CoC voted "Yes" on the Resolution Plan of M/s Saboo Tor Pvt.Ltd. Accordingly, the Resolution Plan of M/s Saboo Tor Pvt.Ltd. is approved by the CoC.

27. The Applicant/RP has annexed the 29A Certificate of the Successful Resolution Applicant (SRA) M/s Saboo Tor Pvt Ltd on pages 748 to 750 of the application, which is reproduced below for an immediate reference:



- VQ 3497
- (iii) At the time of submission of the Resolution Plan, the account of the RA and any connected person as per Explanation I provided under section 29A of the IBC or an account of the CD under the management or control of such person of whom such person is a promoter, IBC is not classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or guidelines of a financial sector regulator issued under any other law at the time being in force and at least a period of one year or more has lapsed from the date of such classification till the date of commencement of corporate insolvency resolution process of the CD and that I have not failed to make the payment of all overdue amounts with interest thereon and charges relating to non-performing asset before submission of Resolution Plan; or
  - (iv) The RA and any connected person as per Explanation I provided under section 29A of the IBC have not been convicted for any offence punishable with imprisonment for 2 years or more under any Act specified in the Twelfth Schedule or for seven years or more under any law for the time being in force or a period of two years has expired from the date of release of such imprisonment; or
  - (v) The RA and any connected person as per Explanation I provided under section 29A of the IBC have not been disqualified to act as a director under the Companies Act 2013; or
  - (vi) The RA and any connected person as per Explanation I provided under section 29A of the IBC have not been prohibited by the Securities and Exchange Board of India from trading in securities or assessing the securities markets; or
  - (vii) The RA and any connected person as per Explanation I provided under section 29A of the IBC have not indulged in preferential transaction or undervalued transaction or fraudulent transaction in respect of which an order has been made by the Adjudicating Authority under the IBC; or
  - (viii) The RA and any connected person as per Explanation I provided under section 29A of the IBC have not executed a guarantee in favour of a creditor, in respect of a CD against which an application for insolvency resolution made by such creditor has been admitted under the IBC and no such guarantee has been invoked by the creditor or remains unpaid in full or part; or
  - (ix) The RA and any connected person as per Explanation I provided under section 29A of the IBC are not subject to any disability, corresponding to clauses mentioned above under any law in a jurisdiction outside India.
  - (x) That the RA unconditionally and irrevocably agrees and undertakes that it shall make full disclosure in respect of itself and all its connected persons as required under Regulation 38(3) of the CIRP Regulations.

NEERAJ KUMAR  
Advocate & Notary  
Distt. Sirmour, H.P. (India)

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For Saboo Tor Pvt. Ltd.  
\_\_\_\_\_  
Director Auth. Signatory

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- (xi) That the RA unconditionally and irrevocably agrees and undertakes that it shall make full disclosure in respect of itself and all its connected persons as per the provisions of the CIRP and the rules and regulations framed thereunder to submit a resolution plan and that it shall provide all documents, representations and information as may be required by the Resolution Professional or the CoC to substantiate to the satisfaction of the Resolution Professional and the CoC that the RA is eligible under the IBC and the rules and regulations thereunder to submit a resolution plan in respect of CD.
- (xii) That the RA unconditionally and irrevocably undertakes that it shall provide all data, documents and information as may be required to verify the statements made under this affidavit.
- (xiii) That the RA understands that the CoC and the Resolution Professional may evaluate the resolution plan to be submitted by the RA or any other person acting jointly with it and such evaluation shall be on the basis of the confirmations, representations and warranties provided by the RA under this affidavit.
- (xiv) That the RA agrees that each member of the CoC and the IRP/RP are entitled to rely on the statements and affirmations made in this affidavit for the purposes of determining the eligibility and assessing, agreeing and approving the resolution plan submitted by the RA.
- (xv) That in the event any of the above statements are found to be untrue or incorrect, then the RA unconditionally agrees to indemnify and hold harmless the Resolution Professional and each member of the COC against any losses, claims or damages incurred by the Resolution Professional and / or the members of the CoC on account of such ineligibility of the RA.

For Saboo Tor Pvt. Ltd.

Director/ Auth. Signatory  
(Deponent)

**VERIFICATION**

verified at on this (day, month & year), that the above contents of this affidavit are true & correct to the best of my knowledge and belief and nothing has been concealed there from.

KALA AMA , SIRMAUR, H.P

For Saboo Tor Pvt. Ltd.

Director/ Auth. Signatory  
(Deponent)  
13/02/2023

"I<sup>ns</sup>  
o oath has been presented before me after being  
to the deponent personally today on 13/02/2023 and  
the contents of the same have been read over and  
explained to the deponent, which have been admitted  
to be correct by the deponent, the deponent has been  
identified by Chd.,  
who is known to me hence cited.

MEERAJ KUMAR  
Advocate & Notary  
Nahan, Distt. Shimla (H.P.) India,

Certified True Copy

28. The Applicant/RP has also filed on record his affidavit (on pages 765-766 of the application) that the SRA is eligible under Section 29A of the IBC, 2016, which is reproduced below:

**Before the National Company Law Tribunal, Chandigarh Bench,  
Chandigarh**

IA No. \_\_\_\_\_ of 2023

In CP(IBC) No.239/CHD/HRY/2021

**In the matter of:**  
M/s Reem Tanners Pvt. Ltd. ....Petitioner/ Operational Creditor

**Versus**

M/s Drish Shoes Ltd. ....Respondent/ Corporate Debtor

**And in the matter of:**  
Mohit Chawla, Resolution Professional of M/s Drish Shoes Ltd.  
.....Applicant/ Resolution Professional

I, Mohit Chawla, aged 43 years, Resolution Professional of M/s Drish Shoes Ltd., having office at Unit No. 203-204 Elante Offices, Industrial Area, Chandigarh – 160 002, do solemnly affirm and say as follows:-

1. That the deponent has been appointed as a Resolution Professional in the case and as such he is fully competent to file the accompanying application and to furnish this affidavit.
2. That to the best of the knowledge of the applicant is eligible under section 29A of IBC, 2016 as per the due diligence conducted by the deponent.

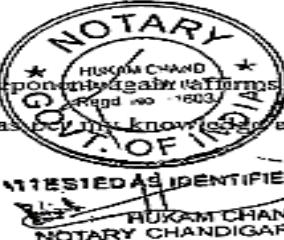
Chandigarh  
Dated: 29.07.2023

**VERIFICATION:**

I, the above-named deponent again affirms and declare that my above statement is true and correct as per my knowledge and record maintained with the bank.

29 JUL 2023 *RECOGNIZED AS IDENTIFIED*

Chandigarh  
Dated: 29.07.2023

  
HUKAM CHAND  
NOTARY CHANDIGARH

Deponent

Deponent

29. It is stated by the Applicant that in terms of the Regulation 36B(4A) of the IBBI (IRPCP) Regulations, 2016, it received from the SRA, the Performance Security deposit of Rs. 10,00,00,000/- (Rs. Ten Crore) along with EMD of Rs. 01,00,00,000/- (Rs. one Crore)

through RTGS in the bank account operated by the Applicant on 29.07.2023. Copy of the receipt confirmation issued by Bank of India as annexed on page no. 767 of the application is reproduced below for an immediate reference:

*Annexure A-33*

267



Ref : CHD:2023-24:AP:39

Date : 29-07-2023

To,  
Mohit Chawla  
Resolution Professional for M/s Drish Shoes Limited  
Unit no. A-204, Second floor, Elante Mall  
Plot no. 178-178A, Industrial Buiness park, Phase-1, Chandigarh

Sub: Receipt of Performance Security money and EMD money from M/s Saboo Tor Pvt Ltd.

Sir,

This is to inform that as per 19<sup>th</sup> CoC meeting of M/s Drish Shoes Pvt Ltd held on 27-07-2023 wherein the resolution plan of M/s Saboo Tor Pvt Ltd was voted and accepted by the CoC, we have received a sum of Rs. 10,00,00,000.00 (Rupees Ten Crores only) as Performance Security Money and Rs. 1,00,00,000.00 (Rupees One Crore only) as EMD money, Total amounting to Rs. 11,00,00,000.00 (Rupees Eleven Crore only) from M/s Saboo Tor Pvt Ltd. The details of the amount received are as follows: -

Amount	UTR ref. no. and date	Amount	UTR ref. no. and date
Rs. 50,00,000.00	SBINH23210540793 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210543972 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210540491 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210543470 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210541061 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210543265 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210541255 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210544180 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210542008 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210543763 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210542486 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210544431 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210542137 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210545309 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210541797 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210545102 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210542847 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210544659 dated 29-07-2023
Rs. 50,00,000.00	SBINH23210543104 dated 29-07-2023	Rs. 50,00,000.00	SBINH23210541624 dated 29-07-2023
Rs. 50,00,000.00	SBINH22336329006 Dated 02-12-2022	Rs. 50,00,000.00	SBINH22336330530 Dated 02-12-2022



रा. बैंक ऑफ इंडिया/For Bank of India

Asst. Gen. Manager  
Chandigarh Branch

एचडीएच गुरुवा शाहजहां, दस्ती नं. 81-82, सेक्टर 17-बी, पट्टीगढ़-160017 फोन : 0172-2759800, 2759808, 2759803  
Chandigarh Main Office: S.C.O. 61, Sector 17-B, Chandigarh-160017, Ph. 0172-2759800, 2759808, 2759803. E-mail : chandigarh.chandigarh@bankofindia.in

Certified True Copy

30. In compliance with Regulation 39(4) of the IBBI (IRPCP) Regulations 2016, the Applicant /RP has filed “Compliance Certificate” in Form H (pages 751-764 of the application) certifying that the present Resolution Plan duly approved by the CoC members complies with all the provisions of the IBC and IRPCP Regulations, 2016.

**FORM H  
COMPLIANCE CERTIFICATE**

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

1. **MOHIT CHAWLA**, insolvency professional enrolled with *Indian Institute of Insolvency Professionals of ICAI* and registered with the Board with registration number **IBBI/IPA-001/IP-P00524/2017-2018/10949**, am the resolution professional for the corporate insolvency resolution process (CIRP) of M/s **DRISH SHOES LIMITED**.

2. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	M/s Drish Shoes Ltd
2	Date of Initiation of CIRP	12.05.2022
3	Date of Appointment of IRP	12.05.2022
4	Date of Publication of Public Announcement	14.05.2022
5	Date of Constitution of CoC	04.06.2022
6	Date of First Meeting of CoC	10.06.2022
7	Date of Appointment of RP	01.09.2022
8	Date of Appointment of Registered Valuers	04.07.2022
9	Date of Issue of Invitation for EOI	27.07.2022 Reissued on: 30.08.2022 & 24.09.2022
10	Date of Final List of Eligible Prospective Resolution Applicants	24.10.2022
11	Date of Invitation of Resolution Plan	19.10.2022 & 06.02.2023 (reissued under regulation 36B(7))
12	Last Date of Submission of Resolution Plan	03.12.2022 & 16.02.2023
13	Date of Approval of Resolution Plan by CoC	27.07.2023
14	Date of Filing of Resolution Plan with Adjudicating Authority	29.07.2023
15	Date of Expiry of 180 days of CIRP	08.11.2022
16	Date of Order extending the period of CIRP	11.01.2023 (90 Days) & 11.04.2023 (60 Days)

		& 16.06.2023 (20 Days) Another Application is filed for extension of 30 days as approved by the COC. The same is earlier listed on 10.07.2023 and is now to be listed on 24.08.2023
17	Date of Expiry of Extended Period of CIRP	30.07.2023
18	Fair Value	82,04,73,714.50
19	Liquidation value	59,31,62,916.00
20	Number of Meetings of CoC held	19

3. I have examined the Resolution Plan received from Resolution Applicants (M/s Saboo Tor Private Limited) and approved by Committee of Creditors (CoC) of M/s **DRISH SHOES 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 Saboo Tor 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 100% of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.
  - (iv) The voting was held in the meeting of the CoC on 27.07.2023 where all the members of the CoC were present.

5. The list of financial creditors of the CD, M/s Drish Shoes Ltd. being members of the CoC as under:

Sl. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for /Dissented / Abstained)
1.	Bank of India	100%	Voted for
	<b>Total</b>	<b>100%</b>	

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.- Yes

IA (Plan). No 1734/2023, IA No. 406/2024 & IA No. 1420/2024  
in

Company Petition (IB) No. 239/Chd/Hry/2021

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

Sl. No.	Category	Sub-Category	Amount Claimed	Amount Admitted	Amount Provide d under the Plan#	Amount Provide d to th e Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub- section (2) of section 21	NIL	NIL	NIL	NIL
		(b) Other than (a) above:  Bank of India	1,21,74,4 5,074  1,22,22,64,5 90.30	1,21,74,4 5,074	56,65,00,000	46.53%
		Total[(a) + (b)]	1,22,22,64,5 90.30	1,21,74,4 5,074	56,65,00,000	46.53%
2	Unse- cured Finan- cial Credi- tors	(a) Creditors not having a right to vote under sub- section (2) of section 21	NIL	NIL	NIL	NIL
		(b) Other than (a) above:  (i) who did not vote in favour of the resolution Plan  (ii) who voted in favour of the resolution plan	NIL	NIL	NIL	NIL
		Total[(a) + (b)]	NIL	NIL	NIL	NIL
3	Operat- ional Credit ors	(a) Related Party of Corporate Debtor	NIL	NIL	NIL	NIL

		(b) Other than (a) above:				
		(i) Government	2,15,24,767	1,03,71,522	9,88,836	9.53%
		(ii) Workmen & Employees	15,24,41,643	11,98,00,613	3,80,00,000	31.72%
		(iii) other than workmen & Employees	17,29,89,117	14,31,87,196	15,00,000	1.05%
		Total[(a) + (b)]	34,69,55,528	27,33,59,331	14,04,88,836	14.81%
4	Other debts and dues		NIL	NIL		
<b>Grand Total</b>			156,92,20,11	149,08,04,40	60,69,88,836	40.72%
			8.70	5.10		

**Note:**

**a) CIRP COSTS:**

- The RA has proposed Rs 30,00,000 towards CIRP Cost. The CIRP costs as on the date of approval of the Plan by the COC will be paid in full and in priority to any other creditor of the CD, out of the amount proposed to be paid in the form of Initial Working Capital. Any further CIRP Cost incurred after such date shall be paid by the RA in priority to any other creditor of the CD.
- Any CIRP Cost of such quantum and nature as was regularly being incurred during the CIRP Period shall be paid in full by the RA after the approval of the Resolution Plan by the COC till the approval by NCLT.
- Any CIRP Cost of such nature and quantum which is exceptional and not being incurred on a regular basis during the CIRP period shall be in full, provided all the supporting documents of such cost is shared to the RA in original and is also approved by Committee of Creditors (COC).

**Proposal for Contingent Liabilities of CD**

SRA has allocated an amount of Rs. 1,00,00,000/- (Rupees One Crore only) out of the amount payable to secured financial creditors for contingencies which shall be paid at the end after counting any contingencies, if any. Further, no payment has been proposed to any other creditor including contingent liabilities of CD, in relation to any period prior to the APPROVAL DATE or arising on account of the Resolution Applicant acquiring control of the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the corporate Debtor or the Resolution Applicant shall at no point in time be directly or indirectly, held responsible or liable in relation thereto

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

Sl. No.	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share(%) held before CIRP	Voting Share (%)held after CIRP
1	Equity	90,62,800	Nil Please See Note	100	Nil Please See Note
2	Preference	NIL	NIL	NIL	NIL

*Note: Upon implementation, as an integral part of the Resolution Plan, the SRA proposes that the entire Existing Share Capital of the CD shall stand cancelled, extinguished and annulled on or before the Plan Effective Date and be regarded as reduction of share capital of the CD to ZERO; or the entire share capital of the CD shall be transferred to the nominees of the RA on Zero consideration and all the formalities for the transfer of shares would be done by the Monitoring Committee based on the order of the Adjudicating Authority for approval of the Resolution Plan. The signatures of existing shareholders would not be required for the purpose of transfer of shares in the records of CD and shares shall be transferred by the CD based on an order of the Adjudicating Authority*

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

Section of the Code Regulation No.	Requirement with respect to Resolution Plan	Clause of The Resolution Plan	Compliance (Yes / No)
25(2)(b)	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?	Resolution Applicants meets the eligibility criteria approved by the CoC	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?	Resolution Applicants have provided an Affidavit for the same. The eligibility of the was also verified by an independent professional appointed by the IRP	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Yes	Yes
30(2)	Whether the Resolution Plan- <ol style="list-style-type: none"> <li>Provides for the payment of insolvency resolution process costs?</li> <li>Provides for the payment to the operational creditors?</li> <li>Provides for the payment to the financial creditors who did not vote in favour of the resolution plan?</li> <li>Provides for the management of the affairs of the corporate debtor?</li> <li>Provides for the implementation and supervision of the resolution plan?</li> <li>Contravenes any of the provisions of the law for the time being in force?</li> </ol>	Clause III(B)(2)(A) Clause III (2)(c) Not Applicable as there is only one Financial Creditor of the Corporate Debtor Clause XII Clause IX and XII Clause XIII	Yes Yes Not Applicable Yes Yes Yes
30(4)	Whether the Resolution Plan <ol style="list-style-type: none"> <li>Is feasible and viable, according to the</li> </ol>	The CoC has	Yes

	CoC?	discussed the viability of the Plan in the 15 <sup>th</sup> CoC meeting held on 14.03.2023	
	(b) Has been approved by the CoC with 66% voting share?		Yes
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Clause IX and XII	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 III (2)(C) (i)	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause XIII	Yes
Regulation 38(1B)	<p>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.</p> <p>ii. If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?]</p>	<p>Clause XIII (The RA has stated that he or his related parties has not failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code)</p> <p>Not Applicable</p>	Yes Not Applicable
Regulation 38(2)	<p>Whether the Resolution Plan provides:</p> <p>a. The term of the plan and its implementation schedule?</p> <p>b. For the management and control of the</p>	<p>Clause IX</p> <p>Clause XII</p>	<p>Yes</p> <p>Yes</p>
	business of the corporate debtor during its term? c. Adequate means for supervising its implementation?	Clause XII	Yes
38(3)	Whether the resolution plan demonstrates that –  (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>Clause VIII</p> <p>Clause XIII</p> <p>Clause XII</p> <p>Clause X</p> <p>Clause IV</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
39(2)	Whether the RP has filed applications in respect of transaction observed, found or determined by him?	Yes	Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.	Yes	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	T	12.05.2022
Regulation 6(1)	Publication of Public Announcement	T+3	14.05.2022
Section 15(1)(c) / Regulation 12 (1)	Submission of Claims	T+14	26.05.2022
Regulation 13(1)	Verification of Claims	T+21	07.06.2022
Section 26(6A) / Regulation 15A	Application for Appointment of Authorized Representative, if necessary	T+23	NA
Regulation 17(1)	Filing of Report Certifying Constitution of	T+23	04.06.2022

	CoC		
Section 22(1) and regulation 17(2)	First Meeting of the CoC	T+30	10.06.2022
Regulation 35A	Determination of fraudulent and other transactions	T+115	09.01.2023 (Delay was due to the late submission of transaction audit report and certain information delays from the Directors (powers suspended))
Regulation 27 (Regulation 36 (1))	Appointment of two Registered Valuers Submission of Information Memorandum to CoC	T+47 T+54	04.07.2022 19.10.2022
Regulation 36A	Invitation of EOI Publication of Form G Provisional List of Resolution Applicants Final List of Resolution Applicants	T+75 T+75 T+100 T+115	27.07.2022, 30.08.2022 & 24.09.2022 27.07.2022, 30.08.2022 & 24.09.2022 20.08.2022, 14.10.2022 24.10.2022
Regulation 36B	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants	T+105	19.10.2022 & 06.02.2023
Section 30(6) / Regulation 39(4)	Submission of CoC approved Resolution Plan	T+165	29.07.2023
Section 31(1)	Approval of Resolution Plan	T+180	.....

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

Sl. No.	Nature of Approval	Name of applicable Law	Name of Authority who will grant Approval	When to be obtained
1	Capital reduction and Issuance of shares	Insolvency and Bankruptcy Code, 2016 and Companies Act, 2013	Adjudicating Authority	Approval sought as part of the Resolution Plan
2	All licenses and Government Approvals held by the CD		State Governments of Himachal Pradesh and Haryana	The relevant Governmental Authorities will provide a reasonable period of time after the Plan Effective Date in order for the RA to assess the status of the licenses and Governmental Approvals required by the CD and to procure that the CD applies for the same.
3	State Pollution Control Boards to approve renewal of the consents to operate obtained by the CD under applicable provisions of the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981.	Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981.	H.P. State Pollution Control Board and Haryana State Pollution Control Board	Approval sought as part of the Resolution Plan
4	Reserve Bank of India/Financial Creditors to confirm that on and	The Banking Regulation Act, 1949	Reserve Bank of India and Bank of India	Approval sought as part of the Resolution Plan

	from the Plan Effective Date, all accounts of the CD shall stand regularized and their asset classification shall be "standard" and permissions be granted to open and operate fresh current account			
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12. The Resolution Plan is not subject to any contingency.-Yes

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	NIL	NIL	NIL	NIL
2	NIL	NIL	NIL	NIL
3	NIL	NIL	NIL	NIL

14. The Resolution Plan is being filed 1 days before the expiry of the period of CIRP after extensions (pending decision) provided in section 12 of the Code.

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

- a. Applied to the Adjudicating Authority on or before the one hundred and thirty-fifth day of the insolvency commencement date: No.  
-Delay was due to the late submission of transaction audit report and certain information delays from the Directors (powers suspended). The Resolution Professional made determination as per the provisions of Regulation 35A (2) on 09.01.2023 and the Application was filed on 21.01.2023. & 23.01.2023
- b. Filed Form CIRP 8 with the Board on or before the one hundred and fortieth day of the insolvency commencement date: No. CIRP 8 was filed on 31.03.2023.

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	21.01.2023	PENDING	PENDING
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	23.01.2023	PENDING	PENDING

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

- a. Estimated liquidation cost: Rs 43,85,000
- b. Estimated liquid assets available: Rs 33,00,000 plus Nalagarh sales outlet is generating monthly cash inflow of Rs 1.50 to Rs 2.00 Lacs
- c. Contributions required to be made: Nil
- d. Financial creditor wise contribution is as under: Nil

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

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

- a. Sale of corporate debtor as a going concern:

The CoC deferred the matter and decided that the same can be taken up by and decided by the Stakeholders' Consultation Committee as provided under IBBI (Liquidation Process) Regulations, 2016, if the Company goes into Liquidation.

- b. Sale of business of corporate debtor as a going concern : NA

The CoC deferred the matter and decided that the same can be taken up by and decided by the Stakeholders' Consultation Committee as provided under IBBI (Liquidation Process) Regulations, 2016, if the Company goes into Liquidation.

15C. The committee has fixed, in consultation with the resolution professional, the fee payable to the liquidator during the liquidation period under regulation 39D-

The CoC informed the Resolution Professional that since they have passed a Resolution plan in this matter they would like to defer the voting on this matter and the same can be taken up by and decided by the Stakeholders' Consultation Committee as provided under IBBI (Liquidation Process) Regulations, 2016, if the Company goes into Liquidation.

16. I Mohit Chawla 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.

**For Drish Shoes Limited  
Under CIRP**

  
**Authorised Signatory  
Mohit Chawla**

(Signature)

Mohit Chawla

IP Registration No: IBBI/IPA-001/IP-P00524/2017-2018/10949

-Unit No A 204, 2<sup>nd</sup> Floor, Ind Area, Phase-I, Chandigarh

Email id: ipservices@embeegroup.in

Date: 29.07.2023

Place: Chandigarh

31. As per the Form 'H' (ibid), the Fair Market Value (FMV) of the Corporate Debtor is Rs. 82,04,73,714.50/- and its Liquidation Value (LV) is Rs. 59,31,62,916.00/-. The details of the distribution of the Resolution Plan Amount amongst Stakeholders are given in the table reflected against serial no. 7 of the Form 'H', as per which, the gross amount provided under the Resolution Plan is Rs. 60,99,88,836/- (including CIRP cost of Rs. 30,00,000/-), which comes to approximately 102.8% of the Liquidation Value (LV) and around 74.4% of the Fair Market Value (FMV) of the Corporate Debtor.

32. In compliance of directions of this Tribunal vide order dated 07.08.2023 and 24.08.2023, the SRA has filed an Affidavit vide Diary No. 02448/2 dated 30.08.2023, undertaking to pay contributions and other sums due under EPF, Insurance Scheme and Gratuity Act for the period up to approval of the resolution Plan. The relevant extract of the affidavit is reproduced thus:

1. That I and the authorized signatory of the M/s Saboo Tor Private Limited the Successful Resolution Applicant in the present matter and I am duly competent to sign and execute the present affidavit and well conversant with the facts and circumstances of the present case.
2. That I am the Successful Resolution Applicant ('SRA') in the above captioned matter and thus I am well conversant with the facts of instant matter. That relevant documents have already been submitted with the Resolution Plan to show that provisions of section 29A of IBC, 2016 have been complied with and also hereby confirm that the SRA is eligible in terms of Section 29A of the IBC, 2016.
3. That the SRA hereby undertakes that it will pay the contribution and other sums due from the corporate debtor under the provision of the Employees Provident Funds and Misc. Act, 1952 or the Scheme or the Pension Scheme or the Insurance Scheme, and under the Payment of the Gratuity Act, 1972, as the case may be, in respect of the period up to the date of approval of the resolution plan by the Adjudicating Authority, in accordance with prevailing law, without prejudice to the right of the deponent to avail available remedies with respect to the treatment/ levy of the dues of the aforesaid dues.



Date:  
Place:

DEPONENT

Verification

I, the above-named deponent do hereby verify that the contents of para no.1 & 3 of my above affidavit are true and correct to my knowledge. No part of it is false and nothing material has been kept concealed therein.

Date: 24/8/2023  
Place: Narsingarh

DEPONENT

Attested as Identified  
Notary Public Narsingarh (Haryana)

33. As regards the term and implementation schedule, it has been proposed to implement the Resolution Plan within 06 months from its approval by the Adjudicating Authority as per the following events' schedule (pages 713-714 of the application):

**(XI) INDICATIVE TIMELINE OF EVENTS FOR IMPLEMENTATION OF PROPOSED PLAN**

The Resolution Applicant assumes that the RP will take all necessary actions and execute all documented agreements as may be required to maintain the CD as the current status until the Resolution Applicant acquires control over the CD in the manner set out Clause (X) of this Resolution Plan.

The Resolution Applicant proposes to implement this Resolution Plan as per the following indicative timelines:

Steps	Action	Timeline
Step 1	Approval of the Resolution Plan by the Adjudicating Authority	T
Step 2	Infusion of funds by way of equity and debt for payment of CIRP Costs and to the other creditors as proposed above i.e. around Rs. 54 Cr. (Inclusive of Rs. 10 Cr. given as performance guarantee)	T+ 3 month
Step 3	Capital Reduction of the CD or transfer of shares as may be decided by the Resolution Applicant	T+3 months
Step 4	Infusion of further funds by way of equity or debt or convertible securities or subordinate convertible loans or any Other appropriate means funds for Repair & Renovation of Assets	T+ 4 months
Step 5	Infusion of further funds by way of equity or debt or convertible securities or subordinate convertible loans or	T+ 6 months
	any other appropriate means for payment of Rs 7.00 crore as per resolution plan.	
Step 6	Receipt of NOC and all the relevant documents in original from the Financial Creditors.	T+6 months

34. The net worth of SRA as on 31.03.2022 is stated to be Rs. 3784.15 lakhs (page 691 of the application) and the net worth of its other group companies, as stated on page 692, to be as follows:

**Details of Group Companies:-**

Name of Group Companies	CIN number	PAN	Net Worth as on 31/03/2022
SABOO CYLINDERS PRIVATE LIMITED	U24111HP1983PTC005665	AADCS4846E	32,15,39,497.54/-
INDIA STEEL CONTINENTAL PRIVATE LIMITED	U28939HP2010PTC031366	AACCIB477J	31,48,49,680/-
SABOO LPG EQUIPMENT PRIVATE LIMITED	U29199HR2012PTC080551	AARCS3445D	17,50,87,590.66/-

**Note:-** There are more group companies/LLPs but being newly incorporated recently, details of their networth are not mentioned above.

The sources of funds as mentioned in the Resolution Plan on page 721 of the Application are reproduced as under:

**(XIV) SOURCES OF FUNDS**

The RA intends to arrange for the infusion of necessary funds required via debt, equity or quasi-debt instruments to make the payments to creditors as proposed in this Resolution Plan. The RA further confirms that it will infuse necessary funds through its internal sources or from that of its Group Companies or from the proposed director's & shareholders net worth. Networth Certificate of RA alongwith proposed Directors and Shareholder's networth proving the capability of infusion of funds in CD is enclosed as Annexure 6.

35. Regarding supervision and monitoring over implementation of the Resolution Plan, it has been proposed to constitute a 03 Member Monitoring Committee comprising of one representative of RA and one representative of secured Financial Creditor under the chairmanship of RP. The relevant details given in the Resolution Plan (on pages 714-715 of the application) are reproduced thus:

**(XII) MANAGEMENT TEAM & MONITORING COMMITTEE**

**1. Effective Date to Implementation Date**

On and from the NCLT approval date, the Resolution Applicant shall constitute the board of the Company and the reconstituted board and the Monitoring committee be responsible for the implementation of this Resolution Plan along with the Resolution Applicant until the final payments are made under this plan.

- a. On and from the NCLT Approval date, it is proposed that the company will continue to be managed and controlled by the Reconstituted Board under the guidance of monitoring committee which shall comprise of the Resolution Professional as chairman of the monitoring committee; 1 representative of the Resolution Applicant and 1 representative of the Secured Financial Creditor.
- b. The representative of Financial Creditors on the monitoring Committee would not be paid any remuneration. The remuneration of Resolution Professional would be settled by the RA with mutual consent.
- c. During this period:
  - i. The existing Board of Directors of the CD shall stand dissolved and be replaced by the members nominated by the Resolution Applicant subject to the compliance of the provision mentioned under the section 29A of the IBC 2016.
  - ii. If this resolution plan is approved by COC, the Resolution Applicant shall agree on fees, costs and expenses which may be incurred by the Monitoring committee.
- d. The re-constituted Board under the guidance of the monitoring committee shall:
  - i. carry on the business and operations of the CD strictly in accordance with this Resolution Plan

**For Saboo Tor Pvt. Ltd.**

Strictly Private & Confidential

- II. take all steps necessary to ensure that the value of the assets of the CD does not deteriorate;
  - iii. take actions contemplated in this Resolution Plan for obtaining Specified Approvals.
- e. The Monitoring Committee shall comprise of the Resolution Professional, one nominee of the CoC and one representative of the Resolution Applicant ("Monitoring Committee").
- f. For the avoidance of doubt, the Monitoring Committee shall not have any role in the operations or management of the CD, shall have no duty (express or implied) to any person in respect of the Resolution Plan other than as set out in this Resolution Plan. Further, the members of the Monitoring Committee shall have no liability (including in respect of any costs) in respect of their duties during the implementation of the Resolution Plan.

2. On and from the Implementation Date:

A. Appointment of Key Managerial Personnel and other key personnel.

On and from the implementation date, the Resolution Applicant shall appoint Mr. Pawan Kumar, Mr. Ravinder Kumar, Mr. Sanjay Jain and Mr. Ajay Jain or any other person proposed if required to ensure smooth running of operations as directors on the Board of Directors of CD, subject to the compliance of the provision mentioned under the section 29A of the IBC 2016.

B. Appointment of Auditors (Statutory and Internal)

On and from the Implementation Date, the Resolution Applicant shall have the right to replace the existing auditors of the CD and appoint new auditors as deemed fit by the Resolution Applicant, at its discretion and in accordance with applicable laws.

C. Existing manpower of CD

Based on the information made available in the IM, the Resolution Applicant understands that there are employees and workmen currently on the rolls of the CD. The RA is free to appoint industry experts upon taking over charge of management of CD.

On approval of the Resolution Plan, the Resolution Applicant directly or through its associates/investors/ or its friends proposes to acquire 100% of the equity of the restructured capital of the company. The Resolution Applicant proposes the name of following person as per table below as proposed shareholders. The proposed shareholding pattern is listed in the table below-

Name of Shareholder	PAN	Percentage Shareholding
Mr. Pawan Kumar	AEWPK0304B	10%
Mr. Ravinder Kumar	AEWPK0300F	10%
Mr. Sumit Saini	CWQPS6290C	10%
Mr. Sanjay Jain	AARPJ2650E	16.67%
Mr. Ajay Jain	ACBPJ7122R	16.67%
Mr. Manish Jain	ACBPJ7121N	16.66%
M/s Saboo Tor Private Limited	AABCS8995C	20%

36. It is further noted from the record that the SRA has filed an Affidavit (page no. 665-670 of the Application) in relation to the resolution plan being binding in response to the RFRP issued by the RP. The relevant extracts of the affidavit are reproduced thus:

 <b>SABOO TOR PVT. LTD.</b> H.O. & Works : Trilokpur Road, Kala-Amb, Tehsil Nahan, Distt. Sirmour-173030 (H.P.)	
<b>COVERING LETTER FOR SUBMISSION OF RESOLUTION PLAN</b>	
Applicant's Name: M/s Saboo Tor Private Limited Full Address: Trilokpur Road Kala Amb, Sirmour Himachal Pradesh, India 173030	
Telephone No.: 93158-02288 E-Mail address: sainipawan.hp@gmail.com	
To,	
Mr. Mohit Chawla, Resolution Professional, In the matter of M/s Drish Shoes Limited SCO 2935-36, level 1, Sector 22-C, Chandigarh-160022	
Dear Sir,	
<b>Subject: Resolution Plan of Drish Shoes Limited by M/s Saboo Tor Private Limited</b>	
1. We, the undersigned Prospective Resolution Applicant, having read and examined in detail the RFRP and Information Memorandum, set out the offer and related information for resolution plan of M/s Drish Shoes Limited	
2. We enclose the Resolution Plan and the Financial Proposal with duly signed and /or certified forms/documents/authorizations as mandated by the Resolution Professional and the CoC, in the RFRP, for your consideration.	
3. We have submitted all the requisite documents as per the prescribed formats set out in the RFRP and EOI Process Document, without any deviations, conditions and without any assumptions or notes.	
4. We further represent and confirm as follows:	
a. Earnest Money Deposit	
In relation to the Earnest Money Deposit required to be submitted as per Clause 2.9 of the RFRP, we enclose a receipt/acknowledgement of deposit bearing reference number SBINR52022120218329006 and SBINR52022120218330530, dated 02/12/2022 for Rs. 50 Lakhs + 50 Lakhs = 1 Crore as per RFRP.	
Performance Guarantee 	For Saboo Tor Pvt. L. <b>SABOO GROUP OF INDUSTRIES</b> E-mail : <a href="mailto:saboo_stel2005@saboo.co.in">saboo_stel2005@saboo.co.in</a> Director Auth. Signat

We confirm that we, upon being selected as a Successful Resolution Applicant, shall submit the Performance Security as proposed in Resolution Plan.

c. Acceptance

We hereby unconditionally and irrevocably agree and accept the terms of the RFRP and that the decision made by the Resolution Professional (as per the instructions of the CoC), CoC and /or the Hon'ble Adjudicating Authority in respect of any matter with respect to, or arising out of, the RFRP and the Resolution Plan Process for its Submission shall be binding on us. We hereby expressly waive any and all claims in respect of the Resolution Plan Process.

d. Litigation/Proceedings

We confirm that there are no litigation/disputes/proceedings pending or threatened against us, which materially affects our ability to fulfill our obligations under the RERP.

e. Conflict of Interest

We hereby confirm that there is no conflict of interest that subsists or will occur as a result of submission of a Resolution Plan under the RFRP.

f. Familiarity with the Applicable Laws

We confirm that we have studied the provisions of the IBC, the CIRP Regulations and other relevant laws and regulations to enable us to submit our Resolution Plan along with required documents and execute the other required documents in the event of our selection as the Successful Resolution Applicant. We have obtained the necessary corporate and regulatory approvals required to participate in the Resolution Process. We further confirm that our Resolution Plan is not in contravention of the provisions of the Applicable Laws.

g. Contact person

The details of the contact person for the purposes of this Resolution Plan are provided below:

Name :- Pawan Kumar  
Designation :- Director  
Company Address :- Trilokpur Road Kala Amb, Sirmour Himachal Pradesh, India 173030  
Phone Nos. \_\_93158-02288  
E-mail address :- sainipawan.hp@gmail.com

5. We are enclosing the Resolution Plan containing duly signed forms/documents/authorizations, each one duly closed separately, with one (1) original copy as mandated in the RFRP, for your consideration.

AA

For Saboo Tor Pvt. Ltd.  
KU

6. We confirm that the Resolution Plan submitted by us is consistent with all the requirements of submission as stated in the RFRP, Invitation of Expression of Interest Document, the IBC, the CIRP Regulations and the Resolution Professional or the CoC.
7. The information submitted by us is complete, strictly as per the requirements stipulated in the RFRP and is true and correct to the best of our knowledge and understanding. We acknowledge that we shall be solely responsible for any errors or omissions in our Resolution Plan.
8. We confirm that all the terms and conditions of our Resolution Plan are valid and accepted as to remain in force from the Resolution Plan Due Date, (including the revised Resolution Plan Due Date) till the final Successful Compliant Resolution Plan is approved by Adjudicating Authority.
9. We confirm that we have not taken any deviations so as to be deemed non-responsive with respect to the provisions of the RFRP.

10. Confidentiality

- a. We confirm that we and our representatives will keep all information set out in the RFRP and Invitation of Expression of Interest Document and / or furnished pursuant to the same as confidential.
- b. We confirm that we and our representatives shall not use any such information to cause an undue gain or undue loss to the Company or any other person.
- c. We and our representatives will comply with the requirement under section 29(2) of IBC.
- d. We and our representatives will protect the intellectual property rights of the Company in relation to all such information.
- e. We and our representatives will not share any confidential information with any third party without first ensuring that our obligations under the Confidentiality Undertaking submitted to the Company are complied with.
- f. We and our representatives will comply with all the terms and conditions of the Process Document and the Non-disclosure Agreement.

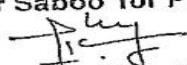
11. All the terms shall have the meaning as given to them in the RFRP.

Thanking you,

Yours sincerely

For Saboo Tor Private Limited

For Saboo Tor Pvt. Ltd.



Director/ Auth. Signatory

Director :- Pawan Kumar  
DIN :- 01171800

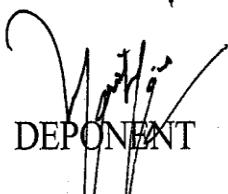
DATE :- 06.03.2023

37. On perusal of the Resolution Plan, it is seen that the SRA has sought certain reliefs and concessions, as listed from page 57-60 of the Resolution Plan (pages 727-730 of the application). During the final hearing, Ld. Counsel for the Applicant confirmed that the Resolution Plan shall be implemented even if no relief and concession is granted. However, in compliance with order of this Adjudicating Authority dated 13.06.2024, the SRA has filed an Affidavit vide Diary No. 02482/5 dated 13.06.2024 confirming that the reliefs and concessions as mentioned in the Resolution Plan shall not be a condition precedent to implementation of the Resolution Plan. The relevant extract of the affidavit is reproduced below

3. That in compliance with the directions of this Hon'ble Tribunal the deponent hereby undertakes that the reliefs and concessions as mentioned in the Resolution Plan by the SRA shall not be a condition precedent to implementation of the Resolution Plan.

Date: 13.06.2024

Place: Chandigarh



DEPONENT

38. We are sanguine of the fact that the SRAs shall be eligible to get protection as available under Section 32A of IBC, 2016 and reliefs and concessions as admissible under the relevant laws.

39. We heard the Ld. Sr. Counsel for the Applicant/RP and perused the Application, and all other documents placed on record. We observe that the CoC of the Corporate Debtor, in its commercial wisdom, has duly considered and approved the instant Resolution Plan submitted by the Successful Resolution Applicant by a voting share of 100% in its 10th Meeting held on 28.06.2023. We also note that the plan is backed by Performance Security deposit of Rs. 10,00,00,000/- (Rs. Ten Crore) along with EMD of Rs. 01,00,00,000/- (Rs. one Crore) already deposited by SRA in the bank account operated by the Applicant.

40. The role of the Adjudicating Authority has been examined by the Hon'ble Supreme Court in Civil Appeal No. 10673 of 2018 in the matter of "**K. Sashidhar Vs. Indian Overseas Bank & Ors.**", the relevant extracts of which are reproduced below:

*"35. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 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. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides : (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management*

*of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.”*

*“38. Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the*

*grounds specified in Section 61(3) of the I&B Code, which is limited to matters “other than” enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I & B Code and not to act as a court of equity or exercise plenary powers.”*

41. In view of the decision of Hon’ble Supreme Court (Supra), it has become a well settled principle of law that the Adjudicating Authority is not required to interfere with the decision taken by the CoC in its commercial wisdom, save and except the circumstances referred to in Section 31(2) of the IBC, 2016. We find the Resolution Plan conforming to the requirement of Section 31(1) of IBC.

42. In sequel to the discussion abovementioned, we have no other option but to approve the Resolution Plan as approved by the CoC and as placed by the Applicant before this Adjudicating Authority. **We, therefore, allow the present IA and approve the COC approved Resolution Plan, placed before us by the Applicant/RP, with the following directions in respect of the Corporate Debtor:**

- (i) The Resolution Plan shall become effective from the date of passing of this Order and shall be implemented by the Monitoring Committee strictly as per the term of the Resolution Plan and Implementation Schedule given therein, i.e., within 90 days from the approval of resolution Plan vide this order;

- (ii) The reliefs and concessions as sought by the Resolution Applicants shall be available subject to their admissibility under the relevant laws, regulations, and rules;
- (iii) The Performance Bank Guarantee submitted by SRA shall remain deposited with the Monitoring Committee, and shall be released after successful implementation of the Resolution Plan.
- (iv) The SRA will not stake any claim to the proceeds of the PUFE transactions application filed by RP with this Adjudicating authority. These Applications shall continue to be pursued by RP/Monitoring Committee. The proceeds of these PUFE transactions shall go to the Stakeholders in terms of Waterfall Mechanism under Section 53(1) of IBC 2016
- (v) The order of the moratorium in respect to the CD passed by this Adjudicating Authority under Section 14 of the IBC, 2016 shall cease to have effect from the date of passing of this Order; and
- (vi) The RP shall forward all the records relating to the conduct of CIRP and Resolution Plan to IBBI for its record and database.

43. The Applicant/Resolution Professional (RP) shall forthwith send a copy of this Order to the CoC and the Successful Resolution Applicant for necessary compliance. A copy of this order shall also be sent by the Applicant to the IBBI for their record.

**44. The IA No. 1734/2023 is allowed and disposed of accordingly.**

**Sd/-  
(L. N. GUPTA)  
MEMBER (T)**

**Sd/-  
(HARNAM SINGH THAKUR)  
MEMBER (J)**