SUDAL
INDUSTRIES LIMITED
Certified for ISO 9001:2015, IATF 16949:2016, ISO 14001:2015 & ISO 45001:2018
CIN L21541MH1979PLC021541

Corporate Office : 26A Nariman Bhavan, Opp. NCPA, 227 Nariman Point, Mumbai 400 021.(INDIA)
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August 11, 2023

To,

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai- 400001

Scrip Code: 506003

Dear Sir,

Ref: Disclosure pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub.: Order passed by the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, dated August 10, 2023 for approval of Resolution Plan under the Pre-Packaged Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016

With reference to the captioned subject and pursuant to the Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, passed an order dated August 10, 2023, for approval of Resolution Plan under the Pre-Packaged Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.

Please find enclosed herewith the copy of the above mentioned order.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For **Sudal Industries Limited**

Mukesh V Ashar
Whole time Director & CFO
DIN No 06929024

SUDAL INDUSTRIES LIMITED MUMBAI

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, C-IV

IA NO. 3021/2023
IN
CP (IBPP) No. 01/MB-IV/2022

In the matter of Application under section 54K (15) of the Insolvency and Bankruptcy Code, 2016 read with regulation 49(1) of the Insolvency and Bankruptcy Board of India (pre-packaged insolvency resolution process) regulations, 2021

In the matter of:
Mr. Prashant Jain CA

... Resolution Professional of the Corporate Debtor

In the matter of:

Sudal Industries Limited

...Corporate Debtor

Order delivered on 10.08.2023

Coram:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Shri Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Applicant : Mr. Viraj a/w Ms. Ritika, Ld. Counsel for Resolution Professional/ Applicant.

For the Corporate Debtor	:	Mr. Rohit Gupta a/w Mr. Kunal Chheda, Ld. Counsel for the Corporate Debtor

ORDER

Per: Prabhat Kumar, Member (Technical)

1. This is an Application being IA 3021/2023 filed on 13.07.2023 by **CA. PRASHANT JAIN, Resolution Professional**, in **CP (IBPP) No. 01/MB-IV/2022** under section 54K (15) of the Insolvency and Bankruptcy Code, 2016 read with regulation 49(1) of the Insolvency and Bankruptcy Board of India (pre-packaged insolvency resolution process) regulations, 2021 for approval of base resolution plan in the matter of Sudal Industries Limited, the Corporate Debtor.

2. The Applicant has submitted that –

   2.1. The Corporate Debtor is a body corporate incorporated under the relevant provisions of the Companies Act, 1956 bearing CIN: L21541MH1979PLC021541 and having its registered address at A-5, MIDC, Ambad Industrial Area, Mumbai – Nashik Highway, Nashik – 422 010, Maharashtra, India.

   2.2. That a petition for initiating Pre-Packaged Insolvency Resolution Process (PPIRP) for Sudal Industries Limited was filed by **Sudal Industries Limited** (Corporate Applicant) under Section 54C of the Code. The said Application was admitted by this Tribunal vide common order dated 20th April 2023 passed in **CP(IB) No.63(MB) 2021 AND CP IB No 638(MB)2021 AND CP (IBPP) No. 01/MB-IV/2022.**

2.3. That vide the said Order dated 20th April 2023 this Tribunal appointed the Applicant Mr. Prashant Jain, having Regn. No. IBBI/IPA-001/IP-P01368/2018-2019/12131 as the Resolution Professional for the PPIRP of the Corporate Debtor, and thus directed the Applicant to take necessary action in accordance with the relevant provisions of the Code. It is pertinent to mention herein that the Order was received by the Resolution Professional on 22nd February 2023.

2.4. That the Resolution Professional in compliance with section 54E and other applicable sections of the Code read with Regulation 19(2) of the PPIRP Regulations issued a public announcement, in Form P9, of the commencement of PPIRP for Sudal Industries Limited (Corporate Debtor), *inter alia* for the attention of the creditors of Sudal Industries limited (Corporate Debtor). The Form P9 was published on 24th April 2023 in Financial Express (All India Edition) in the English Language, in Navakal (Mumbai Edition) in Marathi Language, and in Gavkari (Nashik Edition) in the Marathi Language i.e., where the registered office of the Corporate Debtor is located. The Resolution Professional also sent the Form P9 to every creditor and to the information utilities on the same date. The Resolution Professional also published the same on the website of the Corporate Debtor as per Regulation 19. The copy of Form P9 along with the newspaper clippings is annexed to the Application.

2.5. The Corporate Debtor provided to the Resolution Professional a List of Claims in Form P10 along with a preliminary information memorandum under section 54G. As per the list provided by the Corporate Debtor, it is submitted that the Corporate Debtor had 10 Financial Creditors whose claims amounted to Rs. 1,50,73,73,186.00

(Rupees One Hundred and Fifty Crore Seventy-Three Lakh Seventy-Three Thousand One Hundred and Eighty-Six) and 32 Operational creditors whose claims amounted to Rs. 5,73,44,945.00 (Rupees Five Crore Seventy-Three Lakhs Forty-Four Thousand Nine Hundred and Forty-Five Only). Further, in compliance with Section 54-I of the Code, the Resolution Professional filed a Report constituting the Committee of Creditors (COC) of the Corporate Debtor. The copy of Form P10 is annexed to the Application.

2.6. That the First COC Meeting of the Corporate Debtor held on 4th May, 2023 by the Resolution Professional, wherein he *inter alia* placed the Base Resolution Plan received from the Corporate Debtor before the COC Members and apprised the COC Members that in the Resolution plan submitted by the Corporate Debtor, there is no sacrifice or concession sought as far as payment to Operational Creditors is concerned. As there was no impairment of any claims owed by the Corporate Debtor to their Operational Creditors, the Resolution Professional apprised the COC Members that they may either provide the Corporate Debtor an opportunity to revise base Resolution Plan prior to its approval under Section 54K (2) or approve the base Resolution Plan under Section 54K (4). The COC Members decided that the further course of action would be decided in the next COC meeting.

2.7. The Second Meeting of the Committee of Creditors was conducted by the Resolution Professional on 9th May 2023 wherein *inter alia* the COC Members decided not to approve the Base Resolution Plan and to publish the Invitation of Resolution Plan as per section 54K(5) in Form P11 in order to receive Resolution Plans from Prospective Resolution

Applicants. The copy of the Minutes of the Second COC Meeting of Corporate Debtor along with the e-voting results is annexed to the Application.

2.8. The Corporate Debtor objected to the decision of the COC to invite Resolution Plans. However, as resolved by the COC Members in the Second COC meeting, the Resolution Professional duly published the invitation of Resolution Plan in Form P11 on 13th May, 2023. The copy of Form P11 along with Newspaper clippings is annexed to the Application.

2.9. That the last date for submission of the Resolution Plan as per the Form P11 published by the Resolution Professional was 29th May 2023. However, the Resolution Professional did not receive any Resolution Plan.

2.10. The Resolution Professional thereafter conducted the third COC meeting on 13th June, 2023 wherein, the Resolution Professional informed the COC Members that no Resolution plan was received by the Resolution Professional till the last date of submission of the Resolution Plan i.e. 29th May 2023. In accordance with Regulation 48(2) of the PPIRP Regulation, the members of COC decided to consider the base Resolution Plan as no resolution plan was received under Regulation 46.

2.11. That has no Resolution Plan had been received pursuant to the publication of the invitation of Resolution Plan and the base Resolution Plan was already circulated to COC Members, the Resolution

Professional circulated the confidentiality undertaking to the COC Members to enable him to share the fair value and liquidation value with the COC Members as per regulation 39(2) of the PPIRP Regulation. The Summary of the Valuation of the Corporate Debtor along with the Valuation Reports is annexed to the Petition. The liquidation value of the Corporate debtor is estimated to be Rs.29,45,11,500 and fair value to be Rs. 52,40,68,280.50/-.

2.12. That the Resolution Professional conducted the Fourth COC Meeting on 22nd June, 2023. The COC Members considered the feasibility, viability, and distribution proposed in the base Resolution Plan and decided to put forth the base Resolution Plan for approval by the COC. The base Resolution plan submitted by the Corporate Debtor was put to vote through e-voting from 23rd June 2023 to 5th July 2023. The Corporate Debtor has clarified that there is no impairment of the claims and has submitted a list consisting of tentative dates of payments to all the operational creditors as there is no impairment in the payment to the Operational Creditors. The copy of the Minutes of the Fourth COC meeting along with e-voting results and a List of payments proposed by the Corporate Debtor to operational creditors is annexed with the Application.

2.13. That the Resolution Plan is approved by majority of 77.72% of CoC members. The voting share of the COC Members is as follows:

Sr. No.	Financial creditor	Voting Share (%)
1.	*Canara Bank*	*77.72*
2.	*Surya Spices Vyapar Pvt Ltd*	*0.67*

3.	*Jaldhara Properties & Trading Pvt Ltd*	*11.08*
4.	*Gilbertinvestment Pvt Ltd*	*6.61*
5.	*Effervescent Commercial Pvt Ltd*	*1.20*
6.	*Aarkay Tieup Pvt Ltd*	*0.61*
7.	*Kothsons Finance & Consultancy Pvt Ltd*	*0.60*
8.	*Cosmos Tradelink Pvt Ltd*	*0.60*
9.	*Nicholson Vanijya Pvt Ltd*	*0.60*
10.	*GMB Finvest Pvt Ltd*	*0.31*
	TOTAL	100.00

3. The Salient Features of the Resolution Plan are as follows:

3.1. Proposal of payments to Creditors

A. Payment to Secured Financial Creditor (First Charge):

Name	*Total amount outstanding*	*Resolution Amount*
Canara Bank	*96,77,21,328*	*32,17,10,279*

A.1 THE TERMS OF PAYMENT OF SECURED FINANCIAL CREDITOR (FIRST CHARGE):

1.1. Upfront amount of Rs. 1,50,00,000/- (Rupees One Crores Fifty Lakhs) paid at the time of submission of proposal and kept in no lien account by Secured Financial Creditors, shall be appropriated towards the amount set aside in the plan upon its approval, and

1.2. The remaining amount of Rs. 30,67,10,279/- (Rupees Thirty Crores Six Seven Lakhs Ten Thousand Two Hundred Seventy-Nine only) is agreed to be paid in the following manner-

S.no.	*Date*	*Amount*
1.	*In March 2022 (Paid)*	*1,72,00,000*
2.	*Within 15 days of approval of the Resolution Plan by Hon'ble NCLT*	*23,84,95,835*
3.	*Balance with Interest at MCLR within 1 year in 4 quarterly instalments from the approval of the Resolution Plan.*	*5,00,00,000*
	Total	*30,67,10,279*

B. Payment of Rs. 76,35,262/- (Rupees Seventy-Six Lakhs Thirty-Five Thousand Two Hundred and Sixty-Two only) to the Secured Financial Creditors (Second charge), as per the timeline agreed between the parties.

C. Payment proposed for Unsecured Financial Creditors of Sudal Industries Limited to be made within 45 days from the date of NCLT order.

Sr. No.	***Name***	***Total amount outstanding (Rs.)***	***Settlement amount (Rs.)***
1.	*Jaldhara Properties & Trading Pvt.Ltd*	*12,43,39,407*	*246,000*
2.	*Gilbert Investments Pvt.Ltd.*	*7,4120,690*	*140,000*
3	*Surya Spices Vyapar Pvt.Ltd.*	*75,56,250*	*15,500*
4	*Effervescent Commercial Pvt. Ltd.*	*1,71,09,691*	*100,000*
5	*Aarkwy Tirup Pvt. Ltd.*	*85,49,575*	*50,000*
6	*Kothsons Finance and Consultancy Pvt. Ltd.*	*85,47,356*	*50,000*
7	*Cosmos Tradelink Pvt.Ltd.*	*85,47,356*	*50,000*
8	*Nicholson Vanijya Pvt Ltd.*	*85,47,356*	*50,000*
9	*GMB Finvest Pvt. Ltd.*	*46,68,499*	*26,000*
Total		***26,19,86,180***	***727,500***

D. The terms of payment to Operational Creditors:

This unit is a going concern. The Operational creditors are being paid as a going concern. In this Resolution Plan, there is no sacrifice or concession sought as far as payment to Operational Creditors is concerned. As all the Operational Creditors are being paid the entire amount outstanding, there is no impairment of any claims owed by Sudal to their Operational Creditors as stipulated under Section 54K of IBC, 2016.

E. Payment to Employees and Workmen:

This unit is a going concern. The Employees and workmen are being paid as going concern. In this Resolution Plan, there is no sacrifice or concession sought as far as payment to Employees and workmen is concerned.

F. Payment to Statutory Authorities, Other Than PF

In this Resolution Plan, there is no sacrifice or concession sought as far as payment of statutory dues is concerned.

G. Payment to Provident Fund Authorities:

There are no outstanding Statutory Dues pertaining to Provident Fund or Employee State Insurance (ESIC) owed by Sudal.

3.2. Simultaneously on payment to the secured financial creditors or unsecured financial creditors, the Corporate Debtor will execute necessary documents so as to substitute the Investor as the "Secured Creditor" in place of Secured Financial Creditor (first charge) and Secured Financial Creditor (Second Charge). The Corporate Debtor

will also execute necessary documents, if required for creation of security in favour of the Investor. However, the charge and rights of Secured Financial Creditors will remain unaffected and shall continue till their payment is made in full. The charge in favour of Investor will be subservient to that of Secured Financial Creditors.

3.3. In terms of Section 54K (14) of the Code, the COC Members recorded their opinion during the Fourth COC meeting that *"as they have already published the invitation of the Resolution Plan and no Resolution Plans have been received to compete with the base Resolution Plan, they do not have any issue with no dilution in the Share capital as long as the payments and timelines in the Resolution Plan are honoured by the Corporate Debtor."*

3.4. The Corporate Debtor has clarified that all the Operational Creditors are being paid the entire amount outstanding, there is no impairment of any claims owed by the Corporate Debtor to their Operational Creditors in Clause III-F of the base Resolution Plan.

3.5. Investor will Infuse Rs.1,00,00,000/- (Rupees One Crore only) as Equity Share Capital in Sudal against allotment of 10,00,000/- shares of Rs.10 each in accordance with Sections 54L and 30 of the Code read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

3.6. List of Approvals and Timelines sought in the base Resolution Plan:

Sr. No.	Name of the Law	Competent Authority	Purpose	Timeline
1	Income Tax	Chief Commissioner	NOC/Approval Carry	Within 1 year from the order

		/ commissioner	forward of Losses	of Hon'ble NCLT approving the Resolution Plan or within such period as provided for in such law, whichever is later
2	VAT, Maharashtra	Commissioner	NOC/ Approval	
3	VAT, Central	Commissioner	NOC/ Approval	
4	GST, Maharashtra	Commissioner	NOC/ Approval	
5	Commissioner Provident Fund	Commissioner	NOC/ Approval	
6	Excise & Custom	Commissioner	NOC/ Approval	
7	Factories Act	Commissioner	NOC/ Apprlval	
8	Revenue Department for 7/12 Extract	Collector	Remove any attachment	
9	Maharashtra Pollution Control Board (MPCB)	Member Secretary MPCB	NOC/ Approval & Consent to Operate.	
10	Weights & Measures Act 1976	Legal Metrology Department	NOC/ Approval	
11	Maharashtra Industrial Development Act, 1961	Maharashtra Industrial Development Corporation (MIDC)	NOC for Change in Ownership of company if and as per NCLT	
12	Any other applicable laws		NOC/ Approval	
13	Any other applicable laws	Any other Central Government, State Government, Local Authority, etc	NOC/ Approval	

3.7. The clause III-L of the base Resolution Plan details the sources of funds.

3.8. The base Resolution plan provides for supervision and monitoring of the implementation of the Plan. The proposed composition of the Monitoring Committee is as under:

Sr. No.	Member	Designation	Tenure
1	Resolution Professional	Chairman	From the date of approval of Resolution Plan by Hon'ble NCLT Till Successful Completion of Resolution Plan as certified by the Committee
2	Managing Director	Member	
4	Representative of Canara Bank (Financial Creditors)	Member	

3.9. The Corporate Debtor has also sought some relief & concessions stated in detail in Part III-J of the Plan. During the hearing, the Ld. Counsel for the Applicant clarified that the Corporate Debtor has admitted one claim from GST Department in full and agrees that this claim shall not be subject matter of any relief & concession prayed in the Plan.

4. In accordance with Regulation 49 (1) the Resolution Professional has submitted the compliance Certificate in Form P12 for approval which is annexed to the Application. The Applicant has stated that –

a. the said resolution plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016, the Insolvency and Bankruptcy Board of India (pre-packaged Insolvency Resolution Process) Regulations, 2021 and does not contravene any of the provisions of the law for the time being in force.

b. the Corporate Debtor has submitted affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit a Resolution Plan. The contents of the said affidavit are in order.

c. the said Resolution Plan has been approved by the committee in accordance with the provisions of the Code and the regulations made thereunder. The resolution plan has been approved by 77.72% voting share of the Financial creditors after considering its feasibility and viability and other requirements specified by the PPIRP Regulations.

d. the voting was held in the 4th meeting of the Committee on 22/06/2023 sought vote of members of the committee by electronic voting system which was kept open at least for 24/48 hours.

5. We heard the Counsel and perused the material available on record.

5.1. After going through the same, this Bench finds that the Base Resolution Plan submitted by the Corporate Debtor meets the requirement of Section 30(2) of the Code, and has been approved by 77.72% vote within 120 days from the date of order allowing commencement of PIRP, and the remaining CoC members had abstained from the voting on the plan. The plan does not provide for any impairment in the claims of Operational Creditors. Nonetheless, the Resolution Professional had invited Resolution Plan from third parties also after decision of CoC to do so, and the CoC has stated its reasons for approving the plan without impairment in the shareholding of its promoters.

5.2. The RP has not made any application u/s 54(J)(1) hence, provisions contained in section 54(L)(4) are not applicable.

5.3. The Counsel fairly submitted that relief and concessions to the extent permissible under law and in terms of Judicial Pronouncements may be considered, and in case any of the relief or concession as prayed is not made available to the Corporate Applicant, the same shall not have any bearing on the implementation of the proposals contained in the plan.

5.4. In view of the above, this Bench is of the considered view that the Base Resolution Plan, approved by CoC u/s 54K (12) of the Code and submitted with the present Application, in Pre-packaged Insolvency Resolution of the Corporate Debtor by the Corporate Debtor deserves to be approved, and the IA 3021/2023 is allowed.

ORDER

6. The Interlocutory Application No. 3021/2023 is allowed and hereby approved. It shall become effective from this date and shall form part of this order. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.

7. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC) if entails any amendment, concerned for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

8. The moratorium under Section 14 of the Code shall cease to have effect from this date.

9. The Monitoring Committee shall supervise the implementation of the Resolution Plan and the Applicant shall file status of its implementation before this Authority from time to time, preferably every quarter. The following shall be the constitution –

	Member	**Designation**	**Remuneration**	**Tenure**
1	Resolution Professional	Chairman	10,000/month	From the date of approval of Resolution Plan by Hon'ble NCLT Till Successful Completion of Resolution Plan as certified by the Committee
2	Managing Director	Member	-	
4	Representative of Canara Bank (Financial Creditors)	Member	-	

10. The approval of the Base Resolution Plan shall not be construed as waiver of any statutory obligations of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned.

11. In terms of the judgement of Hon'ble Supreme Court in the matter of ***Ghanshyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited,*** "on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims, which are not a part of resolution

plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in, respect to a claim, which is not part of the resolution plan."

> *"95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;*
>
> *(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;*
>
> *(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued."*

12. In the view of the above judgement the applicant is entitled to waivers/ concessions/ reliefs as expressly provided under the Code and under any other law for the time being in force.

13. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.

14. The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for necessary compliance.

15. The Interlocutory Application No. 3021/2023 is accordingly allowed and disposed of.

Sd/-
PRABHAT KUMAR
MEMBER (TECHNICAL)
10.08.2023.

Sd/-
KISHORE VEMULAPALLI
MEMBER (JUDICIAL)