

IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI - BENCH-II

IA (I.B.C) (Plan) No. 107/MB/2025

IN

CP (IB) No. 1069/MB/2023

[Under Sections 30(6) and 31 of the Insolvency and Bankruptcy Code, 2016 r/w Regulation 39(4) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and Rule 11 of the NCLT Rules, 2016]

Mr. Krishna Chamadia

[Registration No. IBBUIPA-001/IP-P00694/2017-2018/11220]

Resolution Professional of

GURUANAND SILK MILLS PRIVATE LIMITED

B-13, Anjani Complex, Parela Hill Road,
Andheri East, Mumbai - 400099.

.... Applicant

IN THE MATTER OF:

Guruanand Silk Mills Private Limited

...Corporate Debtor

Pronounced: 30.09.2026

CORAM:

HON'BLE SHRI ASHISH KALIA, MEMBER (JUDICIAL)

HON'BLE SHRI BANWARI LAL MEENA, MEMBER (TECHNICAL)

Appearances: Hybrid

Applicant/RP: IC Legal Advocates & Solicitors

ORDER***[PER: Coram]*****1. BACKGROUND**

1.1 This Interlocutory Application (I.A.) (I.B.C) (Plan) No.107/MB/2025 is filed by Mr. Krishna Chamadia, (hereinafter referred to as the “the Applicant/Resolution Professional”), on 23.09.2025 on behalf of the Committee of Creditors (hereinafter referred to as the “CoC”) of Guruanand Silk Mills Private Limited (hereinafter referred to as the “Corporate Debtor”), seeking approval of the Resolution Plan under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “Code”), read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as the “CIRP Regulations”) and Rule 11 of the NCLT Rules, 2016.

1.2 The Resolution Plan, submitted by Siddhachal Fab Private Limited, the Successful Resolution Applicant (hereinafter referred to as the “SRA/Resolution Applicant”), has been approved by 100% of the CoC during e-voting which was concluded on 04.07.2025.

1.3 Pursuant to the approval of the SRA’s Resolution Plan by the CoC, the unsuccessful Resolution Applicant, Dipesh Silk Mills Private Limited, filed I.A. No. 3240 of 2025 challenging the approval of the Plan before this Tribunal. However, this Tribunal, vide order dated 07.11.2025, dismissed the said I.A.

2. AVERMENTS OF RESOLUTION PROFESSIONAL

2.1 This Tribunal, *vide* its order dated 14.11.2024 in C.P.(IB) No. 1069/MB/2023, admitted the Corporate Debtor into Corporate Insolvency Resolution Process (CIRP) under Section 10 of the Code, on a petition filed by Guruanand Silk Mills Private Limited and Mr. Mukesh Kumar Jain was appointed as the Interim Resolution Professional (IRP).

2.2 In compliance with Regulation 6 of the CIRP Regulations, a public announcement in Form A was published on 26.11.2024 in two newspapers viz., *The Financial Express (Mumbai Edition) in English, Pratahkal (Mumbai Edition) in Marathi*, inviting claims under Section 15 of the Code. The last date for submission of claims was 10.12.2024. Pursuant thereto, the Applicant received claims amounting to Rs. 31,98,31,971/-. Based on the claims received, the Committee of Creditors (CoC) was constituted with Axis Bank Limited as the Sole Financial Creditor having 100% voting rights.

2.3 On 20.12.2024, the IRP filed an I.A. 1048 of 2025 for placing on record the constitution of the Committee of Creditors (CoC), which was allowed by this Tribunal vide order dated 28.02.2025.

2.4 In the 1st CoC meeting held on 26.12.2024, the CoC, inter alia, took note of the claims received, constitution of CoC and voting share, status of CIRP and resolved with 100% voting share to replace the IRP with the present Resolution Professional under Section 22(3)(b) of the Code. Pursuant to the aforesaid resolution, the CoC filed an I.A. 222 of 2025 for replacement of Mr. Manoj Kumar Jain (IRP) with Mr. Krishna Chamadia (Applicant/Resolution

Professional), which was allowed by this Tribunal vide order dated 16.01.2025, and the said order was subsequently rectified on 14.02.2025.

- 2.5 As per the Regulation 36A of the CIRP Regulations, the Resolution Professional (RP) published Form G inviting Expression of Interest (EOI) on 10.02.2025 from Prospective Resolution Applicants (PRAs), with the last date for submission of EOIs being 02.03.2025.
- 2.6 In the 2nd CoC meeting held on 12.02.2025, the CoC, inter alia, took note of the list of creditors prepared by the RP, updates on actions taken since his appointment, considered inclusion of fair value in the Information Memorandum, ratified publication of Form G, approved eligibility criteria for resolution applicants and approved appointment of transaction auditor and other professionals. The Information Memorandum was shared with the CoC on 17.02.2025 and was subsequently provided to the PRAs on 10.04.2025.
- 2.7 In the 3rd CoC meeting held on 20.03.2025, the RP apprised the CoC of the CIRP progress, updated list of creditors, valuation exercise, and other actions undertaken. The CoC, inter alia, approved extension of CIRP period, ratified the revised timeline for submission of EOIs and approved the Request for Resolution Plan (RFRP) along with evaluation matrix and timelines.
- 2.8 As only limited response was received initially, the last date for submission of EOIs was extended to 24.03.2025. Pursuant thereto, EOIs were received from 4 PRAs. The provisional list and final list of PRAs were published on 26.03.2025 and 05.04.2025 respectively. Thereafter, the RFRP, along with the Evaluation Matrix and access to the data room, was issued to the PRAs on

10.04.2025, with the last date for submission of Resolution Plans being 11.05.2025.

- 2.9 The transaction audit report was received on 25.04.2025 and the same was placed before the CoC. Upon deliberation, it was noted that no transactions in the nature of Preferential, Undervalued, Fraudulent or Extortionate (PUFE) transactions were identified.
- 2.10 In the 4th CoC meeting held on 12.05.2025, the RP placed before the CoC the Resolution Plans received from Dipesh Silk Mills Private Limited, Siddhachal Fab Private Limited and Siddhivinayak Steels. The CoC discussed the financial proposals and directed that negotiations be undertaken, granting the PRAs a final opportunity to submit revised plans on or before 20.06.2025.
- 2.11 As the initial CIRP period of 180 days was set to expire on 13.05.2025, an application under Section 12 of the Code was filed by the RP seeking an extension. Accordingly, this Bench Vide Order dated 13.06.2025, granted an extension of 90 days, thereby extending the CIRP period up to 11.08.2025.
- 2.12 On 20.05.2025, one of the PRAs, namely Siddhivinayak Steel, expressed its intention to withdraw from the resolution process and requested refund of its Earnest Money Deposit (EMD), which was duly processed by the RP.
- 2.13 In the 5th CoC meeting held on 20.06.2025, the RP placed before the CoC the final Resolution Plans received from the PRAs. The plans were opened in the presence of the CoC members and the financial summaries were presented. It was also confirmed that Section 29A compliance certificates were received by the RP.

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- 2.14 In total, two final signed Resolution Plans were received on 20.06.2025 and were taken up for consideration by the CoC. In the 6th CoC meeting convened on 30.06.2025, after due consideration of the feasibility and viability of the Resolution Plans submitted by both PRAs, the CoC approved the Resolution Plan submitted by Siddhachal Fab Private Limited with 100% voting share in its favour.
- 2.15 The voting lines for approval of the Resolution Plan were kept open for a period of 7 days from 30.06.2025 and the Resolution Plan was approved on 04.07.2025 with 100% votes in favour. Accordingly, Siddhachal Fab Private Limited was declared as the Successful Resolution Applicant (SRA). This Application is being filed under the provisions of Section 30(6) of the Code for approval of the Resolution Plan submitted by Siddhachal Fab Private Limited on 11.05.2025 revised on 20.06.2025. Pursuant to approval of the Resolution Plan by the CoC, the RP issued the Letter of Intent (LoI) to the SRA on 04.07.2025, which was duly accepted on 05.07.2025.
- 2.16 The Resolution Plan provides for payment of Rs. 3,96,00,000/- to stakeholders, and the Successful Resolution Applicant has deposited performance security aggregating to Rs. 39,60,000/- in accordance with the terms of the Resolution Plan.
- 2.17 The Ld. Counsel for the Applicant/RP further states that the Applicant has produced by way of an undated Affidavit towards applicable regulatory fee in terms of Regulation 31A of the CIRP Regulations and the same has been placed on record vide its Additional Affidavit dated 05.06.2026.

3. VALUATION OF ASSETS OF CORPORATE DEBTOR AND CLAIMS**RECEIVED**

3.1 The RP submitted that, to ensure proper valuation of the Corporate Debtor's properties, he had appointed two Registered Valuers which were approved by the CoC in its 1st CoC meeting dated 26.12.2024. The Fair Value of the Corporate Debtor's assets is mentioned in Form H as **Rs.3,69,23,214/-** and the Liquidation Value of the Corporate Debtor's assets is **Rs.2,92,61,800/-**, which were determined as follows:

Sr. No.	Particulars	Valuer	Fair Value (In Rs.)	Liquidation Value (In Rs.)
1	Land and Building (L&B)	Valuer 1	3,44,67,000/-	2,77,67,700/-
		Valuer 2	3,56,93,896/-	2,86,34,338/-
Average L&B			3,50,80,448/-	2,82,01,019/-
2	Plant & Machinery (P&M)	Valuer 1	15,92,516/-	7,96,528/-
		Valuer 2	15,35,964/-	7,67,982/-
Average (P&M)			15,64,240/-	7,82,255/-
3	Security and Financial Assets (S&FA)	Valuer 1	2,78,526/-	2,78,526/-
		Valuer 2	2,78,526/-	2,78,526/-
Average S&FA			2,78,526/-	2,78,526/-
Average Valuation (1+2+3)			3,69,23,214/-	2,92,61,800/-

3.2 As on 10.04.2025, the list of Corporate Debtor's creditors, uploaded on the website of Insolvency and Bankruptcy Board of India (hereinafter referred to as "IBBI"), based on the claims received by the Applicant/RP is as under:

Sr. No.	Creditors	Claim Amount Received (Rs.)	Claim Amount Admitted (Rs.)	No. of Claims received
1.	Secured Financial Creditors	10,00,93,133/-	10,00,93,133/-	1
2.	Unsecured Financial Creditors	19,00,30,356/-	19,00,30,356/-	1
3.	Operational Creditors (Workmen)	NIL	NIL	NIL
4.	Operational Creditors (Employees)	NIL	NIL	NIL
5.	Operational Creditors (Government Dues)	84,48,002/-	59,14,786/-	3
6.	Operational Creditors (other than Workmen)	2,12,60,480/-	0.00/-	1

	and Employees and Government Dues)			
7.	Other Creditors, if any, (other than Financial Creditors and Operational Creditors)	NIL	NIL	NIL
TOTAL		31,98,31,971/-	29,60,38,275/-	6

4. **BRIEF BACKGROUND OF CORPORATE DEBTOR**

4.1 The Corporate Debtor is a private company incorporated on 17.07.1998 and is registered with the Registrar of Companies, Mumbai. The Corporate Debtor is engaged in manufacturing of garments and textiles. Its products include suiting and shirting. The company used to market its product under the brand 'Cobra'. The Company's status is under *Corporate Insolvency Resolution Process* and it has filed its Annual Returns and Financial Statements up to 31.03.2022. It is a company limited by shares having an authorized capital of Rs.75,00,000/- and a paid-up capital of Rs.70,25,200/- as per MCA records.

5. **BRIEF BACKGROUND OF SRA/RESOLUTION APPLICANT**

5.1 The Resolution Applicant, **Siddhanchal Fab Private Limited** incorporated on 22.12.2012, is a family-owned textile weaving factory based in Bhiwandi, Maharashtra, a major hub for textile manufacturing in India. The Company

specializes in producing high-quality woven fabrics for domestic and international markets and it continues to strengthen its position in the textile industry through innovation, reliability and a strong supply chain network.

- 5.2 In addition to that, the company being the largest voile manufacturer in the world, currently caters to 12 different countries. The Company has done MOU with Government of Maharashtra, Department of Textiles. The promoters of the Company have 50+ years of experience in the textile sector.
- 5.3 The Resolution Applicant in compliance with **Section 30(1) r/w Regulation 39(1)(a)** has affirmed eligibility u/s 29 A through **affidavit dated 05.05.2025** which is signed by **Harsh Haria, Director of the SRA** on behalf of the SRA based on the Authorisation bestowed upon him by Board Resolution Dated 30.04.2025 as per which neither the SRA nor any of its connected persons are disqualified under Section 29A of the Code and, therefore, it is eligible to submit the Resolution Plan. An affidavit confirming the same is annexed to the Plan. The RP has also annexed a Due Diligence Report ascertain the eligibility of the SRA u/s 29A of the Code
- 5.4 The Resolution Applicant at **Clause 4 (xi) of the Plan** affirms, in accordance with **Regulation 38(1B)** of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, that neither it nor any of its related parties have failed to implement, nor have contributed to the failure of implementation of, any other resolution plan approved under the Code by the Adjudicating Authority at any time in the past. The Plan at **Section 2(F) and (G)** and Section 6 in compliance with **Regulation 38(3)(a)** of CIRP Regulations has identified the Corporate Debtor

defaulted due to Suspension of Operation due to Covid – 19, Company's receivables were not realised. and inability to service their dues to Financial Creditor, leading to Account classified as NPA and has proposed to infuse the requisite amount of funds to address the insolvency resolution of the Corporate Debtor and to settle its claims and revive operations and generate revenue. The SRA at **Section 3 of the plan** in compliance with **Regulation 38(3)(e) of the CIRP Regulations** has underscored that with the efficient management and army of skilled workers with the SRA and intends to turn around the business of operation of the CD with its rich experience in textile industry, of which the CD is a part of, by mobilising the human and financial resources of the SRA.

- 5.5 The Plan at Section 8(1) and 9(i) of the plan in compliance with **Regulation 38(3)(d)** undertakes that the SRA shall secure all necessary approvals as required u/s 31(4) of the Code.
- 5.6 The SRA vide its affidavit dated 05.04.2025 in compliance with **Regulation 39(1)(c)** of the CIRP regulations submits to disqualification and consequential penal outcome if affirmations made by it in the plan are found to be untrue.
- 5.7 The Resolution Applicant at **Clause 4 (x) of the Plan** as required under **Section 30(2)(e)** affirms that the plan is not in contravention with any law in force and the same is also separately affirmed vide a separate affidavit.
- 5.8 To highlight its financial viability, the SRA has produced the Certificate dated 20.06.2025 issued by Aagna & Associates, Chartered Accountants, certifying that the SRA has adequate financial resources and access to funds to meet the total financial commitments under the proposed Resolution Plan

amounting to Rs. 3,96,00,000/- in a timely manner, as per the terms set out in the Resolution Plan. The said certificate was submitted vide Additional Affidavit dated 05.06.2026.

6. SALIENT FEATURES OF PLAN APPROVED BY COC

6.1 The summary of the payments to be made under the Resolution Plan dated 11.05.2025 revised on 02.06.2025 as proposed by the SRA and approved by the CoC is as follows:

Sr. No.	Particulars	Amount Admitted (Rs.)	Proposed Payments (Rs.)
1.	CIRP Cost	-	28,00,000/-
2.	Secured Financial Creditors	10,00,93,133/-	3,43,59,166/-
3.	Unsecured Financial Creditors	19,00,30,356/-	19,00,303/-
4.	Operational Creditors (Government Dues)	59,14,786/-	59,147/-
5.	Operational Creditors (Government Dues EPFO)	-----	4,81,384/-
6.	Other Creditors (other than Workmen and Employees and Government Dues)	-	NIL
	Total Plan Value	-	3,96,00,000/-

6.2 **Section V of the Plan** in compliance with **Regulation 38(1A)** of the CIRP Regulations summarises the treatment of claims from various creditors in the following manner:

a) CIRP Cost: The Resolution Plan states that CIRP costs i.e. Rs 28,00,000/- are estimated up to 25.04.2025 and as per Section 5 (A)(i) of the plan the same will be paid first in the form of upfront cash. If the actual CIRP cost exceeds ₹28,00,000, the excess will be adjusted from the amount allocated to secured financial creditors as provided at Section 5 (A)(iii)&(iv) .of the plan. The Resolution Applicant will pay any remaining CIRP **cost in full, on priority**, on the Transfer Date, subject to there being no stay on the plan's implementation. This Complies the requirement under **Section 30(2)(a) of the Code**.

b) Secured Financial Creditors: Since the admitted claims of the Secured Financial Creditors amount to ₹3,43,59,166/-, the Resolution Plan provides for payment of an amount not exceeding the said sum by the Resolution Applicant on or before the Transfer Date, being the date on which the transfer and handover of control and management of the Corporate Debtor to the Successful Resolution Applicant takes place.

c) Unsecured Financial Creditors: Since the admitted claims of the Unsecured Financial Creditors (other than Financial Creditors belonging to a class) amount to ₹19,00,303/-, the Resolution Plan provides for payment of the said amount by the Resolution Applicant

on the Transfer Date, which shall be distributed on a pro-rata basis towards full and final settlement of the dues payable to such creditors.

d) Operational Creditors (Employees): Since the RP had not received any claim from the any employees of the Corporate Debtor, the Resolution Plan does not envisage any payment towards the workmen dues.

e) Operational Creditors (Workmen Dues): Since the RP had not received any claim from the any workmen of the Corporate Debtor, the Resolution Plan does not envisage any payment towards the workmen dues.

Operational Creditors (Government Dues): Since the admitted claims of the Operational Creditors (Government Dues) amount to Rs. 63,96,170/- the Resolution Plan provides for payment of Rs.5,40,531/- , which includes the entire EPFO Dues, by the Resolution Applicant on the Transfer Date, which shall be distributed on a pro-rata basis towards full and final settlement of the dues payable to such Operational Credit.

6.2.A Upon a conjoint reading of Section 4 and 5-B of the plan it is noted that the Resolution Applicant has stated that Rs. 5,40,531 will be paid to Operational Creditors which shall be paid for the claims raised against government dues. No claim has been received from Workmen and Employees. No payment is proposed for other operational creditors against their claim. It is seen that the Average Liquidation Value of the CD is Rs. 2,92,61,800/-and the Operational Creditors would have received NIL

amount in the event of Liquidation and as per the distribution mechanism u/s 53. Hence the payment proposed to the operational creditors is in in **in terms of S.30(2)(b) r/w Regulation 38(1)(a)** and payments to such operational creditors will be made before the Transfer Date. The Plan also stated that in the event any Operational Claim in the nature of Government Dues is admitted subsequent to the submission of the plan, it shall be proportionally adjusted from the amount proposed to secured financial creditors. However, as per the application no Claim in the nature of Government Dues has been admitted after submission of the Plan

f) Other Creditors (other than Financial Creditors and Operational

Creditors: Since the RP had not received any claim from any other creditor of the Corporate Debtor, the Resolution Plan does not envisage any payment towards the other Creditors.

g) Dissenting Financial Creditors, if any: As per **Section 5-C (vi) and**

5-D (iv) the Resolution Plan, the Financial Creditors, both secure and unsecured, who did not vote in favour of the Resolution Plan shall be paid in priority over the Financial Creditors who voted in favour of the Plan and the amount payable to them would not be less than the amount payable under Section 53 of the Code, which ensures compliance under **S.30(2)(b) r/w Regulation 38(1)(b)**. However, the result of e-voting in 6th CoC meeting dated 30.06.2025 indicates that there is no dissenting Financial Creditor and the said Resolution Plan is approved by the CoC with 100% voting in its favour.

h) Related Parties: Since the RP has not received any claims from related parties of the Corporate Debtor, the Resolution Plan does not envisage any payment to related parties.

6.3 As far as the source of funds for the implementation of the Plan is concerned, the SRA proposes to infuse funds out of its net worth and make payments by way of equity, equity-linked, quasi equity and/or other securities and/or deposits, third party debt or a combination thereof, as may be decided by the SRA at its sole discretion.

6.4 The Ld. Counsel for the Applicant/RP further submits that Chapter-V of the Resolution Plan deals with other important clauses including the terms "Transfer Date" which refers to the date on which order of approval of Resolution Plan by Adjudicating Authority is uploaded on website of NCLT. Such date will be considered as date of approval of NCLT and it will be suitably extended in the event of any stay or restraint from NCLT or any other Court that restricts implementation of the Resolution Plan. The Resolution Plan will be implemented within 90 (Ninety) days from the Transfer Date.

6.5 The Resolution Applicant has confirmed that the Corporate Debtor/Resolution Applicant shall obtain all requisite approvals, as may be deemed necessary, for revival of the Corporate Debtor, in compliance with Section 31(4) of the Code.

6.6 The Plan further provides that in the event any or all the waivers, reliefs or concessions as envisaged in the resolution plan is not granted by the NCLT or any other respective statutory authority, the Resolution plan shall be valid and will still be implemented by the SRA/implementing entity. Any waivers

with respect to any laws which are not within the jurisdiction of NCLT shall be dealt by the SRA and such waivers shall not be condition precedent for implementation of the Resolution Plan.

7. MANAGEMENT OF THE CORPORATE DEBTOR DURING THE IMPLEMENTATION OF THE PLAN AND SUPERVISION OF THE PLAN BY MONITORING AGENCY

7.1 In compliance with **Section 30(2)(d)** r/w **Regulation 38(4)(a) to (c)** the plan provides at Section 7(C) of the Plan for the creation of a Monitoring Committee which shall comprise five (5) members, being two nominees of the assenting Secured Financial Creditors, two nominees of the SRA and the Resolution Professional/Independent Professional, and shall be constituted within fourteen (14) Business Days from the date of receipt of this Order. Decisions of the Monitoring Committee shall be taken by simple majority.

7.2 The Resolution Professional and his advisory team shall extend full cooperation in handing over all records, documents and information relating to the Corporate Debtor upon the NCLT Approval Date and shall also provide details of compliances undertaken since the Insolvency Commencement Date and assist in obtaining necessary approvals for implementation of the Resolution Plan.

7.3 The SRA shall bear expenses of the Monitoring Committee, subject to a cap of Rs.4,50,000/- (Rupees Four Lakhs Fifty Thousand only), over and above the Total Resolution Plan Amount, and any excess shall be adjusted against the allocation of the Secured Financial Creditors. Further, all operational expenses of the Corporate Debtor from the NCLT Approval Date till the

Transfer Date shall be met out of the Total Resolution Plan Amount. The cash balance as on the NCLT Approval Date and recoveries from proceedings initiated prior to the Transfer Date shall accrue to the benefit of the Committee of Creditors.

7.4 **Section 30(2)(c) of the Code r/w Regulation 38(2)(b)** requires a plan to make adequate provisions for the management and running of business of the CD subsequent to approval of the plan for the entire term of its implementation. The Plan in this regard makes provisions at **Section 7-B and 7-F of the Plan** as per which the Monitoring Committee will be responsible for the supervision of the day to day affairs of the CD from the Approval date to the Transfer Date.

7.5 During the period from the NCLT Approval Date till the Transfer Date, the Corporate Debtor shall continue as a going concern with uninterrupted essential supplies, licenses, and contractual arrangements. All stakeholders, including the Monitoring Committee, existing management, promoters, employees, creditors and statutory authorities, shall extend necessary cooperation and the existing management shall undertake all actions and execute documents as may be required for effective implementation of the Resolution Plan.

7.6 **Section 7** of the plan in compliance with **Regulation 38(2)(c)** of CIRP Regulations makes a detailed description as to how the SRA intends to implement the plan and the steps that will be pursued by the SRA and the CoC Members subsequent to the approval

7.7 **Term of the Plan and Implementation Schedule**

7.5.1 The implementation term of this Resolution Plan shall be 90 days from the date of approval by this Tribunal. The detailed timeline for the implementation of the plan is provided at **Section 8(2)** of the plan in compliance with **Section 30(2)(c) of the Code r/w Regulation 38(2)(a)** of the CIRP Regulations.

8. PUFE TRANSACTIONS

8.1 As far as the Preferential, Undervalued, Fraudulent, and Extortionate (hereinafter referred to as “PUFE”) transactions are concerned, there is no application filed or pending before this Tribunal as on the date of filing the present Application for approval of Resolution Plan. Further, there are no such transactions identified or reported during the CIRP of the Corporate Debtor.

8.2 However, as per **Section 5(C)(xvii) and 5(E)(vi)** of the Resolution Plan in compliance with Regulation Compliance under **Regulation 35A and Regulation 38(2)(d)** the proceeds realized from any litigation for preferential and undervalued transactions (i.e., assets of Corporate Debtor that have been sold before initiation of CIRP) will be to the benefit of Secured Financial creditors. If costs are incurred by the SRA in relation to the Avoidance Proceedings, the same shall be adjusted from the recoveries, and the net proceeds shall be passed on to the Secured Financial Creditors, who shall thereafter pursue such proceedings.

9. PERFORMANCE GUARANTEE

9.1 It is submitted that the SRA has furnished a performance bank guarantee of Rs. 24,60,000/- (Twenty-Four Lakhs Sixty Thousand Rupees) on 07.07.2025 in terms of **Regulation 36(B)(4A)** and the RP has affirmed the same to

satisfy regulation 39(4). This amount was in addition to earlier payments of Rs.5,00,000/- (Five Lakhs Rupees) received on 21.05.2025 and Rs.10,00,000 (Ten Lakhs Rupees) received on 08.05.2025 which were deposited as EMD along with the Resolution Plan. Accordingly, the total amount of performance security amounting to Rs.39,60,000/- (Thirty-Nine Lakhs Sixty Thousand Rupees) was deposited in favour of Guruanand Silk Mills Private Limited.

- 9.2 The SRA at **Section 4 of the plan** has stated that the Earnest Money Deposit of Rs. 5,00,000 paid at the time of submission of expression of interest and Earnest Money Deposit of Rs.10,00,000/- paid at the time of submission of the resolution plan shall be adjusted against the Performance Bank Guarantee, in the event of declaration of Resolution Applicant as the Successful Resolution Applicant.

10. RELIEFS AND CONCESSIONS

- 11.1 As per the Resolution Plan, the SRA seeks various reliefs and waivers to manage the affairs of the Corporate Debtor and ensure its running as a going concern. The SRA has sought various reliefs and concessions based on the clean slate concept laid down by the Hon'ble Supreme Court in various judgements, which are necessary to keep the Corporate Debtor as a going concern; release the Corporate Debtor from any and all liabilities/proceedings, disputes and noncompliance prior to the date of approval of the Plan by this Tribunal and extended period for renewal or revival of licences for running the business of the Corporate Debtor.
11. The SRA has submitted an Affidavit affirming that it is eligible to submit the Resolution Plan for the Corporate Debtor in terms of the provisions of Section

29A of the Code. It is stated that the Applicant has conducted due diligence in relation to the contents of the said Affidavit vis-à-vis the eligibility criteria laid down under Section 29A of the Code. Further, in compliance with the applicable provisions, the Applicant has filed Form-H, detailing the compliances under the Proposed Resolution Plan and outlining the key developments in the CIRP. Accordingly, the Applicant submits that the Resolution Plan proposed by the SRA is in conformity with the requirements of Section 30 of the Code and the relevant provisions of the CIRP Regulations. As the Resolution Plan has been duly approved by the CoC with 100% voting share, the same is placed before this Adjudicating Authority for its approval.

12. ANALYSIS AND FINDINGS

- 12.1 We have heard the Ld. Counsel for the Applicant and perused the Plan and related documents submitted along with the present Application.
- 12.2 No person has filed any application before this Tribunal objecting the eligibility of the SRA and upon perusal the documents annexed hereto with the application this Adjudicating Authority does not find the SRA ineligible u/s 29A.
- 12.3 It is now proposed to examine the Resolution Plan of the SRA as approved by the CoC. It is observed that the CoC has considered the feasibility and viability of the Plan and approved the same by 100% of the voting share of the Financial Creditors. The total Plan Amount as per Form H is **Rs.3.96 crores**. On careful perusal of Form H, it is noticed that the RP has certified that the Plan is in compliance with the requirements of Section 30(2) of the Code in so far as it provides for-

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- a) priority of payment of CIRP costs to the payment of other debts of the Corporate Debtor in a manner specified by the IBBI;
 - b) payment of debts of the Operational Creditors in compliance with Section 30(2)(b) of the Code;
 - c) the management of the affairs of the Corporate Debtor after approval of the Plan;
 - d) the implementation and supervision of the Plan;
 - e) the Plan not being in contravention of any of the provisions of law for the time being in force and
 - f) the Plan being in conformity with such other requirements as may be specified by the IBBI.

Paragraph vi of Chapter 4 of the Plan provides the financial proposal for payments including CIRP Costs which shall be borne by the SRA and paid in priority over all other debts of the Corporate Debtor. Further, the details regarding the regulatory fees payable to IBBI under **Regulation 31A of the CIRP Regulations** a regulatory fee at the rate of 0.25% of the realisable value to creditors under the approved Resolution Plan is payable to the Insolvency and Bankruptcy Board of India. Accordingly, the regulatory fee works out to the tune of Rs. 99,000/-, which is clarified by the SRA vide Additional Affidavit dated 05.06.2026.

- 12.4 The Applicant has undertaken that the Resolution Plan is in compliance with the provisions of all the laws for time being in force. Further, the Applicant has also submitted that the SRA is not disqualified under Section 29A of the Code.

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- 12.5 The Applicant has filed the Compliance Certificate in Form-H along with the Resolution Plan, which, upon examination, has been found to be in order. Upon careful perusal of the materials on record, we note that the plan duly complied with the requirements as required u/s 30 and allied regulations.
- 12.5.1 Section 30(1) r/w Regulation 35A- Recorded at **Para 5.2** of this Order.
- 12.5.2 Section 30(2)(a) - Recorded at **Para 6(2)(a) of this Order**
- 12.5.3 Section 30(2)(b) - Recorded at **Para 6(2-A) & 6(2)(h)** of this Order.
- 12.5.4 Section 30(2)(c) - Recorded at **Para 7.1 to 7.5 of this order**
- 12.5.5 Section 30(2)(d) – Recorded at **Paras 7.4 and 7.5.1** of this Order.
- 12.5.6 Section 30(2)(e)- Recorded at **Para 5.7 of this Order**
- 12.5.7 Section 30(2)(f) – Recorded at various paragraphs as stated hereinbelow.
- 12.5.8 Regulation- 35A- Recorded at **Para 8.2 of this order**
- 12.5.9 Regulation 38(1)(a)- Recorded at **Para 6(2-A)** of this Order.
- 12.5.10 Regulation 38(1)(b)- Recorded at **Para 6(2)(h)** of this Order.
- 12.5.11 Regulation 38(1A)- Recorded at **Para 6(1) of this order**
- 12.5.12 Regulations 38(1B), - Recorded at **Para 5.4 of this order**
- 12.5.13 Regulations 38(2)(a)- Recorded at **Para 7.5.1 of this order**
- 12.5.14 Regulation 38(2)(b)- Recorded at **Para 7.4 of this order**
- 12.5.15 Regulation 38(2)(c) - Recorded at **Para 7.6 of this order**
- 12.5.16 Regulation 38(2)(d)- Recorded at **Para 8.2 of this order**
- 12.5.17 Regulation 38(3)(a)- Recorded at **Para 5.4 of this order**
- 12.5.18 Regulation 38(3)(b)- The SRA in its plan as demonstrated the feasibility and viability of the plan and the same is affirmed by the CoC with 100% vote.

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- 12.5.19 Regulation 38(3)(c)- The Plan, as recorded summarily in the preceding paragraphs, makes a prima facie strong mechanism for its implementation, if executed both in letter and spirit.
- 12.5.20 Regulation 38(3)(d)- Recorded at **Para 5.5** of this Order
- 12.5.21 Regulation 38(3)(e)- Recorded at **Para 5.4** of this Order
- 12.5.22 Regulation 38(4)- Recorded at **Para 7.1** of this Order
- 12.5.23 Regulation 39(1)(a)- Recorded at **Para 5.2** of this Order.
- 12.5.24 Regulation 39(1)(c)- Recorded at **Para 5.6** of this Order
- 12.5.25 Regulation 39(4)- Recorded at **Para 9.1** of this Order
- 12.6 The Resolution Plan was approved by the Committee of Creditors (CoC) in its 06th meeting held on 30.06.2025, with unanimous approval (100% voting share). Hence, as per the CoC, the Resolution Plan meets the requirements of being viable and feasible for reviving the Corporate Debtor. The Plan provides for a detailed implementation schedule with specific timelines and the manner in which the management and supervision of the Corporate Debtor would be undertaken. Further, we note that no pending application exists before this Tribunal concerning preferential transactions under Section 43, undervalued transactions under Section 47, fraudulent transactions under Section 49, extortionate credit transactions under Section 50, or fraudulent trading or wrongful trading under Section 66 of the Code.
- 12.7 The Resolution Plan provides that the estimated CIRP Cost provided by the RP until 25.04.2025 is Rs.28,00,000/- and if it exceeds then the same shall be adjusted from the total amount being offered to Secured Financial Creditors. However, the Plan does not disclose the bifurcation of the said CIRP cost and

it remains unclear whether the regulatory fee payable under Regulation 31A of the CIRP Regulations is included within this amount. If the said Regulatory fee is not considered as part of the aforesaid CIRP Cost of Rs. 28,00,000/-, the SRA shall pay 0.25% of realisable value to the IBBI in accordance with the mandate of Regulation 31A of CIRP Regulations.

- 12.8 In *K Sashidhar Vs. Indian Overseas Bank and Ors.* (Civil Appeal No. 10673/2018), the Hon'ble Supreme Court held that if the committee of creditors approves a resolution plan by the requisite percentage of voting share under section 30(6), it is imperative for the resolution professional to submit the plan to the AA. The AA is then required to satisfy itself that the resolution plan, as approved by the CoC, meets the requirements specified in Section 30(2). The law is now settled that the role of the AA is no more and no less than the above. The role of the AA with respect to a resolution plan is limited to matters specified in Section 30(2) of the IBC. Further, the AA is not required to interfere with the commercial wisdom of the CoC.
- 12.9 Further, it is observed that the SRA has additionally sought certain reliefs, concessions, waivers, directions and specific orders as mentioned at clause 11 of the Plan. We make it categorically clear that **no** reliefs, concessions and dispensations that fall within the domain of other government department/authorities are granted hereto. The reliefs, concessions and dispensations that pertain to other governmental authorities/departments shall be dealt with by the respective competent authorities/fora/offices, Government (State or Central) with regard to respective reliefs, if any.

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- 12.10 It is observed that the Applicant had filed Interlocutory Application seeking extension of the CIRP period, IA No. 2614/2025 for a period of 90 days. This Bench, vide its Order dated 13.06.2025, allowed the said application and extended the CIRP period till 11.08.2025. The Resolution Plan was approved by the CoC on 30.06.2025, which was well within the outer limit of the CIRP period as extended, thereby making the CIRP compliant with the timelines.
- 12.11 In light of the above, for the effective implementation of the Resolution Plan, the SRA shall obtain all necessary approvals, as required under any applicable law, within such period as may be prescribed. Further, in terms of the judgment of the Hon'ble Supreme Court in *Ghanshyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited [Civil Appeal No. 8129 of 2019]*, we are of the opinion that, upon the approval of the Resolution Plan by this Tribunal, all claims not included in the Resolution Plan shall stand extinguished. No person shall be entitled to initiate or continue any proceedings in relation to claims that are not part of the approved Resolution Plan.
- 12.12 In view of the discussions above and the law as settled, we are of the considered view that the Resolution Plan meets the requirements set out under Section 30(2) of the Code and Regulations 37, 38, 38(1A), and 39(4) of the CIRP Regulations. We are satisfied that the Plan contains provisions for its effective implementation. Considering both the factual and legal aspects, we find that the present application deserves to be allowed.

ORDER

The **IA (I.B.C.) (Plan) No. 107 of 2025 in C.P.(IB) 1069 of 2023** is allowed and **the Resolution Plan submitted by ‘Siddhachal Fab Private Limited’** is hereby **approved** in terms of Section 31(1) of the Code.

- I. The Plan shall become effective from the date of this Order 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, such as, authorities to whom statutory dues is owed, guarantors and other stakeholders involved in the Plan. However, the approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/liabilities of the Corporate Debtor which shall be dealt with by appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan shall be subject to approval of concerned Authorities.
- II. Accordingly, no person or authority will be entitled to initiate or continue any proceedings with respect to a claim prior to the approval of the Plan which is not part of the Plan.
- III. The Corporate Debtor shall not be prosecuted for any offence committed prior to the commencement of CIRP in terms of Section 32A of the IBC.
- IV. Further, all such claims which are not a part of the Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings with respect to a claim which is not a part of the Resolution Plan.

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- V. The Monitoring Committee as proposed in the Plan shall be constituted to supervise and implement the Plan.
- VI. The Monitoring Committee shall in terms of Regulation 38(4)(d) of the CIRP regulations file Quarterly progress report regarding implementation of the Plan before this AA from time to time.
- VII. The moratorium declared under Section 14 of the Code shall cease to have effect on and from the date of this Order.
- VIII. The Applicant shall stand discharged from his duties with effect from the date of this Order. However, he shall perform his duties in terms of the Plan as approved by us.
- IX. The SRA shall have access to all the Corporate Debtor's records, documents, assets and premises with effect from the date of this Order.
- X. The Applicant is further directed to hand over all records, documents and properties of the Corporate Debtor to the SRA to enable it to carry on the business of the Corporate Debtor.
- XI. Liberty is granted to the parties for moving any application, if required, in connection with implementation of this Plan.
- XII. The Applicant shall forward all records relating to the conduct of the CIRP and the Plan to the IBBI along with a copy of this Order for information and record.
- XIII. The Applicant shall forthwith send a certified copy of this Order to the CoC and the SRA respectively for necessary compliance.
- XIV. The Registry is directed to send electronic version of the Order to all the concerned parties, including the IBBI for record.

XV. **I.A. (I.B.C) (Plan) No. 107/MB/2025 in C.P.(IB) No. 1069/MB/2023** is

ALLOWED & DISPOSED OF and the **Resolution Plan** is **APPROVED**. The

I.A. is disposed of in terms of the above directions.

Sd/-

BANWARI LAL MEENA
MEMBER (TECHNICAL)

//LRA-Mukund Mandrawaliya//

Sd/-

ASHISH KALIA
MEMBER (JUDICIAL)