



IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-I

IA(IBC)(Plan)/45/MB/2025 & IA
2316/2025

IN

CP (IB) No. 1318 of 2022

Under Section 30(6) read with Section
31(1) of the Insolvency and Bankruptcy
Code, 2016

In the matter of and in

IA(IBC)(Plan)/45/MB/2025

Mr. Ravi Sethia Resolution Professional
of Morarjee Textiles Limited

...Applicant

In the matter of and in IA 2316/2025

ACT Fininvest Ltd.

...Applicant

Versus

Mr. Ravi Sethia, Resolution Professional
of Morarjee Textiles Limited & Ors.

...Respondents

In the matter of

Axis Bank Limited

...Financial Creditor

Versus

Morarjee Textiles Limited

...Corporate Debtor





Order Delivered On : 11.05.2026

Coram:

Sh.Prabhat Kumar
Member (Technical)

Sh.Sushil Mahadeorao Kochey
Member (Judicial)

Appearances:

In IA(IBC)(Plan) 45/2025

For the Applicant : Sr. Adv. Mustafa Doctor a/w Adv. Akshay Petkar, Adv. Dhruvad Vaghani, Gayatri Mohite and Adv. Ashish Jha

In IA 2316/2025

For the Applicant : Adv. Rahul Sarda a/w Adv. Tanvi Nandgaonkar
For the Respondent : Sr. Adv. Mustafa Doctor a/w Adv. Akshay Petkar, Adv. Dhruvad Vaghani, Adv. Gayatri Mohite and Adv. Ashish Jha

ORDER

Per: Coram

Brief Background

1. The present Application is filed by **Mr. Ravi Sethia**, (“Applicant/Resolution Professional”) of **Morarjee Textiles Limited** (“Corporate Debtor”) under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 (“Code”) for seeking approval of the Resolution Plan dated 02.01.2025 r/w addendum dated 05.02.2025 and clarification dated 31.03.2025 (collectively referred to as “Resolution Plan”), submitted by Shrinivas Spintex Industries Private Limited (“Successful Resolution Applicant/SRA”) and for passing order/appropriate direction that this Tribunal may deem fit in the present matter. The Resolution Plan





has been approved by 75.61% in the 22nd CoC meeting held on 04.02.2025 and adjourned to 05.02.2025.

2. The Corporate Debtor is a Public Limited Company under the Companies Act, 1956 incorporated on 09.10.2013 bearing CIN L52322MH1995PLC090643. Its registered office is at 242, Floor-G-1, New Mahalaxmi Silk Mill, Harishchandra L Nagoankar Marg, Mathuradas Mills Compound, Lower Parel, Mumbai, Maharashtra-400013.
3. The Corporate Insolvency Resolution Process (“CIRP”) of the Corporate Debtor commenced upon admission of CP (IB) / 1318 (MB) 2022 filed under Section 7 of the Code by this Tribunal on 09.02.2024, wherein Mr. Ravi Sethia was appointed as the Interim Resolution Professional (“IRP”).
4. Pursuant thereto, the Applicant issued the public announcement in prescribed ‘Form A’ on 12.02.2024, in Financial Express (English & All India Edition) and Loksatta (Marathi & Maharashtra Edition) inviting claims from creditors. The Applicant, after verifying the claims of creditors received by him, constituted the Committee of Creditors (“CoC”) of the Corporate Debtor in accordance with Section 21 of the Code.
5. The first meeting of the Committee of Creditors (“CoC”) was convened on 13.03.2024. The CoC in its third meeting held on 15.05.2024 resolved to appoint the applicant as the Resolution Professional of the CD.
6. In furtherance of the CIRP, the Applicant published Form-G inviting Expressions of Interest on 01.05.2024 and subsequently published an amended Form-G on 23.05.2024 in Financial Express (English & All India Edition) and Loksatta (Marathi & Mumbai, Pune, Nashik & Nagpur Edition). Thereafter, the final list of Prospective Resolution Applicants (“PRAs”) was issued on 02.07.2024, comprising 33 PRAs. The Information Memorandum, Evaluation Matrix, and Request for Resolution Plan (“RFRP”) were issued to the PRAs on 02.07.2024. The





last date for submission of Resolution Plans was initially fixed as 19.07.2024 as per the amended Form-G. Upon multiple requests for extension of time received from the PRAs, and having regard to the level of interest demonstrated, the CoC resolved to extend the last date for submission of Resolution Plans to 27.08.2024.

7. Three PRAs, namely: (i) Dev Land & Housing Pvt. Ltd. ("DLH"); (ii) Nirmal Ujjwal Credit Co-operative Society Ltd. ("NUCCSL"); and (iii) Shrinivas Spintex Pvt. Ltd. ("SSPL"), submitted their respective Resolution Plans along with an Earnest Money Deposit ("EMD") of Rs. 5,00,00,000/- (Rupees Five Crores Only) each.
8. The said plans were opened and deliberated upon in the 7th CoC Meeting held on 29.08.2024. After detailed discussion on the commercial aspects of the Resolution Plans, the CoC granted time until 11.11.2024 for submission of revised plans. Within the said period, SSPL and NUCCSL duly submitted their revised Resolution Plans; DLH, however, communicated that its original offer be treated as its final offer and that it would not be submitting any revised plan. The revised plans were opened, discussed at length, and considered in the 13th CoC Meeting held on 12.11.2024.
9. NUCCSL *suo motu* submitted a further revised Resolution Plan on 30.11.2024. In accordance with Clause 1.6.2 of the RFRP, the CoC unanimously resolved to seek improved Resolution Plans from the other two PRAs and granted time until 02.01.2025 for submission thereof.
10. The Applicant, *vide* email dated 10.02.2025, communicated the disqualification of DLH and NUCCSL on the basis of the eligibility criteria under Section 29A of the Code. NUCCSL challenged its disqualification before this Tribunal; however, the said petition was dismissed. The dismissal was upheld by the Hon'ble NCLAT, and the





appeal preferred before the Hon'ble Supreme Court was subsequently dismissed as withdrawn.

11. In view of the foregoing, only one Resolution Plan, out of the three Resolution Plans submitted, was found to be in conformity with the provisions of the Code and the CIRP Regulations.
12. In the 22nd CoC Meeting of the Corporate Debtor held on 04.02.2025, adjourned to 05.02.2025, the Applicant apprised the CoC that the compliant Resolution Plan would be put to vote. The said Resolution Plan was approved with a voting share of 75.61% of the CoC, with the voting window remaining open from 06.02.2025 to 29.03.2025.
13. Consequent to the approval of the Resolution Plan by the CoC, the Applicant issued a Letter of Intent dated 09.04.2025 ("LoI") in favour of the Successful Resolution Applicant ("SRA"). The SRA accepted the LoI on 09.04.2025 in accordance with the RFRP, and furnished a Performance Security of Rs. 20,00,00,000/- (Rupees Twenty Crores Only) on 15.04.2025.
14. In view of the approval of the Resolution Plan by the CoC, the Applicant has filed the present Interlocutory Application seeking approval of the Resolution Plan submitted by Shriniwas Spintex Private Limited under the provisions of the Insolvency and Bankruptcy Code, 2016.

Objection to the approved Plan

15. ACT Finvest Ltd., an unsecured financial creditor of the Corporate Debtor and a member of the CoC, holding 16.79% voting rights, filed IA (IBC) No. 2316/2025. The Applicant alleges that the majority of the CoC has failed to adequately consider the interests of unsecured financial creditors in approving the Resolution Plan.
16. In support thereof, the Applicant submits that Section 30(2)(b) of the Code mandates that dissenting financial creditors must receive no less than the





amount payable to them under liquidation in terms of Section 53(1) of the Code. In the present case, against an admitted claim of approximately Rs. 128.46 Crores, the unsecured financial creditors have been collectively allocated a mere Rs. 39 Lakhs (approximately 0.07% of their admitted claims), which the Applicant contends falls far short of the liquidation value entitlement. The Applicant further submits that the Resolution Plan allocates approximately Rs. 130 Crores to secured creditors while providing only Rs. 39 Lakhs to unsecured financial creditors, which is grossly disproportionate and inequitable, and that the Plan fails to demonstrate, with adequate reasoning, that the interests of all stakeholders have been duly considered and balanced.

Limitation:

The 180-day CIRP period expired on 07.08.2024. The Applicant filed IA (IBC) 4540/2024 seeking a 90-day extension, which was allowed by this Tribunal vide order dated 03.10.2024, extending the CIRP period upto 05.11.2024. IA (IBC) 5993/2024 was thereafter filed seeking a further 60-day extension, which was allowed vide order dated 01.01.2025, extending the CIRP period upto 03.01.2025. IA (IBC) 898/2025 was subsequently filed seeking a 30-day extension, which was allowed vide order dated 09.02.2025, extending the CIRP period upto 02.02.2025. A 4th extension of 30 days was granted vide order dated 19.03.2025, extending the CIRP period upto 04.03.2025, and a 5th extension of 27 days was granted vide order dated 21.04.2025, extending the period upto 31.03.2025. By way of the 6th extension, this Tribunal vide order dated 29.05.2025 excluded the period from 12.03.2025 to 08.04.2025 (27 days) from the CIRP period, thereby extending the last date of CIRP upto 28.04.2025. The present Application has been filed on 19.04.2025, which





falls within the subsisting CIRP period, and accordingly, the Application is within the period of limitation.

Salient Features of the Resolution Plan

a. Financial Proposal:

(INR Cr)

Category of Creditors	Claims Submitted	Claims Admitted	Amount proposed to be paid on or before Effective Date	Amount proposed to be paid within 360 Business Days of the Effective Date	Total Resolution Amount
Unpaid CIRP cost	-	-	22.00	-	22.00
Secured Financial Creditors	637.17	625.02	24.02	106.00	130.02
Unsecured Financial Creditors	159.49	157.65	0.39	-	-
Operational Creditors	409.51	38.26	0.10	-	-
Employees & Workmen	5.49	3.31	3.32	-	-
Government & Statutory Authorities	95.91	68.28	0.17	-	-
Other creditors	-	-	-	-	-
Total	1,307.57	892.52	50.00	106.00	156.00

b. Sources of Funds:

It is submitted that the Resolution Amount shall be brought in by the Resolution Applicant through Inter-corporate Deposits, Unsecured Loans from friends and relatives, internal accruals, sale of immovable properties of directors and shareholders of applicant, obtaining Loan against properties by directors and shareholders of applicant and other Financial Institutions.

The Resolution Plan further provides for the constitution of a Implementation and Monitoring Committee to oversee and supervise the implementation of the Plan. The said Committee shall comprise the Applicant (Resolution Professional), one representative of the Resolution Applicant, and one nominee of the Secured Financial Creditor. The





management and control of the Corporate Debtor shall, upon approval of the Plan, vest in the Monitoring Committee, which shall monitor and facilitate the implementation of the approved Plan. Upon completion of the implementation and final payment of the last tranche, the Monitoring Committee shall stand dissolved, and the management of the Corporate Debtor shall be formally handed over to the Resolution Applicant.

Statutory Compliance:

17. In compliance of Section 30(2) of IBC, 2016, the Resolution Professional has examined the Resolution plan of the Successful Resolution Applicant and confirms that this Resolution Plan:
- a) Provides for payment of Insolvency Resolution Process cost in a manner specified by the Board in the priority to the payment of other debts of the corporate debtor;
 - b) Provides for payment of debts of Operational Creditor in such manner as may be specified by the board which shall not be less than
 - (i) the amount to be paid to such creditors in the event of liquidation of the Corporate Debtor under Section 53; or
 - (ii) the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with sub-section (1) of Section 53 in the event of liquidation of the corporate debtor.
 - c) Provides for management of the affairs of the Corporate Debtor after approval of Resolution Plan;
 - d) The implementation and supervision of Resolution Plan;
 - e) Does not contravene any of the provisions of the law for time being in force,





- f) Confirms to such other requirements as may be specified by the Board.
- g) As per the Affidavit, the Resolution Applicant is not covered under Section 29A.
18. In compliance of Regulation 38 of CIRP Regulations, the Resolution Professional confirms that the Resolution plan provides that -
- a) The amount due to the Operational Creditors under Resolution Plan shall be given priority in payment over Financial Creditors.
- b) It has dealt with the interest of all Stakeholders including Financial Creditors and Operational Creditors of the Corporate Debtor.
- c) A statement that neither the Resolution Applicants nor any related parties have failed to implement nor have contributed to the failure of implementation of any other Resolution Plan approved by the Adjudicating Authority in the past.
- d) The terms of the plan and its implementation schedule.
- e) The management and control of the business of the Corporate Debtor during its term.
- f) Adequate means of Supervising its implementation.
- g) The Resolution Plan Demonstrates that it addresses
- i. The cause of the Default
- ii. It is feasible and viable
- iii. Provision for effective implementation
- iv. Provisions for approvals required and the time lines for the same.
- v. Capability to Implement the Resolution Plan
19. The Resolution Professional has submitted Form-H under Regulation 39(4) of the CIRP Regulations to certify that the Resolution Plan as





approved by the CoC meets all the requirements of the IBC and its Regulations. The Resolution Applicant 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. The relevant parts of the Form H are reproduced below:

FORM H

1A. The details of the CIRP are as under:

Sl. No.	Particulars	Description										
1	Name of the CD	Morarjee Textiles Limited										
2	Date of Initiation of CIRP	9 th February 2024										
3	Date of Appointment of IRP	9 th February 2024										
4	Date of Publication of Public Announcement	12 th February 2024										
5	Date of Constitution of CoC	3 rd March 2024 (The RP reconstituted the CoC on 17 th June 2024, 22 nd July 2024, 17 th August 2024, 5 th September 2024 and 27 th September 2024.) <table border="1"> <thead> <tr> <th>I.A. Nos.</th> <th>Date of the Orders</th> </tr> </thead> <tbody> <tr> <td>I.A. No. 4221 of 2024</td> <td>18 September 2024</td> </tr> <tr> <td>I.A. No. 5113 of 2024</td> <td>28 October 2024</td> </tr> <tr> <td>I.A. No. 4764 of 2024</td> <td>11 October 2024</td> </tr> <tr> <td>I.A. No. 5052 of 2024</td> <td>23 October 2024</td> </tr> </tbody> </table>	I.A. Nos.	Date of the Orders	I.A. No. 4221 of 2024	18 September 2024	I.A. No. 5113 of 2024	28 October 2024	I.A. No. 4764 of 2024	11 October 2024	I.A. No. 5052 of 2024	23 October 2024
I.A. Nos.	Date of the Orders											
I.A. No. 4221 of 2024	18 September 2024											
I.A. No. 5113 of 2024	28 October 2024											
I.A. No. 4764 of 2024	11 October 2024											
I.A. No. 5052 of 2024	23 October 2024											
6	Date of First Meeting of CoC	13 th March 2024										
7	Date of Appointment of RP	15 th May 2024 (Third CoC meeting of the Corporate Debtor held on 15 th May 2024).										
8	Date of Appointment of Registered Valuers	<u>Appointment of Registered Valuer I</u> 6 th May 2024 – Gtech Valuers Private Limited <u>Appointment of Registered Valuer II</u> 15 th May 2024 – Adroit Appraisers and Research Private Limited										



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Sl. No.	Particulars	Description
9	Date of Issue of Invitation for EoI (In case of multiple issuance of EoI, please specify all such dates)	1 st May 2024 - Publication of Form G 23 rd May 2024 – Issuance of Addendum Form G
10	Date of Final List of Eligible Prospective Resolution Applicants	2 nd July 2024
11	Date of Invitation of Resolution Plan	2 nd July 2024
12	Last Date of Submission of Resolution Plan	<ul style="list-style-type: none"> 22 July 2024 - Date of submission of Resolution plan as per Form G 19 July 2024- Revised date of submission as per the amended Form G dated 23 May 2024. 20 August 2024-First extension granted on request of the PRAs for submission of the Resolution plan. 27 August 2024-Pursuant to the second extension granted on request of the PRAs for submission of the resolution plans, the RP received three resolution plans. 11 November 2024- Last date to submit revised resolution plans. 02 January 2025- Addendums to the resolution plans. 05 February 2025- Final addendum to the resolution plan, was received by the RP.
13	Date of placing the Resolution Plan before the CoC	<ul style="list-style-type: none"> On 5th February 2025, the Resolution Professional had circulated the minutes of the 22nd CoC meeting of the Corporate Debtor. In accordance with the provisions of the CIRP Regulations, the Resolution Professional opened the voting window from 6th February 2025 for a minimum period of 7 days, as extended from time to time for 24 hours as per the request of the members of the CoC. The voting lines were closed on 29th March 2025. <p>Note:- The Hon'ble NCLT in I.A. No. 880 of 2025 filed by one of the PRAs i.e., <i>Nirmal Ujjwal</i> vide its Order dated 12th March 2025 imposed a stay on issuance of Letter of Intent</p>



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Sl. No.	Particulars	Description
		<i>in favour of the SRA till the time the said IA was decided. By its Order dated 09 April 2025, the Hon'ble NCLT dismissed I.A. No. 880 of 2025 thereby vacating the stay.</i>
15	Date of Approval of Resolution Plan by CoC	29 th March 2025
16	Date of Filing of Resolution Plan with Adjudicating Authority	19 th April 2025
17	Date of Expiry of 180 days of CIRP	7 th August 2024
18	Date of each order extending/excluding the period of CIRP on request filed by RP	<p><u>1st Extension-</u> 5th November 2024</p> <p><i>(On 06 August 2024, the Resolution Professional filed I.A. No. 4540/2024 with Hon'ble NCLT Mumbai Bench seeking extension of CIRP period by 90 days which was allowed by the Hon'ble NCLT on 03 October 2024. The CIRP end date after the above 90 days extension was 05 November 2024.)</i></p> <p><u>2nd Extension-</u> 3rd January 2025</p> <p><i>(On 04 November 2024, the RP filed I.A. No. 5993/2024 with Hon'ble NCLT Mumbai Bench seeking further extension of 60 days i.e., to a maximum allowed period of 330 days of CIRP which was allowed by the Hon'ble NCLT vide order dated 1st January 2025. The CIRP end date after the further extension of 60 days was 03 January 2025.)</i></p> <p><u>3rd Extension-</u> 2nd February 2025</p> <p><i>(On 03 January 2025, the RP filed I.A. No. 898/2025 with Hon'ble NCLT Mumbai Bench seeking further extension of 30 days beyond 330 days which was allowed by the Hon'ble NCLT vide order dated 9th February 2025. The CIRP end date after the further extension of 30 days was 02 February 2025.)</i></p> <p><u>4th Extension-</u> 4th March 2025</p> <p><i>(On 01 February 2025, the Resolution Professional filed I.A. No. 1279/2025 with Hon'ble NCLT Mumbai bench seeking further extension of 30 days in the CIRP period. The same was allowed by Hon'ble NCLT vide Order dated 19th March 2025 and the CIRP end date was 04 March 2025)</i></p>



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Sl. No.	Particulars	Description
		<p><u>5th Extension- 31st March 2025</u></p> <p><i>*On 04 March 2025, the Resolution Professional has filed an application with the Hon'ble NCLT Mumbai seeking further extension of 27 days in the CIRP period till 31st March 2025. The same was allowed by Hon'ble NCLT vide Order dated 21st April 2025 and the CIRP end date was 31 March 2025.)</i></p> <p><u>6th Extension- 28th April 2025</u></p> <p><i>(the Tribunal vide order dated 29.05.2025 excluded the period from 12.03.2025 to 08.04.2025 (27 days) from the CIRP period, thereby extending the last date of CIRP upto 28.04.2025.)</i></p>
19	Date of Expiry of Extended Period of CIRP	28 th April 2025
20	Fair Value	<p><i>Average Fair Value *</i></p> <p>As per Regulation 35 of CIRP regulations, the fair value is INR 229,01,08,807 (Indian Rupees Two Hundred Twenty-Nine Crore One Lakh Eight Thousand Eight Hundred and Seven Only)</p>
21	Liquidation value	<p><i>Average Liquidation Value*</i></p> <p>As per Regulation 35 of CIRP regulations is INR 140,48,25,261 (Indian Rupees One Hundred and Forty Crores Forty-Eight Lakh Twenty Five Thousand Two Hundred and Sixty One Only).</p>
22	Number of Meetings of CoC held	24 (Twenty-Four)

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3. The details and documents related to the successful resolution applicant are as under:

Sl. No.	Particulars	Description
1	Name of Successful Resolution Applicant (SRA)	Shrinivas Spintex Industries Private Limited
2	Nature of Business of	Textile Manufacturing



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.	SRA	
3	Relationship status of SRA with CD, if any	Not Applicable
4	Whether SRA is eligible to submit plan u/s 240A of IBC in case of MSME CD	Not Applicable as Corporate Debtor is not a MSME
5	Due Diligence Certificate of the RP u/s 29A of IBC for the SRA (pls attach copy of certificate)	Yes

4. The details of CIRP, and resolution plan are as under:

Sl. No.	Particulars	Description															
1.	Whether Corporate Debtor is an MSME, if so, Date of obtaining MSME registration (pls attach copy of registration certificate)	Not Applicable															
2.	Business of the CD	Textile Manufacturing															
3.	Total admitted claims (Amount in Rs.)	INR 8,92,30,27,478															
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Description</th> <th>Principal</th> <th>Interest and Penalty, if any</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Corporate Guarantee Claims</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2</td> <td>Other than Corporate Guarantee Claims</td> <td>6,235,172,967</td> <td>2,690,539,957</td> <td>8,925,712,924</td> </tr> </tbody> </table>	Sl. No.	Description	Principal	Interest and Penalty, if any	Total	1	Corporate Guarantee Claims	-	-	-	2	Other than Corporate Guarantee Claims	6,235,172,967	2,690,539,957	8,925,712,924	<p>(INR Eight Hundred and Ninety Two Crores Thirty Lacs Twenty Seven Thousand Four Hundred and Seventy Eight Only)</p> <p>The claim is admitted before the issuance of RFRP consisting of all the creditors and further the RP has also preferred an application before the NCLT in accordance with Regulation 13 of the CIRP Regulations for claims received after issuance of RFRP for submission of claims along with condonation of the same.</p>
Sl. No.	Description	Principal	Interest and Penalty, if any	Total													
1	Corporate Guarantee Claims	-	-	-													
2	Other than Corporate Guarantee Claims	6,235,172,967	2,690,539,957	8,925,712,924													
4.	Resolution Plan Value (including insolvency resolution process cost, infusion of funds etc)	The Total Resolution Plan value is INR 156 crores. The breakup of same is provided below:															



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	<p><i>(In the case of real estate CDs, provide the monetary value of flats etc. given to allottees)</i></p> <p><i>(pls attach copy of Resolution plan)</i></p>	<ul style="list-style-type: none"> • INR 22 crores is towards payment of unpaid CIRP Costs. • INR 130.02 crores for Secured Financial Creditors. • INR 0.39 crores for Unsecured Financial Creditors. • INR 0.10 crores to Operational Creditors (other than Employees & Workmen). • INR 3.32 crores to Operational Creditors (Employees & Workmen) • INR 0.17 crores to Government & Statutory Authorities. • INR nil to Other Creditors. <p>In addition to the above, the Resolution Applicant has proposed to infuse INR 25 Crores as initial working capital (depending on the requirements of the company) out of which INR 9 Crores will be infused upfront as fresh equity.</p>
5.	<p>Voting percentage (%) of CoC in favour of Resolution Plan</p> <p><i>(pls attach copy of minutes approving resolution plan)</i></p>	75.61%

5. Details of implementation of resolution plan:

Sl. No.	Particulars	Description
1	Amount of Performance Guarantee furnished by SRA (in Rs.) and its validity (attach document)	BG No: 02020ILG000525 BG Amount: 20 Crores + EMD of 5 crores (as per the RFRP) Date of Issue of BG: 15 April 2025 Validity: 14 April 2026 Date of Issue of EMD: 27 August 2024
2	Source of funds (in brief)	As per clause 1.2(A) of Resolution Plan INR 156 crores will be thorough



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		<p><i>“Inter-corporate Deposits, Unsecured Loans from friends and relatives, internal accruals, sale of immovable properties of directors and shareholders of applicant, obtaining Loan against properties by directors and shareholders of applicant and other Financial Institutions who shall be Section 29A compliant.”</i></p>
3	<p>Capital restructuring and management of CD post approval of resolution plan (in brief including shareholding proposed to be transferred in favour of SRA)</p>	<p>As per Section VII of Resolution Plan:</p> <ul style="list-style-type: none"> All shareholding of shareholders, except those shares/securities held by the Promoter Group and Related Parties thereof (to the extent of 2,16,94,663 shares i.e. 59.71% of the existing shareholding), as on NCLT Approval Date, shall be reduced in the ratio of 1:30 i.e. 1 share for every 30 shares held by such shareholders. Any fractional shareholding shall be rounded off and no cash/ kind settlement shall be awarded for any shares. The Promoter Group and the Related Parties thereof, as a result of the Capital Reduction, shall cease to hold any shareholding of the Corporate Debtor, and its existing shareholding shall stand extinguished, without any further deed, action or payment, upon the approval of this Resolution Plan. Any permission, consent, or procedure, as may be required to be undertaken or procured, from any Government and Statutory Authority, towards successful implementation of this Resolution Plan, and the Capital Reduction described above, shall be granted by the relevant Government and Statutory Authority, forthwith, without imposition of any fees, penalty, or cost.
4	<p>Term and implementation of plan (in brief)</p>	<p>As per Section XIII of Resolution Plan:</p> <ul style="list-style-type: none"> The Implementation of the Resolution Plan shall commence from the receipt of certified copy of NCLT order approving the Resolution Plan. (“T”) <u>T days</u>- Formation and Appointment of Implementation and Monitoring Committee. <u>T+60 Days (Effective Date)</u>- Payment of Unpaid CIRP Cost and upfront amount to stakeholders. <u>T+360 Days (Completion Date)</u> - Full payment to all Stakeholders and complete implementation of Resolution Plan



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5	Details of monitoring committee (in brief)	<p>As per Section XI of Resolution Plan:</p> <ul style="list-style-type: none"> The Implementation and Monitoring Committee (IMC) shall comprise of the Resolution Professional, one nominee of the Resolution Applicant and one nominee of the Secured Financial Creditors IMC shall function from NCLT approval date till Completion date. Any costs relating to appointments of the IMC and the operation of the Corporate Debtor as a going concern and any legal fees in respect thereof during the period from the NCLT approval Date till the Completion Date (Interim Management Costs) shall be decided by majority vote of the IMC members. The IMC costs shall be paid from the cash flows of the corporate debtors and if cash flows are insufficient, then the shortfall, if any, shall be paid out by the Resolution Applicant.
6	Effective date of resolution plan implementation	<p>As per Section XIII of Resolution Plan:</p> <ul style="list-style-type: none"> The Implementation of the Resolution Plan shall commence from the receipt of certified copy of NCLT order approving the Resolution Plan. ("T") <u>T days</u>- Formation and Appointment of Implementation and Monitoring Committee. <u>T+60 Days (Effective Date)</u>- Payment of Unpaid CIRP Cost and upfront amount to stakeholders. <u>T+360 Days (Completion Date)</u>- Full payment to all Stakeholders and complete implementation of Resolution Plan.

6. The list of financial creditors of the CD being members of the CoC and distribution of voting share among them is as under:

Sl. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for / Dissented / Abstained)
1	Indian Bank	30.37%	Assented
2	Axis Bank Limited	30.10%	Assented
3	ACT Fininvest Limited	16.79%	Dissented



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4	ICICI Bank Limited	6.73%	Assented
5	Tata Capital Limited	5.40%	Assented
6	Kotak Mahindra Bank Limited	3.57%	Dissented
7	Asset Reconstruction Company (India) Ltd (ARCIL)	3.01%	Assented
8	IDBI Bank Ltd	2.55%	Not Voted
9	Renato Finance & Investment Pvt. Ltd.	0.93%	Dissented
10	Myra Mall Management Company Pvt. Ltd.	0.56%	Dissented

7A. Realisable amount:

Sl. No.	Particulars	Description
1	Total Realisable amount under the plan (In case of real estate CDs, provide the monetary value of flats etc. given to allottees)	INR 156,00,00,000
2	Fair Value	Average Fair Value As per Regulation 35 of CIRP Regulations, fair value is INR 229,01,08,807/- (Rupees Two Hundred Twenty-Nine Crores One Lakh Eight Thousand Eight Hundred and Seven Only).
3	Liquidation Value	Average Liquidation Value As per Regulation 35 of CIRP Regulations, liquidation value is INR 1,40,48,25,261/- (Rupees One Hundred and Forty Crores Forty-Eight Lakh Twenty Five Thousand Two Hundred and Sixty One Only).
4	Percentage (%) of realisable amount to Fair Value	68.12%
5	Percentage (%) of realisable amount to Liquidation Value	111.05%
6	Percentage (%) of realisable amount to Principal amount	25.03%



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7	Percentage (%) of realisable amount to Total admitted claims	17.48%
8	Percentage (%) of realisable amount to Other than admitted Corporate Guarantee claims	17.48%

7B. Details of Realisable amount:

Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed	Amount Admitted	Realisable amount under the plan	Amount realizable in plan to amount claimed (%)	
Secured Financial Creditors					
- Creditors not having a right to vote under sub-section (2) of section 21	-	-	-	-	
- Dissenting	INR 467,752,986	INR 467,752,986	INR 8,392,415	1.79%	60 days in priority to Assenting FCs from the NCLT Approval Date
- Assenting	INR 5,903,952,911	INR 5,782,541,914	INR 1,089,653,076	18.46%	Upfront Payment – 60 days from the NCLT Approval Date Deferred Payment – 360 days from the NCLT



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Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed	Amount Admitted	Realisable amount under the plan	Amount realizable in plan to amount claimed (%)	
					Approval Date
Unsecured Financial Creditors					
-Creditors not having a right to vote under sub-section (2) of section 21	INR 196,186,972	INR 177,839,760	-	-	
- Dissenting	INR 1,398,759,129	INR 1,398,759,129	INR 3,900,000	0.07%	60 days in priority to Assenting FCs from NCLT Approval Date
- Assenting	-	-	-	-	
Operational Creditors					
(i) Government	INR 959,130,005	INR 682,881,573	INR 1,700,000	0.17%	60 days in priority to Assenting FCs from NCLT Approval Date
(ii) Workmen	INR 3,387,207	INR 2,000,262	INR 33,200,000	60.34%	60 days in priority to Assenting FCs from
- PF dues					
- Other dues					





Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed	Amount Admitted	Realisable amount under the plan	Amount realizable in plan to amount claimed (%)	
(iii)Employees - PF dues Other dues	INR 51,625,689	INR 31,254,163			NCLT Approval Date 60 days in priority to Assenting FCs from NCLT Approval Date
(iv)Other Operational creditors	INR 4,203,563,326	INR 382,683,137	INR 1,000,000	0.02%	60 days in priority to Assenting FCs from NCLT Approval Date
Other Debts and Dues	-	-	-	-	-
Shareholders	-	-	-	-	-
Total	INR 13,184,358,225	INR 8,925,712,924	INR 1,134,929,000	8.61%	

Findings and Analysis:

20. On perusal of the Resolution Plan, we find that the Resolution Plan provides for the following:

- Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
- Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.
- For management of the affairs of the Corporate Debtor, after the approval of Resolution Plan, as specified u/s 30(2)(c) of the Code.





- d) The implementation and supervision of Resolution Plan by the RP and the CoC as specified u/s 30(2)(d) of the Code.
21. The RP has complied with the requirement of the Code in terms of Section 30(2)(a) to 30(2)(f) and Regulations 38(1), 38(1)(a), 38(2)(a), 38(2)(b), 38(2)(c) & 38(3) of the CIRP Regulations.
22. The RP has filed Compliance Certificate in Form-H along with the Resolution Plan. On perusal, the same is found to be in order. The Resolution Plan has been approved by the CoC by majority of 75.61%.
23. With respect to IA (I.B.C.) 2316/2025, it is noted that the applicant is alleging discrimination on the ground that unsecured financial creditors, though falling with the class of financial creditors, are not proposed to be paid in parity with the secured financial creditors, and are being paid miniscule of what is proposed to be paid to the secured financial creditors, who also falls within the class of financial creditors, as the applicant along with other unsecured financial creditors do. It is noted that the average liquidation value of the corporate debtor was determined by the Registered valuers engaged by the applicant as Rs. 140.48 crores and its average fair value was Rs. 229.29 crores. The admitted claims of the secured financial creditors amount to Rs. 625.03 crores, and the admitted claims of the unsecured financial creditors amounts to Rs. 157.66 crores. It is evident from these facts that the average liquidation value of corporate debtor is less than the amount of admitted claims of secured financial creditors. In terms of section 53 of IBC, the CIRP costs and the amounts due to secured financial creditors are to be paid in priority over the unsecured financial creditors, hence the liquidation value qua unsecured financial creditors is NIL.





24. It is trite that the secured financial creditors and unsecured financial creditors, though falling with the same class, constitute a separate sub-class within the class of financial creditors, and the differentiation between the sub-classes of a class in respect of amounts proposed to be paid is permissible, provided the persons falling the sub-class are treated similarly and are paid a value equivalent to the liquidation value, which shall be available for settlement of claims falling under each of sub-class. Accordingly, we do not find any merit in the prayer of the applicant in IA (IBC) 2316 of 2025.
25. It is noteworthy that the CoC of the Corporate Debtor approved the Resolution Plan submitted by the Successful Resolution Applicant u/s 30(4) of the Code. The Resolution Professional also submits confirmation of Resolution Plan with the Code and CIRP Regulation. Therefore, it is noted that keeping in view the object of the Code, and the judgement of the Hon'ble Supreme Court in the case of *K. Sashidhar* (supra), wherein it has been held that once the CoC has approved a Resolution Plan by the requisite voting share, it becomes imperative for the Resolution Professional, in terms of Section 30(6) of the Code, to submit the same to the Adjudicating Authority. The Adjudicating Authority is thereupon required to satisfy itself that the Resolution Plan, as approved by the CoC, complies with the requirements of Section 30(2) of the Code.
26. In Section 'X' of the Resolution Plan, the SRA has sought the waivers/ reliefs/concessions. The stated effect of the Resolution Plan and reliefs & concessions as prayed for shall be available in accordance with the principle laid down by Hon'ble Supreme Court in case of *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited* {(2021) 13 S.C.R





737} & Municipal Corporation of Greater Mumbai vs. Abhilash Lal and Ors. (2019) ibclaw.in 480 NCLAT. Further, it is clarified and ordered that -

- a. Any increase in the authorized capital shall be subject to payment of prescribed fee, if any applicable, and filing of prescribed forms with the Registrar of Companies.
- b. The Income Tax Department shall be at liberty to examine the tax implications arising from the proposals contained in the plan, in terms of Section 2(24), Section 28 and Section 56 of the Income Tax Act, 1961 read with GAAR provisions thereunder.
- c. The Applicant shall file necessary forms and pay prescribed fees, if any, in terms of provisions of the Companies Act, 2013 in relation to reduction in capital and issuance of fresh capital, however, the Registrar of Companies shall waive the additional fees, if any, payable on such filing.
- d. The SRA may approach prescribed authorities for waiver/reduction in fees, charges, stamp duty, and registration fees, if any arising from actions contemplated under the Resolution Plan and such request shall be subject to the relevant law/statute and adherence to the procedure prescribed thereunder.
- e. The SRA may file appropriate application, if required, for renewal of all Business Permits, rights, entitlements, benefits, subsidies and privileges whether under applicable Law, contract, lease or license granted in favour of the Corporate Applicant or to which the Corporate Applicant is entitled to or accustomed to, which have expired on the Effective Date, and follow the dues procedure prescribed for the purpose upon payment of prescribed fees. The contract with third parties shall be subject



to consent of such parties. It is clarified that continuance of approvals shall not be refused on account of extinguishment of any dues under Code and extension or renewal thereof shall not be denied on account of past insolvency of the Corporate Applicant. No action shall lie against the Corporate Applicant for any non-compliances arising prior to the date of approval of Resolution Plan, however, such non-compliances shall be cured, if necessitated to keep the approval in force, after acquisition by the Corporate Applicant within period stipulated in the Resolution Plan.

- f. The secured and unsecured Financial Creditors shall upgrade the Account of the Corporate Debtor with Banks/Financial Institutions under the CIBIL Mechanism to “Standard Category” from NPA on the Completion Date, to the extent CIBIL Mechanism system allows. The Financial Creditors shall release all the charges on all assets of the Corporate Debtor (wherever registered) after the receipt of entire resolution amount.
- g. No orders levying any tax, demand of interest/fine or penalty from the Corporate Applicant in relation to period up to approval of the Resolution Plan shall be passed by any authority and such demand, if created, shall not be enforceable as having extinguished in terms of approved Resolution Plan.
- h. The carry forward of losses and unabsorbed depreciation shall be available in accordance with the provisions of Income Tax Act, and the Income Tax Department shall be at liberty to examine the same.
- i. An application for compounding/condoning shall be filed in accordance with the procedure specified in respective law or concerned authority, however, no fine or penalty shall be





imposed for non-compliances till the date of approval of this Plan or such further period as is permitted in terms of this Order.

- j. ROC shall update the records and reflect the Corporate Applicant as 'Active' upon filing of pending returns/forms after payment of normal fees (not additional fee). In case such filing is not permitted by the e-filing portal, the ROC shall accept such forms/returns in physical format and manage to upload the same by back-end. The Corporate Applicant shall be exempted from using the words "and reduced".
- k. The Compliances under the applicable law for all the statutory appointments by the Corporate Applicant shall be completed within 12 months, whereafter, the necessary consequence under respective law may follow.
- l. The Resolution Applicant, the Corporate Debtor and the assets of the Corporate Debtor forming part of Resolution plan shall have immunity, privileges and protection as is available in the form and manner stated in Section 32A of the Insolvency and Bankruptcy Code, 2016.
- m. Continuation of term of leasehold rights awarded by Maharashtra Industrial Development Corporation ("MIDC") on land situated at Plot G1 -G2, Butibori Industrial Estate, Nagpur, Maharashtra vide agreement dated 23 November 1995 and dated 11 March 1996 for two plots - Plot no. G1 (49.75 acres) & Plot no G2 (39.53 acres). Total area of land being 89.28 acres -MIDC shall allow the corporate debtor under new management to continue existing lease agreement till its expiry by taking on record the names of new shareholders and directors of the Corporate Debtor, wherein such continuation of lease shall not be subject to payment of any additional approvals fee, charges,



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fines, penalties etc. on account of change/modification of the shareholding and directorship of the corporate debtor or otherwise. Any pending dues/fines/penalties/fees towards supply of water to the Corporate Debtor shall be waived off entirely and the water connection shall resume on the NCLT approval date. All applicable/ statutory dues/ charges/ tees/ fines and penalties till the completion date of Resolution Plan payable to MIDC shall be waived entirely.

- n. MSEDCL shall reconnect/restore the electricity connection as per agreement no. 430019004052 for operation of the units without payment of any penalties for non-payment of charges prior to date of payment of entire resolution amount.
- o. The relief, concession or waiver contemplated in the approved Resolution Plan under any of its section shall be available to the Corporate Debtor only and such relief, concession or waiver shall not extend to its subsidiaries, joint-ventures or associates/affiliates, who have not been subjected to resolution in the present CIRP process of Corporate Debtor. However, it is clarified that no claim or action shall lie against the Corporate Debtor in relation to any financial or any kind of obligation of subsidiaries, joint-ventures or associates/affiliates, whether past or arising in future.
- p. It is clarified that any relief, concession or waiver, not specifically dealt with in Paras (a) to (o) above, or not permissible in terms of decision in case of *Ghanshyam Mishra (supra)* and *Abhilash Lal (Supra)* or specific provisions of the Code read with the Regulations, shall be deemed to be denied or rejected.





27. In *K Sashidhar v. Indian Overseas Bank & Others* (in Civil Appeal No.10673/2018 decided on 05.02.2019) the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per Section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2) of the Code. The Hon'ble Apex Court further observed that the role of the NCLT is 'no more and no less'. The Hon'ble Apex Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 of the Code and is 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) of the Code when the Resolution Plan does not conform to the stated requirements.
28. The jurisdiction and authority of this Tribunal in such matters is, as held by the Hon'ble Supreme Court, 'no more, no less', circumscribed by Section 31 of the Code and limited to a scrutiny of the Resolution Plan as approved by the CoC.
29. In view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38 and 38 (1A) of the CIRP Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The same deserves to be approved. Hence, ordered.





Order:

30. The Resolution Plan is hereby **approved**. It shall become effective from this date and shall form part of this order with the following directions:

- i. It shall be binding on the Corporate Applicant, 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.
- ii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/liabilities of the Corporate Applicant 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 in light of the Judgment of Supreme Court in ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited***, the relevant paragraphs of which are extracted herein below:

“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.”

- iii. The Memorandum of Association (“MoA”) and Articles of Association (“AoA”) shall accordingly be amended and filed with the Registrar of Companies (“RoC”), Mumbai, Maharashtra for information and record.
- iv. The Successful Resolution Applicant, for effective implementation of the Resolution Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed. It is clarified that the authorities shall not withhold the approval/consent/extension for the reason of insolvency of the Corporate Applicant or extinguishment of their dues upto approval of Resolution plan in terms of the approved plan. Any relief or concession as sought on the plan shall be subject to the provisions of the relevant Act.
- v. The moratorium under Section 14 of the Code shall cease to have effect from this date.





- vi. The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.
- vii. 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.
- viii. The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.
31. Accordingly, I.A. No. 2316 of 2025 is dismissed.

Sd/-
Prabhat Kumar
Member (Technical)

Sd/-
Sushil Mahadeorao Kochey
Member (Judicial)

/AJ/



Certified True Copy
Copy Issued "free of cost"
On 13.05.26

Prabhat
13.05.26
Deputy Registrar
National Company Law Tribunal Mumbai Bench