IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.304

IA(Plan)/36(AHM)2024 in CP(IB)/314(AHM)2022

Proceedings under Section 30(6) of the IBC,2016

IN THE MATTER OF:

Vinod Tarachand Agarwal RP of Sunrise Ginning Private Limited ....**Applicant**

V/s

Mr.Harsukhbhai Parbatbhai Lakkad & Others ....**Respondent**

Order delivered on: 16/10/2025

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed before pronouncement of order.

The order is pronounced in open court vide separate sheet.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH (COURT-II)

IA (Plan) No. 36 of 2024
IN
CP (IB) No. 314 of 2022

[Under Section 30(6) of the Insolvency & Bankruptcy Code, 2016]

Vinod Tarachand Agarwal
RP of Sunrise Ginning Private Limited
Having office at:
204 Wall Street - 1,
Near Gujarat College, Ellis Bridge
Ahmedabad 380006 **... Applicant**

Versus

1. Mr. Harsukhbhai Parbatbhai Lakkad
(Member of suspended board)
Having Address at:
Ashutosh Apartment, Gitanagar -1,
Rajkot, Gujarat - 360002

2. Pradipkumar Govindbhai Lakkad
(Member of suspended board)
Having Address at:
Mavji Jina Society, Manavadar,
Junagadh, Gujarat - 362630

3. Bank of Baroda
Member of Committee of Creditors
Having address at:
1st floor. Kamdenu Complex,
Pinjrapole Cross road,
Ambawadi, Ahmedabad-380015

4. Vimal Exports
Member of Committee of Creditors

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Having address at:
Hirapura vadi, Main Road,
Opp. Girikundra House
Jetpur Dhoraji-360410

Sumit Cotton Co.
(Successful Resolution Applicant)
Having address at:
Mavji Jina, Anand Park society
Manadavar, Gujarat-362630

Income Tax Department
Through Commissioner/Principal Commissioner
Having address at:
IT-Office, New Aayakar Bhawan,
Vatiaka, Rajkot ... **Respondents**

IN THE MATTER OF:

Shrinathji Spintex Pvt Ltd ... **Financial Creditor**

Versus

Sunrise Ginning Pvt. Limited ... **Corporate Debtor**

Order pronounced on 16.10.2025

Coram:

MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

MR. VELAMUR G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)

Appearance:

For the Applicant : Mr. Nipun Singhvi, Adv. a.w.
Ms. Pragati Tiwari, Adv.

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For Respondent no.5 : Mr. Monaal Davawala, Adv.
For State Tax Officer : Ms. Ritu Guru, Adv.

JUDGMENT

1. The present application has been filed under Section 30(6) of the Insolvency & Bankruptcy Code, 2016 ("IBC, 2016/the Code") by the Resolution Professional of the corporate debtor inter alia seeking following prayer:

   a) be pleased to approve the Resolution Plan under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 submitted by Nileshbhai Manilal Shingala & Maltiben Nileshbhai Shingala (Sumit Cotton Co.), the successful Resolution Applicant and be further pleased to order and declare that such an approved Resolution Plan is binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, the State Government, the Local Authority and other authorities, the guarantors and all other stakeholders involved in the Resolution Plan;

2. The Operational Creditor had filed an insolvency application under Section 9 of the Code for initiation of Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor which was admitted vide Order dated 20.07.2023 and whereby Mr. Vinod Tarachand Agarwal was appointed as IRP.

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The public announcement inviting claims from creditors of the Corporate Debtor was made in Form-A on 24.07.2023 wherein the last date for submission of claims was 04.08.2023.

3. It is stated that after receiving the claims, the IRP collated the claims and constituted the Committee of Creditors ("CoC") on 11.08.2023 consisting of sole financial creditor i.e. Bank of Baroda. Subsequently, the IRP had received one more claim after constituting the CoC hence the IRP had filed the report of re-constitution of committee of creditor on 23.12.2023. Apart from claims form the financial creditors, certain claims were also received from the operational creditors. The CoC comprised of the BOB being the sole Financial Creditors along with their respective voting shares:

Sr. no.	Name of Financial Creditors	Nature of claim	Amount Claimed	Amount Admitted	Voting Share
1.	Bank of Baroda	Secured	31,40,46,567	31,40,46,567	99.921 %
2.	Vimal Exports	Secured - Operational	2,47,497.67	2,47,497.67	0.079 %
Total			31,42,94,065	31,42,94,065	100%

4. The 1st CoC meeting was held on 19.08.2023, wherein it was discussed to appoint the IRP as the Resolution Professional. It

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was informed by the RP that the CD was a going concern. Accordingly, after requisite voting, Mr. Vinod Tarachand Agarwal was appointed as the Resolution Professional. Also the CoC was informed about assets/machineries available at the premises of the Corporate Debtor which was running as a going concern entity. The RP also filed an application under Sec 19 of IBC 2016 against suspended management for non cooperation.

5. On 15.09.2023, the applicant published Form-G in two newspapers for inviting Expression of Interest (EoI's) for submission of Resolution Plan. The 2nd CoC meeting was held on 10.10.2023, wherein it was discussed regarding the issuance of Form G in newspapers inviting Expression of Interests ('EOI') and RP received twelve (12) enquiries from various persons and amongst them, one (namely Sumeet Cotton Co.) had submitted Expression of Interest. RP apprised CoC members that PRA list will be issued in accordance with the amended regulations.

6. During the 3rd CoC meeting dated 04.11.2023, the RP apprised the CoC members that on account of issuance of Form G one

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EOI (Expression of Interest) was received from Nileshbhai Manilal Shingala & Maltiben Nileshbhai Shingala (Sumit Cotton Co.) RP further informed that copy of resolution plans will be shared after confirming that Resolution Plans are as per the requirement specified in the Request for Resolution Plan ('RFRP') and the IB Code, 2016. The 4th CoC meeting was held on 26.12.2023, and the RP apprised the CoC members about plan and discussed terms of the plan and implementation clauses along with it background and financial position of resolution applicant and the amount they are offering to various stakeholders. The CoC requested the Resolution Applicant to consider certain modification for which the Resolution Applicant sought time for 8-10 days for the same.

7. During the 5th CoC meeting dated 10.01.2024, it was resolved to file an application for extension of CIRP period, which was allowed by this Tribunal. The 6th CoC meeting was held on 06.02.2024, wherein the Resolution Plan submitted by RA was discussed and COC suggested financial revision and technical revision on submitted resolution plan. RA requested for further

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5 days for revision in plan. It was also resolved to seek extension of CIRP period which was allowed by this Tribunal.

8. The 7th CoC meeting was held on 27.02.2024, wherein the updated Resolution Plan was discussed with Financial Creditor proposed and RP sought authorization for approval of the plan or to file application for approval liquidation of the CD as the Plan on outcome of voting by COC. The Resolution Plan was rejected by the CoC with 99.921% of voting and the COC recommended the CD be put in to liquidation under Sec 33(2) of the IBC 2016.

9. On 05.04.2024, the RP filed Liquidation Application bearing IA (Liquidation) 8 of 2024 before this Tribunal. The RP also convened the 9th CoC meeting that was held on 12.04.2024, wherein the applicant apprised the CoC members on filing of liquidation application and discussed the email received from PRA to reconsider the improved resolution plan. CoC decided to take legal opinion as liquidation application was already filed.

10. The RP again conducted the 10th COC on 01.05.2024, wherein the applicant apprised the CoC members on the revised offer

received from PRA vide email dated 19.04.2024. It was also apprised that PRA Sumit Cotton Co. filed an application bearing IA no. 733 of 2024 seeking stay of liquidation application and re-consideration of their revised plan.

11. The RP again conducted another COC meeting (when the liquidation application was pending) and in the 11th CoC meeting dated 24.05.2024, CoC discussed the improved resolution plan with representative of PRA in the meeting and upon due diligence, COC suggested changes to which PRA requested time to propose final resolution plan.

12. Meanwhile the RP has submitted that the PRA Sumeet Cotton filed an application for rejection of the liquidation application and consideration of their revised plan and the hearing was on 4.6.2024 and time was granted for consideration of one more month to consider the revised plan submitted by Sumeet Cotton.

13. The RP submitted that in the he informed in the 12th COC meeting held on 11.06.2024 that he has received final resolution plan from the PRA "Nileshbhai Manilal Shingala &

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Maltiben Nileshbhai Shingala (Sumit Cotton Co.)" and the plans were circulated among the COC members. It was also informed that the liquidation application was pending for adjudication before this Authority.

14. After finding the plan of the Resolution Applicants to be appropriate, feasible & viable, the Plan was approved by the CoC with 100% voting right and it was resolved to file application for approval of resolution plan before this Tribunal. This authority on the affidavit filed by the RP that the plan was approved, vide order dated 8.07.2024 allowed the withdrawal of the application for liquidation filed by the RP and also disposed of the IA filed by the PRA for reconsideration of its improved plan as infructuous.

15. It is submitted by applicant that after detailed deliberations the plan submitted by the PRA Nileshbhai Manilal Singhala and Maltibhen Nileshbhai Singhala was approved by COC and the letter of intent was issued on 17.07.2024 and the PRA has already paid Rs.36,60,000/-. The key features of the resolution plan and the amount provided for stakeholders under the plan are summarized as follows:

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Sl. No	Category of Stakeholder	Sub-Category of Stakeholder	Amount Admitted	Amount Provided under the Plan	Amount Provided to the Amount Claimed (%)
1.	Secured Financial Creditors	(a) Creditors not having a right to vote under subsection (2) of section 21	NA	NA	NA
		(b) Other than (a) above: (i) who did not vote in favor of the resolution Plan (ii) who voted in favour of the resolution plan	NA 31,40,46,567	NA 3,54,71,955	NA 11.30%
		Total[(a) + (b)]	31,40,46,567	3,54,71,955	11.30%
2.	Unsecured Financial Creditors	(a) Creditors not having a right to vote under subsection (2) of section 21	NA	NA	NA
		(b) Other than (a) above: (i) who did not vote in favour of the resolution Plan (ii) who voted in favour of the resolution plan	NA 2,47,498	NA 28,045	NA 11.30%
		Total[(a) + (b)]	2,47,498	28,045	11.30%
3.	Operational Creditors	(a) Related Party of Corporate Debtor	NA	NA	NA

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		(b) Other than (a) above: (i) Government (ii) Workmen (iii) Employees (iv) Other Operational Creditors - Shreenathji Spintx Private Limited - Girraj Industries	3,84,70,060 NA NA 8,46,01,676 11,45,274	31,141.53 NA NA 68,485.10 373.37	0.08% NA NA 0.08% 0.08%
		Total[(a) + (b)]	12,35,32,970	1,00,000	0.08%
4.	Other debts and dues		NA	NA	NA
		Grand Total	43,78,27,035 (Rs 43.78 cr)	3,66,00,000 (Rs 3.66 cr)	

The SRA has also proposed to infuse fresh equity of Rs.15,00,000/- from its own sources. The existing equity stands extinguished. The net worth of both the PRAs jointly is mentioned to be Rs.1.28 crores. The RP has submitted that the Sec 29 A compliance of IBC 2016 has been obtained and the plan confirms with 30(2) of the code and regulation 38 (IA) of the IBBI Regulations 2016 and the COC has approved it in terms of Sec 30(4) of the Code.

16. The applicant has filed an affidavit on 07.10.2025 and by way of the same, the applicant has produced minutes of 22nd CoC meeting held on 26.09.2025. As per said minutes, the Financial

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Creditor – BOB filed an appeal against the order declaring the sales tax dues as having secured status. They have requested either to keep the plan in abeyance pending appeal or to proceed with the plan by keeping disputed amount in escrow account. In compliance of order dated 08.10.2025, the state tax department has filed its affidavit on 09.10.2025 and stated that the plan application to be kept in abeyance till decision in pending appeal.

17. As per Section XI of the Resolution Plan, the monitoring committee shall comprise of one member of the Resolution Applicant, one member of the Secured Financial Creditors and the Resolution Professional. The Resolution Professional shall continue as the monitoring professional.

18. The applicant stated that the Resolution Plan of Successful Resolution Applicant is in compliance of Section 30(2) of the Code and Regulation 38 (1A) of the CIRP Regulations. The applicant has also produced a due diligence report in respect of various compliances regarding resolution plan. The applicant further submitted undertaking qua Section 29A among others. The applicant has also verified the eligibility of the resolution

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applicant in terms of Section 29A. The applicant has already received EMD alongwith the EOI. After the approval of plan by the CoC, letter of intent was issued to the successful resolution applicant on 17.07.2024 against which RA has already paid Rs. 36,60,000/- towards performance security in addition to EMD.

19. As per Clause 1.2 of Section IV of the Resolution Plan, the Resolution Applicant proposed to fund the plan from their (Nileshbhai Manilal Shingala & Maltiben Nileshbhai Shingala) combined Net Worth of Rs 1.28 crore and RA shall infuse funds from own reserve and the RA is confident to raise funds while maintaining debt-equity ratio. The applicant has also made a declaration regarding the feasibility and the viability of the plan. The Resolution Applicant has made a statement in relation to how the Resolution Plan has dealt with interests of all stakeholders, including financial and operational creditors of the Company. Further, the cause of default has also been addressed.

20. The applicant has produced Form H on record. As per the recitals, the fair value is Rs. 5,14,42,500/- and liquidation value is Rs. 3,42,69,750/-. There are no pending applications

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filed under Section 43 & 66 which are yet to be adjudicated. By and large, after going through the plan it is observed that all the compliances have been made in respect of the same and the approved resolution plan is higher than the Liquidation value of the assets.

21. RP filed an affidavit in compliance of the order dated 12.9.2025 filed the minutes of the COC meeting on 7.10.2025 of the decision of the COC to keep aside the claim amount in view of the appeal before Hon'ble NCLAT filed both by the financial creditor Bank of Baroda and State Government who have both challenged the order passed in IA 88 of 2025 wherein the Secured Creditor status of the State Government was adjudicated and certain orders were passed. It was submitted that the BOB challenged the order granting secured operational creditor based on rainbow judgment to the SG which had ST dues, while the state government challenged the order seeking Secured Creditor status and not as Secured Operational Creditor.

22. Insofar as the objection of state tax department is concerned, based on the affidavit filed by the RP it is observed that the

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COC has authorised to either keep the Resolution Plan pending or allow to keep the amount in escrow account till the matter is decided by Hon'ble NCLAT. This tribunal vide its orders passed on 8.10.2025 directed the State Government to file an affidavit to the stand taken by RP and COC as their appeal against the order passed by this Tribunal in IA is pending before the Hon'ble NCLAT challenging the status of the state tax department and its consequent entitlement to distribution filed by the financial creditor BOB and also another application stated to be filed by State Government itself seeking secured creditor status. The State Government has filed its affidavit stating that they would prefer the application be kept pending till the Hon'ble NCLAT decides the matter. In this regard, considering the minutes of the 22nd CoC meeting, the disputed amount is sought to be kept in an escrow account and by doing so; no prejudice will be caused to the state tax department in respect of the distribution.

23. While we consider that there are no other IAs pending opposing the plan, the commercial wisdom to approve the plan is not questioned by any respondent. It is the question of distribution

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between the financial creditor and the state government, both acquiring secured status as per our order as secured financial creditor and secured operational creditor, which are under appeal.

24. This tribunal has taken cognizance of various delays, monitored the process during the CIRP and had issued certain directions to the RP in order to ensure if the CD could be revived. The COC also has taken back its resolve to liquidate the Corporate Debtor.

25. In view of above, we observe that the Resolution Plan which is approved on the commercial wisdom of COC is in compliance of the provisions and we are satisfied in respect of the same. We find that the Resolution Plan has been approved with 100% voting share and is above the mandatory requirements. As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. On perusal of the documents on record, we are also satisfied that the Resolution Plan is in accordance with sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons)

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Regulations, 2016. The better way to end this process is to allow the distribution to take place after the Hon'ble NCLAT decides the appeal.

26. Hence, we pass the following order:

ORDER

I. Application is allowed.

II. The approved 'Resolution Plan' shall become effective from the date of passing of this order.

III. The order of moratorium passed by this Adjudicating Authority under Section 14 of IBC, 2016 shall cease to have effect from the date of this order.

IV. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan. The distribution of the proceeds of the claim to the creditors and claimants will be based on the outcome of the appeal before honble NCLAT.

V. The monitoring committee as proposed in the resolution plan shall be constituted for supervising the effective

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implementation of the Resolution Plan and continue till the payment plan is fully realised and is distributed.

VI. The Resolution Professional, Mr. Vinod Tarachand Agarwal, shall be released from the duties of the Resolution Professional of the Corporate Debtor as per the provisions of the IBC, 2016 and rules/regulations made thereunder from the date of this order.

VII. The Resolution Professional shall forward all records relating to the conduct of the corporate insolvency resolution process and approved Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database.

VIII. As regards various reliefs and concessions which are being sought, we hereby grant the following reliefs and concessions only as against reliefs and concessions claimed by the resolution applicant.

IX. After the payment of the dues to the creditors, as per the resolution plan, all the liabilities/claims of the said stakeholders shall stand extinguished and other claims including Government/Statutory Authority, whether lodged

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during CIRP or not, shall stand extinguished after approval of the resolution plan.

X. From the date of this order, all claims against the Corporate Debtor, except those provided in the plan of the Corporate Debtor stand extinguished.

XI. From the date of this order, all encumbrances on the assets of the Corporate Debtor before the Resolution Plan shall stand extinguished. No reliefs and concessions are granted to guarantee if any issued by the suspended management in an individual capacity to any of the creditors.

XII. For reliefs and concessions sought from the Government / Statutory Authorities, we direct the resolution applicant to approach the concerned Authorities. The concerned Authorities are to consider and decide the matter as per applicable provisions of law for effective implementation of the Resolution Plan.

XIII. As regards reliefs prayed under various provisions of the Income Tax Act, 1961, the Corporate Debtor/ Resolution Applicant may approach the Income Tax Authorities who shall take a decision on relief and concessions sought by

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the resolution applicant in accordance with the provisions of the Income Tax Act, 1961.

XIV. The Resolution Applicant shall be entitled to review, revise or terminate any appointments / agreements / understanding entered into by or on behalf of the Corporate Debtor in accordance with the terms and conditions of such agreements / MoUs /contracts.

XV. The management of the Corporate Debtor shall be handed over to the Board of Directors as may be nominated by the SRA for the proper running of the operations /business of the Corporate Debtor.

XVI. The Board of Directors of the Corporate Debtor shall also be reconstituted and procedural compliances shall be done to give effect to such reconstitution.

XVII. The SRA shall, pursuant to the Resolution Plan approved under Section 31(1) of the Code, obtain necessary approvals required under any law for the time being in force within a period of one year from the date of approval of the Resolution Plan vide this order or within such period as provided for in such law, as the case may be.

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XVIII. All the approvals of shareholders/members of the Corporate Debtor shall be deemed to have been obtained and the provisions made in the Resolution Plan as regards the restructuring of capital shall be binding on them. The reliefs sought by way of approval of the Resolution Plan along with merger of the Corporate Debtor with the SRA under Section 230-232 of the Companies Act, 2013 will be filed a separate application after obtaining necessary approvals in this Plan.

XIX. No approval is given at this stage by way of this order regarding to merger of the Corporate Debtor with SRA and filed a separate application with Audited Financial Statements of both Companies may be submitted for the approval.

XX. With respect to the grant of license/ Government approval, if the license or approval is terminated, suspended or revoked, the resolution applicant may approach the concerned Department/ Authorities for such approval/ renewal and Government Authorities may consider the request of the resolution applicant as per applicable

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provisions of law for effective implementation of the resolution plan.

XXI. A certified copy of this order be issued to all concerned parties upon compliance of all requisite formalities.

XXII. Accordingly, IA (Plan) No. 36 of 2024 in CP (IB) No. 314 of 2022 is disposed of.

Sd-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd-

CHITRA HANKARE
MEMBER (JUDICIAL)

GP-LRA