IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH-I

IA (IBC) (PLAN) No. 76 of 2026
IN
CP (IB) 728 of 2023

Under Section 30 (6) of the Insolvency and Bankruptcy Code, 2016, r/w. Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for seeking approval of the Resolution Plan under the provisions of Section 31(1) of the Code; And

KAILASH T SHAH
RESOLUTION PROFESSIONAL OF
RAMESHWAR TEXTILES MILLS PRIVATE LIMITED
…Resolution Professional/Applicant

And In the matter of
ASHISH OMPRAKASH JAIN
(A PROPRIETARY CONCERN OF SADHNA DYE CHEM)
…Operational Creditor

Versus

RAMESHWAR TEXTILES MILLS PRIVATE LIMITED
…Corporate Debtor

Order pronounced on 28.10.2026

Coram:

Shri. Prabhat Kumar
Hon'ble Member (Technical)

Shri Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)

Appearances:

For the Resolution Professional : Adv. Ritesh Hegde

ORDER

1. The present Application is filed by Resolution Professional Mr. Kailash T Shah ("Applicant/Resolution Professional/RP") under Section 30(6) read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("Code"), read with Rule 11 of the National Company Law Tribunal Rules, 2016, for seeking approval of the Resolution Plan dated 01.07.2026 ("Resolution Plan") for Rameshwar Textiles Mills Private Limited ("Corporate Debtor"), submitted by M/S Fibrous Villa Private Limited ("SRA"). The Resolution Plan was approved with 100% voting share of the sole member of the Committee of Creditors (CoC) at the 25th meeting of the CoC held on 21.07.2026, after consideration of its feasibility and viability and compliance with the applicable provisions of the Code and the CIRP Regulations.

BRIEF BACKGROUND:

2. The present Application is being filed by Mr. Kailash T. Shah, the resolution professional of the above-named Corporate Debtor, who is registered as an 'Insolvency Professional' with the Insolvency and Bankruptcy of India ("IBBI"), and his Registration No. is IBBI/IPA-001/IP-P00267/2017-2018/10511.
3. It is submitted that Ashish Omprakash Jain, Proprietor of Sadhna Dye Chem (hereinafter referred to as the "Operational Creditor"), filed a Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "Code"), against the Corporate Debtor, bearing Company Petition (IB) (MB) No. 728 of 2023. This Tribunal, vide its Order dated 02.01.2024, admitted the Petition and appointed the

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Applicant herein as the Interim Resolution Professional (IRP) of the Corporate Debtor.

4. Thereafter, in compliance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Applicant published a Public Announcement dated 05.01.2024 in four newspapers, namely, The Times of India (English, Surat Edition), Sandesh (Gujarati, Surat Edition), Financial Express (English, Mumbai Edition) and Navshakti (Marathi, Mumbai Edition), to intimate the commencement of the CIRP against the Corporate Debtor and to invite claims from its creditors. Pursuant thereto, the Applicant received and verified the claims submitted by the creditors and constituted the Committee of Creditors (hereinafter referred to as the "CoC") in accordance with the provisions of the Code and the regulations framed thereunder.

5. In the 1st meeting of the CoC, held on 30.01.2024 through video conferencing, the Applicant apprised the CoC of the steps taken to obtain records and documents from the suspended management, the visit to the factory premises, and the efforts made to seek police assistance for the recovery of the requisite documents. The CoC was also apprised of the appeal filed by the suspended management before the Hon'ble NCLAT challenging the initiation of CIRP. The CoC deliberated on the appointment of the Resolution Professional and, upon consideration, resolved to appoint the Applicant herein as the Resolution Professional (RP) of the Corporate Debtor.

6. The 2nd meeting of the CoC was held on 21.02.2024, wherein the CoC approved the appointment of the registered valuers and the Transaction/Forensic Auditor and authorised the Applicant to initiate appropriate proceedings under Section 19(2) of the Code against the suspended management for non-cooperation. During the meeting, the Resolution Professional also apprised the CoC of the interim directions

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passed by the Hon'ble NCLAT restraining the issuance of Form G until further orders.

7. In the 5th meeting of the CoC held on 28.06.2024, the CoC approved the proposal to seek an extension of 90 days for completion of the CIRP of the Corporate Debtor. Accordingly, the Applicant filed Interlocutory Application bearing IA(IBC) No. 3577 of 2024, seeking an extension of the CIRP period from 01.07.2024 to 28.09.2024. This Tribunal, vide Order dated 11.07.2024, granted a 90-day extension.
8. The 6th meeting of the CoC was held on 30.09.2024, during which the Applicant apprised the CoC that the application filed under Section 19(2) of the Code against the suspended management for non-cooperation had been disposed of by this Adjudicating Authority upon receipt of the requisite information and records from the suspended management. The CoC also approved the contribution towards CIRP costs and deliberated on the draft valuation reports submitted by the registered valuers.
9. The 7th meeting of the CoC was held on 28.10.2024, at which the CoC approved the proposal to seek a further extension of 60 days for completion of the CIRP. Accordingly, the Applicant filed an application bearing IA No. 188 of 2025, seeking an extension of the CIRP period from 29.09.2024 to 28.11.2024, which was allowed by this Tribunal vide its order dated 15.01.2025.
10. The 8th meeting of the CoC was held on 22.11.2024, at which the CoC was apprised that the 330-day period of the CIRP of the Corporate Debtor was due to expire on 28.11.2024, and approved the proposal to seek a further six-month extension for completion of the CIRP. Accordingly, the Applicant filed IA No. 271 of 2025 seeking the said extension, which was subsequently withdrawn on 20.01.2025 to enable the Applicant to seek exclusion of the period affected by the interim stay granted by the Hon'ble NCLAT. Thereafter, the Applicant filed IA No. 1276 of 2025 on 29.01.2025, seeking exclusion of the period from 20.02.2024 to 29.01.2025 on account of the interim protection granted by the Hon'ble

NCLAT, which restrained publication of Form G in the appeal filed by the suspended management challenging the admission order. This Tribunal, vide its Order dated 18.03.2025, allowed the said application.

11. The 11th meeting of the CoC was held on 21.05.2025 via video conferencing, during which the Applicant apprised the CoC of the dismissal of the appeal filed by the suspended management before the Hon'ble NCLAT and the consequent vacation of the interim protection that restrained publication of Form G. The CoC approved the draft Information Memorandum, eligibility criteria and evaluation criteria, and resolved to invite Expressions of Interest (EoIs). Accordingly, the Resolution Professional issued Form G on 24.05.2025 and subsequently reissued it on 13.06.2025, extending the timeline for submission of EoIs.
12. The 12th meeting of the CoC was held on 11.07.2025 through video conferencing, during which the Applicant apprised the CoC that 6 (six) Expressions of Interest (EoIs) had been received pursuant to the publication of Form G. Based on these, the provisional list of Prospective Resolution Applicants (PRAs) was issued on 05.07.2025. The Applicant also placed the Information Memorandum and Request for Resolution Plan (RFRP) before the CoC for consideration and approval; however, the same was not approved. The CoC further took note of, approved, and ratified the CIRP costs incurred up to 30.06.2025.
13. The 13th meeting of the CoC was held on 24.07.2025 via video conferencing, during which the Applicant apprised the CoC of the issuance of the final list of Prospective Resolution Applicants (PRAs) on 21.07.2025, including the inclusion of M/s. MG Threads in the list on 18.07.2025. Further, the CoC approved the Information Memorandum, Request for Resolution Plan (RFRP) and Evaluation Matrix prepared by the Resolution Professional.
14. The 14th meeting of the CoC was held on 16.09.2025 via video conferencing, during which the Applicant apprised the CoC that resolution plans had been received from M/s. Taranjot Resources Private

Limited and Mrs. Sonal Mehta. After deliberation, the CoC found the offers inadequate and advised the Resolution Applicants to improve their offers. The CoC also approved the refund of Earnest Money Deposits to prospective Resolution Applicants who had not submitted resolution plans.

15. The 15th meeting of the CoC was held on 06.10.2025 through video conferencing, wherein the Applicant informed that M/s. Taranjot Resources Private Limited had submitted a revised resolution plan offering Rs.9,00,00,000/-. The representative of Mrs. Sonal Mehta informed the CoC that no revision could be submitted at that stage. It was accordingly agreed to hold a one-to-one meeting between the CoC and the Resolution Applicant in Mumbai before 15.10.2025 to discuss the revised plan and take a final decision on its acceptance or rejection. Thereafter, in the 16th meeting of the CoC, held on 17.10.2025, both Resolution Applicants presented their revised resolution plans, with M/s. Taranjot Resources Private Limited offering Rs.9,51,00,000/- and Mrs. Sonal Mehta offering Rs.9,50,00,000/-.
16. The 17th meeting of the CoC was held on 15.11.2025, at which both Resolution Applicants submitted their final offers of Rs.9,51,00,000/- and Rs.10,50,00,000/-, respectively. As both applicants declined to further improve their offers, the sole member of the CoC rejected both resolution plans and directed the Resolution Professional to reissue Form G inviting fresh Expressions of Interest (EoIs), while also approving the revised eligibility criteria for Prospective Resolution Applicants. Accordingly, Form G was reissued on 18.11.2025.
17. Thereafter, the Applicant prepared the Information Memorandum, Request for Resolution Plan (RFRP) and Evaluation Matrix in compliance with the CIRP Regulations. At the 18th CoC meeting held on 05.01.2026, the CoC considered the resolution plans submitted pursuant to the reissuance of Form G. M/s. Taranjot Resources Private Limited offered Rs.9,51,00,000/-, while M/s. Fibrous Villa Private Limited

offered Rs.10,21,00,000/-. Both Resolution Applicants were asked to further improve their offers. The CoC was also apprised that the transaction audit and the audit of the Corporate Debtor's books remained incomplete due to non-cooperation by the suspended management and the failure to provide requisite documents and information.

18. The 19th meeting of the CoC was held on 23.01.2026, during which both Resolution Applicants presented their revised resolution plans, offering Rs. 9,51,00,000/- and Rs. 10,21,00,000/-, respectively. After deliberations, both applicants sought time to improve their offers and were directed to submit their revised/final plans by 02.02.2026 at 8:00 p.m.
19. The 20th meeting of the CoC was held on 07.02.2026, during which M/s. Taranjot Resources Private Limited submitted a revised offer of Rs.12,15,00,000/-, while M/s. Fibrous Villa Private Limited offered Rs.12,51,00,000/-. Both Resolution Applicants confirmed that their offers were final.
20. The 21st CoC meeting was held on 21.02.2026, at which the CoC deferred consideration of the resolution plans and liquidation to the next meeting and granted the Resolution Applicants a final opportunity to submit revised plans by 28.02.2026, without any further extension.
21. At the 22nd CoC meeting on 09.03.2026, the CoC considered the revised resolution plan submitted by M/s. Fibrous Villa Private Limited and the resolution plans of both applicants. The CoC appointed M/s. C.R. Shah & Associates, Chartered Accountants, to conduct compliance checks. Following a vote, the Coc rejected both resolution plans and approved the liquidation of the Corporate Debtor. Accordingly, the Applicant filed IA(IBC)(LIQ.)/44(MB)2026, which was subsequently withdrawn and disposed of by order dated 16.06.2026, following the CoC's decision to reconsider its earlier decision to initiate liquidation.
22. The 23rd meeting of the CoC, held on 09.06.2026 and continued on 10.06.2026, saw the CoC reconsider its earlier decision to initiate

liquidation and resolve to grant a final opportunity to M/s. Fibrous Villa Private Limited and M/s. Taranjot Resources Private Limited to submit revised resolution plans within seven days. The sole member of the CoC, holding 100% voting share, approved the reconsideration process and directed the Applicant to request both Resolution Applicants to deposit the EMD, subject to the approval of this Tribunal. Considering that the CIRP period had expired on 06.05.2026, the CoC further resolved, with 100% voting share, to authorize the Applicant to seek a 90-day extension up to 04.08.2026, to facilitate consideration of the revised resolution plans and maximize the possibility of resolving the Corporate Debtor as a going concern. Accordingly, the Applicant filed IA/3271/2026 seeking a 90-day extension of the CIRP period, from 06.05.2026 to 04.08.2026, which was allowed by this Tribunal vide order dated 05.08.2026.

23. The 24th CoC meeting was held on 24.06.2026, during which the revised resolution plan submitted by M/s. Fibrous Villa Private Limited, proposing an aggregate resolution value of Rs.12.06 crore and an additional payment of Rs.99 lakh to secured financial creditors, was deliberated upon. The CoC deferred voting on the plan pending completion of the independent legal compliance review and due diligence, and approved the appointment of an independent third-party professional/agency for the said purpose, with 100% voting share.

24. The 25th meeting of the CoC was held on 21.07.2026, during which the CoC considered the legal compliance report, examined the eligibility of the Resolution Applicant under Section 29A of the Code, and deliberated on the feasibility and viability of the Resolution Plan submitted by M/s. Fibrous Villa Private Limited, for an aggregate value of Rs. 13,05,00,000/- (Rupees Thirteen Crore Five Lakh Only), including Rs. 99,00,000/- towards the release and extinguishment of personal guarantees furnished by the Personal Guarantors to the Secured Financial Creditors. The Resolution Plan was put to electronic voting, which commenced on 23.07.2026 at 6:00 p.m. and concluded on 21.08.2026 at

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6:00 p.m. The Resolution Plan was approved by the CoC with 100% voting share. The CoC also approved the recorded deliberations on the feasibility and viability of the Resolution Plan in accordance with Regulation 39(3)(b) of the CIRP Regulations.

25. The 26th CoC meeting was held on 01.08.2026, at which the CoC, with 100% voting share, authorised the Applicant to seek a further 30-day extension of the CIRP. Accordingly, IA (IBC) No. 3669/2026 was filed seeking an extension from 05.08.2026 to 04.09.2026, which was allowed by this Tribunal vide order dated 25.08.2026. The Applicant further submitted that valuation reports for the Plant and Machinery, Land and Building, and Securities and Financial Assets of the Corporate Debtor had been obtained from the appointed valuers, indicating the fair value and liquidation value as set out below:

M/s. Rameshwar Textile Mills Private Limited

Name of Valuers	Plant & Machinery		Land & Building		SFA		Average Values	
	Fair Value	Liquidation Value	Fair Value	Liquidation Value	Fair Value	Liquidation Value	Fair Value	Liquidation Value
Mekani Kurti N.	7,452,000	5,216,400						
Devang Shah	7,130,000	4,940,000					7,291,000	5,078,200
Yagnik Prajapati			135,756,600	101,817,450				
Vimal Shah			133,800,000	93,600,000			134,778,300	97,708,725
Shreyansh Jain					21,729,000	6,542,000		
Dharmendra Dhelariya					20,894,000	5,940,000	21,311,500	6,241,000
TOTAL							163,380,800	109,027,925

As per the valuation reports, the aggregate average fair value of the Corporate Debtor's assets is Rs. 16,33,80,800/-, whereas the aggregate liquidation value is Rs. 10,90,27,925/- (Rupees Ten Crore Ninety Lakh Twenty-Seven Thousand Nine Hundred and Twenty-Five Only).

26. The Resolution Applicant, M/s. Fibrous Villa Private Limited, has proposed a total financial consideration of Rs.13,05,00,000/- (Rupees Thirteen Crore Five Lakh Only), inclusive of Rs.99,00,000/- towards the release and extinguishment of personal guarantees furnished by the personal guarantors in favour of the Secured Financial Creditor, as approved by the Coc. This amount is proposed for the full and final settlement of the liabilities of the Corporate Debtor.

27. The Applicant has submitted that the Successful Resolution Applicant (SRA), namely 'FIBROUS VILLA PRIVATE LIMITED', is a related/connected party of the Corporate Debtor, as its directors are also

suspended directors of the Corporate Debtor, and that Mr. Rajesh Bansal represented the SRA before the CoC. The SRA is also a tenant of a part of the Corporate Debtor's premises at Plot No. 3, Unity Estate, Bhestan, Surat. IA(I.B.C.) No. 3541/2025, filed in relation to the said tenancy, was subsequently withdrawn upon payment of outstanding lease rentals. The SRA's eligibility has been claimed under Section 240A of the Code.

28. In compliance with the terms of the Request for Resolution Plan (RFRP), the Successful Resolution Applicant (SRA) furnished performance security of Rs.1,30,50,000/-, equivalent to 10% of the resolution plan value, by depositing the amount into the Corporate Debtor's bank account with The Karur Vysya Bank Limited on 24.08.2026, within the timeline prescribed under Clause 1.9.3 of the RFRP. Accordingly, the Earnest Money Deposit of Rs.40,00,000/- furnished by the Successful Resolution Applicant was refunded.
29. Pursuant to the Coc's approval of the Resolution Plan, the Resolution Professional issued a Letter of Intent (LOI) dated 02.09.2026 in favour of the Successful Resolution Applicant.
30. The Applicant placed before the CoC the compliance status, feasibility and viability assessment, and the statutory compliance certificate in Form H. Hence, the present application.

SALIENT FEATURES OF THE RESOLUTION PLAN:

31. The Applicant submits that the Resolution Plan submitted by 'Fibrous Villa Private Limited', being the Successful Resolution Applicant (SRA), and approved by the requisite majority of the CoC, has been examined by the Applicant. Upon due diligence and examination of the Resolution Plan, the Applicant has stated that the same is in conformity with the applicable provisions of Sections 29A, 30 and 31 of the Insolvency and Bankruptcy Code, 2016, read with the applicable provisions of Regulations 37 and 38 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

32. The Resolution Plan provides for an allocation of Rs. 1,00,000/- (Rupees One Lakh Only) towards unpaid Corporate Insolvency Resolution Process (CIRP) costs and the claims of Operational Creditors. The aforesaid amount shall be paid in priority within 30 (thirty) days from the date of approval of the Resolution Plan by the Adjudicating Authority.
33. The Resolution Plan allocates an amount of Rs. 12,04,00,000/- (Rupees Twelve Crore Four Lakh Only) towards the claims of the Secured Financial Creditors, payable in the following three tranches:
    a) Rs. 2,83,40,000/- (Rupees Two Crore Eighty-Three Lakh Forty Thousands Only) within 30 (thirty) days from the date of approval of the Resolution Plan by the Adjudicating Authority;
    b) Rs. 4,00,00,000/- (Rupees Four Crore Only) within 90 (ninety) days from the date of approval of the Resolution Plan by the Adjudicating Authority; and
    c) Rs. 5,20,60,000/- (Rupees Five Crore Twenty Lakh Sixty Thousands Only) within 150 (one hundred and fifty) days from the date of approval of the Resolution Plan by the Adjudicating Authority.
34. The Applicant submits that Monitoring Committee shall be constituted consisting of;
    a) one representative of the creditors;
    b) one representative of the Resolution Applicant; and
    c) one representative of the Resolution Professional
35. **Source of Funds:** The Resolution Plan provides that the Successful Resolution Applicant shall infuse the entire Resolution Plan amount into the Corporate Debtor on the Trigger Date, in the form of equity share capital and/or debt or loans, whether secured or unsecured, at its sole discretion, in terms of ***Clauses 4.1 to 4.4*** of the Resolution Plan. Further, during the 25th meeting of the CoC, the Authorised Representative of the SRA submitted that the funds required for implementation of the Resolution Plan would be infused out of the sale proceeds of a property

which is not owned by the Corporate Debtor, is free from encumbrances and has already been sold.

36. **Performance Guarantee:** The Successful Resolution Applicant (SRA) furnished performance security of Rs. 1,30,50,000/- (Rupees One Crore Thirty Lakh Fifty Thousand Only), equivalent to 10% of the Resolution Plan value, by depositing the said amount into the bank account of the Corporate Debtor maintained with The Karur Vysya Bank Limited on 24.08.2026.

37. **Implementation Schedule of the Resolution Plan**: The Resolution Plan provides for implementation from the date of its approval by the Adjudicating Authority ("T"). The upfront payment of Rs. 2,85,40,000/- shall be made within 30 days i.e. T+30 days. Transfer of title deeds, requisite ROC filings, allotment of shares and reconstitution of the Board shall be completed within 60 days i.e. T+60 days. The first instalment of Rs. 4,00,00,000/- shall be paid to the Secured Financial Creditor within 90 days i.e. T+90 days, along with issuance of share certificates and requisite regulatory intimations. The second instalment of Rs. 5,20,60,000/- shall be paid within 150 days i.e. T+150 days, and the additional consideration of Rs. 99,00,000/- towards release and extinguishment of personal guarantees shall be paid within 180 days i.e. T+180 days, in accordance with its terms.

STATUTORY COMPLIANCE:

38. 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 (*other than Workmen, Employees and Government Dues*);

    c) Provides for the management of the affairs of the Corporate Debtor;

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d) Provides for the implementation and supervision of the resolution plan;

e) Does not contravene any of the provisions of the law for the time being in force.

39. It is further confirmed by Applicant that, in compliance of the Section 30(4) of the IBC, 2016, the Resolution Plan is feasible and viable, according to the CoC (b) has been approved by the CoC with 100% voting share.

40. It is further confirmed by Applicant that, in compliance of Regulation 38 of CIRP Regulations, the Resolution Professional confirms that the Resolution plan provides that;

i. The amount due to the Operational Creditors under Resolution Plan shall be given priority in payment over Financial Creditors.

ii. The Resolution Plan includes a statement as to how it has dealt with the interest of all stakeholders.

iii. The Resolution Plan provides:

a) The terms of the plan and its implementation schedule.

b) For the management and control of the business of the Corporate Debtor during its term.

c) Adequate means of Supervising its implementation.

41. The Applicant has filed the compliance certificate in form H, the relevant extracts of which are reproduced hereunder:

41.1. The resolution professional hereby certified that:

(i) the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC/Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.

(ii) the Resolution Applicant, ***M/s. Fibrous Villa Private Limited,*** *has submitted an affidavit pursuant to section 30(1) of the Code*

confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.

(iii) the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100% (one hundred percent) of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.

41.2. The *details and documents related to the Successful Resolution Applicant are as under:*

Sr. No.	***Particulars***	***Description***
1.	*Name of Successful Resolution Applicant (SRA)*	***M/S, Fibrous Villa Private Limited*** *CIN: U17100GJ1996PTC030217; incorporated on 17.07.1996; ROC Ahmedabad Corporate Office: Plot No. 3, 8th Floor, Rameshwar House, Unity Estate Building, Bhestan, Surat, Gujarat - 395023*
2.	*Nature of Business of SRA*	*Manufacture and processing of textile fabrics - weaving, dyeing, printing and embroidery (as stated in the Resolution Plan and the Master Data of the SRA).*
3.	*Relationship status of SRA with CD, if any*	*Yes-the SRA is a related/connected party of the Corporate Debtor: (a) The directors of the SRA, Mrs. Vinita Pramod Devkar (DIN 02728748) and Mr. Rajeshkumar Rameshwardayal Bansal (DIN 06588952), are also suspended directors of the Corporate Debtor.*

		(b) Mr. Rajesh Bansal acted as the Authorised Representative of the SRA before the CoC and is also a suspended director of the Corporate Debtor. *(c) The SRA is in occupation, as a tenant, of a part of the premises of the Corporate Debtor at Plot No. 3, Unity Estate, Bhestan, Surat, in respect of which IA(I.B.C.) 3541/2025 had been filed and has since been withdrawn upon realisation of the outstanding lease rentals. The eligibility of the SRA is therefore founded on Section 240A of the Code (see Sl. No. 4 below).*
4.	*Whether SRA is eligible to submit plan u/s 240A of IBC in case of MSME CD*	*Yes. The Corporate Debtor is a Micro, Small and Medium Enterprise, registered under Udyam Registration No. UDYAM-GJ-22-0065575 dated 01.06.2021 (classified as a Medium enterprise). By virtue of Section 240A of the Code, clauses (c) and (h) of Section 29A do not apply to the Resolution Applicant.*
5.	*Due Diligence Certificate of the RP u/s 29A of IBC for the SRA (pls attach copy of certificate)*	*Attached. The Resolution Professional has verified the eligibility of the Resolution Applicant under Section 29A of the Code on the basis of the affidavit filed under Section 30(1), the supporting declarations and undertakings, and the independent compliance review.*

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

Sr. no.	***Name of Creditor***	***Voting Share (%)***	***Voting for Resolution Plan (Voted for/ Dissented/ Abstained)***

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1.	*The Karur Vysya Bank Limited (Secured Financial Creditor)*	*100%*	*Voted For*

41.4. As per the updated Form H filed along with the affidavit dated 29.09.2026, the total amount of claims is Rs. 25,34,96,562.23/-, out of which claims amounting to Rs. 24,98,55,937.23/- have been admitted. The total realisable amount proposed to be paid under the Resolution Plan is Rs. 13,05,00,000/- (Rupees Thirteen Crore Five Lakh Only), inclusive of the amounts allocated towards unpaid CIRP costs and Operational Creditors. Accordingly, the realisable amount represents approximately 52.23% of the total admitted claims. No payment is proposed to other categories of creditors, as reflected in Form H, subject to the terms of the Resolution Plan and applicable law.

41.5. As per the details provided in the Resolution Plan, no preferential transactions under Section 43, undervalued transactions under Section 45, extortionate credit transactions under Section 50, fraudulent transactions under Section 66 of the Insolvency and Bankruptcy Code, 2016, or any combination thereof have been identified or determined. Further, no applications in respect of such transactions have been filed before the Adjudicating Authority.

FINDINGS AND ANALYSIS:

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

a) Payment of CIRP Cost as specified u/s 30(2)(a) of the Code.
b) Repayment of Debts of Operational Creditors as specified u/s 30(2)(b) of the Code.

c) 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.

43. It is pertinent to note that the Application seeking approval of the Resolution Plan was filed with a delay of 795 days beyond the initial period of 180 days from the commencement of CIRP. The Resolution Professional has attributed the delay to the stay on publication of Form G during the pendency of the appeal before the Hon'ble NCLAT, non-cooperation by the suspended management in providing the books and records of the Corporate Debtor, repeated issuance of Form G to ensure adequate market participation, and the CoC's deliberations and requests for revised Resolution Plans. Further, the Resolution Plan submitted by M/s. Fibrous Villa Private Limited was subjected to independent legal and compliance review, following which a Revised Resolution Plan dated 01.07.2026 was submitted and approved by the CoC with 100% voting share, upon conclusion of e-voting on 21.08.2026.

44. Upon consideration of the Resolution Plan, the submissions of the Resolution Professional, and updated Compliance Certificate in **Form H**, this Tribunal finds that the Resolution Plan satisfies all the mandatory requirements of Section 30(2) of the Code and Regulations 37 and 38 of the CIRP Regulations. The Form H Compliance Certificate clearly demonstrates that the Plan provides for payment of CIRP costs in priority, ensures minimum statutory protection to operational creditors and does not contravene any provision of law for the time being in force. The Resolution Plan submitted by the **M/S. Fibrous Villa Private Limited** provides for a total resolution consideration of Rs. 13,05,00,000 /-.

45. This Tribunal observes that the Resolution Plan provides for the revival of the Corporate Debtor through identified sources of funds and specified implementation timelines. The Plan has been approved by the sole

member of the CoC with 100% voting share. The commercial wisdom of the CoC, exercised in accordance with the provisions of the Code, warrants due deference, subject to this Tribunal's satisfaction regarding compliance with the statutory requirements.

46. Accordingly, this Tribunal is satisfied that the Resolution Plan is compliant with the provisions of the Code and the CIRP Regulations, is fair and equitable to all stakeholders, and meets the objective of maximisation of value and revival of the Corporate Debtor as a going concern. The Plan therefore merits approval under Section 31 of the Insolvency and Bankruptcy Code, 2016.

47. The reliefs & concessions set out in the Resolution Plan as **"*WAIVERS/ PRAYERS SOUGHT FROM HON'BLE NCLT*"** under **SECTION -6** or any other section of the Resolution Plan shall be 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, if required, file an appropriate application for renewal of all Business Permits, rights, entitlements, benefits, subsidies and privileges, whether under applicable Law, contract, lease or licence, granted in favour of the Corporate Applicant or to which the Corporate Applicant is entitled or accustomed, that have expired on the Effective Date, and shall follow the dues procedure prescribed for the purpose upon payment of the prescribed fees. The contract with third parties shall be subject to the consent of such parties. It is clarified that continuance of approvals shall not be refused on account of extinguishment of any dues under the Code, and extension or renewal thereof shall not be denied on account of the 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 the Resolution Plan; however, such non-compliances shall be cured, if necessitated to keep the approval in force, after acquisition by the Corporate Applicant within the 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 and subject to compliance 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 the respective law or concerned authority; however, no fine or penalty shall be imposed for non-compliance 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, where after, 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 the 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. The relief, concession or waiver contemplated in the approved Resolution Plan under any of its section and allowed herein 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.

n. It is clarified that any relief, concession or waiver, not specifically dealt with in Paras (a) to (m) 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.

48. 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). 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 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) when the Resolution Plan does not conform to the stated requirements.

49. 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 and in terms of exemption provided under Section 240A of the Code. The same deserves to be approved. Hence, ordered.

ORDER:

50. 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

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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.

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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.

SD/-

Prabhat Kumar

Member (Technical)

SD/-

Sushil Mahadeorao Kochey

Member (Judicial)

Vipul Ghate