NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, COURT-I, CHANDIGARH

IA(IBC)(PLAN)/3(CH)2026
In
CP(IB) No. 76/Chd/Pb/2019 (Admitted)

[Application U/s 30(6) of the Insolvency and Bankruptcy Code, 2016]

IA(IBC)(PLAN)/3(CH)2026

MR. RAJIV KHURANA, RESOLUTION PROFESSIONAL FOR BBF INDUSTRIES LIMITED
HAVING OFFICE AT:
HOUSE NO. 1299, SECTOR 15B, CHANDIGARH – 160015
MOB: +91-9815547399
EMAIL: cakhurana@gmail.com

... APPLICANT

IN THE MATTER OF CP(IB) No. 76/Chd/Pb/2019 (Admitted) :

JAMMU AND KASHMIR BANK

...FINANCIAL CREDITOR

VERSUS

BBF INDUSTRIES LIMITED

...CORPORATE DEBTOR

Order delivered on: 28.10.2026

CORAM: **MR. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)**
MR. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)

Present:

For the Applicant/RP : Mr. Viren Sharma, Advocate
Mr. Yash Shrivastava, Advocate
Mr. Naman Tripathi, Advocate

ORDER

The present Application has been filed by Mr. Rajiv Khurana, the Resolution Professional ("in short RP/Applicant") of M/s BBF Industries Limited ("Corporate Debtor/CD"), under Section 30(6) read with Section 31(1) of the Insolvency and Bankruptcy Code, 2016 ("in short Code/IBC") and Regulation 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("in short CIRP Regulations") seeking approval of the Resolution Plan dated 26.03.2026 submitted by M/s Paramount Syntex Limited ("in short Successful Resolution Applicant/SRA"), which was approved by the Committee of Creditors ("in short CoC") in its 24th meeting held on 24.04.2026, read with the Addendum dated 10.09.2026 approved by the CoC in its 25th meeting held on 11.09.2026, and the clarification dated 22.09.2026 furnished by the SRA pursuant to the order of this Adjudicating Authority dated 17.09.2026.

BRIEF FACTS

2. The CIRP of the Corporate Debtor was initiated by order dated 20.11.2023 passed by this Adjudicating Authority in CP(IB) No.

76/Chd/Pb/2019 under Section 7 of the Code. Mr. Inder Jeet Khattar was appointed as the Interim Resolution Professional ("IRP") and moratorium under Section 14 of the Code was declared.

3. The public announcement in Form A was made on 23.11.2023 in terms of Regulation 6 of the CIRP Regulations, inviting claims from the creditors of the Corporate Debtor. Upon collation of claims, the CoC was constituted on 14.12.2023 and its first meeting was held on 21.12.2023. Registered Valuers were appointed on 01.01.2024. Pursuant to the decision of the CoC, this Adjudicating Authority, by order dated 07.03.2024, replaced the IRP and appointed Mr. Rajiv Khurana as the Resolution Professional.

4. The invitation for Expression of Interest in Form G was first issued on 16.02.2024. It was re-issued on 13.06.2024, and again on 03.09.2024, on which occasion the last date for submission of resolution plans was fixed as 30.10.2024. In the meantime, on 05.06.2024, the CIRP period was extended by 90 days.

5. The material events in the CIRP, in their chronological sequence, are as follows:

Date	**Event**	**Particulars**
20.11.2023	Commencement of CIRP	CIRP of BBF Industries Limited commenced pursuant to admission of the Section 7 petition; Mr. Inder Jeet Khattar was appointed as IRP.

16.02.2024 to 03.09.2024	Resolution Process / Repeated Form G	Form G was issued on three occasions, culminating in the third invitation dated 03.09.2024, after the earlier rounds did not yield an acceptable resolution outcome.
30.10.2025	18th CoC Meeting	The then Resolution Plan was not accepted and the CoC resolved to proceed towards liquidation.
26.11.2025	19th CoC Meeting	Before liquidation could be pursued, Paramount Syntex Limited submitted a substantially improved proposal; the CoC kept its earlier liquidation decision in abeyance and decided to consider the improved offer.
25.02.2026	Extension / Exclusion of CIRP Period	Vide order in IA No. 2055/2024, a further 60 days' extension was granted and the period from 03.09.2024 to 24.02.2026 was excluded from the CIRP period.
27.02.2026	Permission to Consider Revised Plan	Vide common order in IA No. 1927/2025 and IA No. 65/2026, the CoC was permitted to exercise its commercial wisdom and consider/vote upon the revised Resolution Plan.
26.03.2026	Final Revised Resolution Plan	Paramount Syntex Limited submitted the final negotiated Resolution Plan for acquisition of the Corporate Debtor as a whole and as a going concern.
24.04.2026	Approval by CoC	The Resolution Plan was approved in the 24th CoC Meeting with **79.49% voting share**, exceeding the statutory threshold under Section 30(4) of the Code.
05.05.2026	Performance Security	The SRA furnished a Performance Bank Guarantee of **₹2,30,15,500/-** in terms of the RFRP and the approved Plan.

13.08.2026 to 10.09.2026	SIDCO Claim and Addendum	Pursuant to directions of this Tribunal, J&K SIDCO submitted its revised claim, whereafter the SRA issued an Addendum dated 10.09.2026 incorporating treatment of the SIDCO dues and correspondingly enhancing the Plan Value.
11.09.2026	Unanimous Approval of Addendum	The Addendum dated 10.09.2026 was approved by the CoC with **100% voting share** in the 25th CoC Meeting.
17.09.2026 to 23.09.2026	Final Rectification and Compliance	During final hearing, deficiencies relating to Form H and the Monitoring Committee voting clause were noticed. The SRA thereafter clarified that the conflicting voting stipulation stood deleted, and the RP filed the final revised Form H and compliance affidavit on 23.09.2026.

6. The resolution process in the present case has been a prolonged one. In its 18th meeting held on 30.10.2025, the CoC rejected the resolution plan received in the earlier round and resolved to propose liquidation of the Corporate Debtor. Before any application under Section 33(2) of the Code was filed, the same Resolution Applicant submitted an improved proposal. That proposal expanded the acquisition from the Ludhiana Unit alone to the Corporate Debtor as a whole, including both the Ludhiana and Samba units, as a going concern. It enhanced the consideration from about ₹10 crore to about ₹23.07 crore, and reduced the implementation period from two years to five months. The CoC considered this proposal in its 19th meeting

held on 26.11.2025 and kept its decision regarding liquidation in abeyance.

7. The 270-day period of the CIRP was to expire on 03.09.2024. By order dated 25.02.2026 in IA No. 2055/2024, this Adjudicating Authority excluded the period from 03.09.2024 to 24.02.2026, during which that application remained pending. It also granted a further period of 60 days with effect from 25.02.2026. Thereafter, by order dated 27.02.2026 disposing of IA No. 1927/2025 and IA No. 65/2026, it was observed that the CoC was free to exercise its commercial wisdom, either by considering the revised plan or by undertaking a fresh Form G process. The SRA accordingly submitted the final negotiated Resolution Plan on 26.03.2026. The Plan proposes resolution of the Corporate Debtor as a going concern. Upon its implementation, the assets, properties, rights and entitlements of the Corporate Debtor are to vest in the manner provided therein.

8. At the time of voting on the Resolution Plan, the CoC comprised the following six Financial Creditors:

Financial Creditor	**Admitted Claim (₹)**	**Voting Share**
Punjab National Bank	3,65,38,24,240	45.37%
State Bank of India	1,65,14,71,281	20.51%
Asset Reconstruction Company (India) Ltd.	1,32,84,75,651	16.50%
Jammu & Kashmir Bank Ltd.	78,99,45,584	9.81%

IndusInd Bank Ltd.	32,63,68,187	4.05%
ASREC (India) Ltd.	30,28,61,051	3.76%
Total	**8,05,29,45,994**	**100%**

9. The Resolution Plan dated 26.03.2026 was put to vote in the 24th meeting of the CoC held on 24.04.2026 and was approved with 79.49% voting share. Punjab National Bank, ARCIL, Jammu & Kashmir Bank, IndusInd Bank and ASREC voted in favour of the Plan. State Bank of India, holding 20.51% voting share, did not cast an affirmative vote at that stage. The approval was accorded within the period of CIRP as extended by order dated 25.02.2026.

10. The valuation of the Corporate Debtor was carried out in terms of Regulation 35 of the CIRP Regulations. The average values reported by the Registered Valuers are as under:

Particulars	**Amount (₹)**
Average Fair Value	27,63,82,217/-
Average Liquidation Value	18,81,72,800/-

11. As approved on 24.04.2026, the Resolution Plan provided for a total payment of ₹23,01,54,931/-, distributed as follows:

Stakeholder / Head	**Amount under the Plan dated 26.03.2026 (₹)**

Secured Financial Creditors	21,00,00,000/-
CIRP Costs (approximate)	1,25,00,000/-
Statutory Dues (ESIC, EPFO, gratuity, labour welfare)	31,71,279/-
Operational Creditors (Trade Creditors)	3,16,191/-
Government and Other Operational Dues	41,67,461/-
Total	**23,01,54,931/-**

12. The Plan provides that the CIRP costs shall be paid at actuals and in priority to all other payments. The figure of ₹1.25 crore is, therefore, only an estimate and does not operate as a ceiling on CIRP costs duly incurred and ratified in accordance with law.

13. Against the admitted financial debt of ₹8,05,29,45,994/-, the SRA proposes to pay ₹21 crore within the implementation period of five months, in the following manner: ₹3.15 crore within seven days of approval of the Plan; ₹1.05 crore at the end of the first month; and ₹4.20 crore each in the second, third, fourth and fifth months.

14. Operational Creditors other than Government and statutory authorities are provided approximately 1% of their admitted claims. The admitted dues towards ESIC, EPFO, gratuity and labour welfare, aggregating ₹31,71,279/-, are to be paid in full. Government dues reflected in the books of the Corporate Debtor are to be dealt with in terms of the distribution specified in the Plan.

15. The Plan expressly provides that a dissenting Financial Creditor, if any, shall receive not less than the amount to which it is entitled under Section 30(2)(b) read with Section 53(1) of the Code, and shall be paid in priority to the assenting Financial Creditors.

16. The SRA has identified the following sources for implementation of the Plan:

Source	**Amount (₹ in lakh)**
Cash and cash accruals of Paramount Syntex Ltd.	955.53
Realisation from identified land	2,150.00
Liquid bank balance with a promoter-group concern	260.61
Total identified resources	**3,366.14**

The identified resources exceed the amount payable under the Plan, and were placed before the CoC for its assessment of the feasibility and viability of the Plan.

17. The Plan is to be implemented within five months from the Effective Date. It provides for transfer of management and control of the Corporate Debtor, reconstitution of its Board, amendment of its constitutional documents and restructuring of its capital.

18. Part VI, Clause 1 of the Resolution Plan provides for the constitution of a Monitoring Committee to supervise implementation of the Plan during its five-month term, comprising the Resolution Professional as Chairman, two representatives of the Committee of Creditors and one representative of the Successful Resolution

Applicant. The fee payable to the Chairman is stipulated at ₹1,00,000/- per month or part thereof, plus applicable GST, to be borne by the Resolution Applicant. The SRA subsequently furnished a clarification dated 22.09.2026 stating that the sentences, ***"Each member shall have one vote in the meeting of the monitoring committee. The decisions of the monitoring committee shall be made with 75 percent of the voting share"***, were inadvertently incorporated and stand deleted in their entirety. The said clarification has been placed on record by the Resolution Professional through the Compliance Affidavit dated 23.09.2026, while the remaining provisions concerning the composition, tenure and supervisory role of the Monitoring Committee remain unchanged.

19. Pursuant to approval of the Plan by the CoC, the SRA furnished an irrevocable Performance Bank Guarantee bearing No. 6354IPEBG260003 dated 05.05.2026 for ₹2,30,15,500/-, issued by Bank of India, Amritsar, in favour of Punjab National Bank, SAM Branch, Chandigarh, on behalf of the CoC. The guarantee is valid till 04.05.2027, with the claim period expiring on 03.05.2028. The communication conveying approval of the Plan to the SRA recorded that the performance security required was 10% of the Plan value.

20. During the hearing of the present Application on 13.08.2026, the issue concerning the claim of J&K SIDCO in respect of the leasehold property of the Corporate Debtor at Samba arose for consideration. The RP was accordingly directed to formally intimate SIDCO regarding

the CIRP and invite submission of its claim within one week. The RP thereafter issued the requisite communication. SIDCO initially submitted its computation of dues, which was scrutinised by the RP and questioned, inter alia, with regard to computation of interest, water and borewell charges, carry-forward components and escalation of lease rentals. SIDCO thereafter submitted a revised claim on 05.09.2026, quantifying the pre-CIRP dues at ₹22,27,551/- and the dues claimed for the period from 21.11.2023 to 31.03.2027 at ₹8,37,274/-.

21. On 07.09.2026, it was submitted that the SRA was willing to address the SIDCO claim. The RP was accordingly directed to place the matter before the CoC along with the SRA. The SRA thereupon submitted an Addendum dated 10.09.2026, under which:

> ***(a) the amount of ₹8,37,274/- is to be paid in full, over and above the amount otherwise payable under the Plan;***
>
> ***(b) the pre-CIRP claim of ₹22,27,551/- is to be treated at par with the relevant class of Operational Creditors at the existing ratio of 1%, resulting in a payment of ₹22,276/-; and***
>
> ***(c) the total Plan value stands revised to ₹23,10,14,481/-.***

22. The Addendum was considered in the 25th meeting of the CoC held on 11.09.2026. The CoC noted that the distributions already provided to the creditors under the Plan were neither reduced nor altered and that the amounts payable to SIDCO were in addition thereto. The

Addendum was approved with 100% voting share, all six Financial Creditors voting in its favour.

23. Upon incorporation of the Addendum dated 10.09.2026, the financial structure of the Resolution Plan stands revised as under:

Stakeholder / Head	**Final Amount under the Resolution Plan read with the Addendum (₹)**
Secured Financial Creditors	21,00,00,000/-
CIRP Costs (Approximate)	1,25,00,000/-
Additional amount towards SIDCO dues under the Addendum	8,37,274/-
Statutory Dues	31,71,279/-
Operational Creditors (Trade Creditors including payment against SIDCO pre-CIRP claim)	3,38,467/-
Government and Other Operational Dues	41,67,461/-
Final Resolution Plan Value	23,10,14,481/-

24. After approval of the Addendum, the RP filed an updated Form H dated 14.09.2026 along with a compliance affidavit dated 15.09.2026. The updated Form H recorded, inter alia, the revised Plan value of ₹23,10,14,481/-, the Fair Value of ₹27,63,82,217/-, the Liquidation Value of ₹18,81,72,800/- and the approval of the Addendum with 100% voting share.

25. At the hearing held on 17.09.2026, this Adjudicating Authority noticed two deficiencies. First, certain columns of the updated Form H had been left blank. Second, Part VI, Clause 1 of the Plan contained the following sentences:

"Each member shall have one vote in the meeting of the monitoring committee. The decisions of the monitoring committee shall be made with 75 percent of the voting share."

The two sentences were inconsistent with each other and with the composition of the Committee. Time was granted to the RP to obtain a clarification from the SRA and to file a corrected Form H. In compliance, the RP filed an affidavit dated 23.09.2026 annexing the clarification of the SRA dated 22.09.2026 and a revised Form H. The SRA has stated that the aforesaid two sentences were incorporated inadvertently and stand deleted in their entirety, and that the rest of the clause relating to the Monitoring Committee remains unchanged. The revised Form H supplies the missing particulars and reflects the position after the Addendum and the said deletion.

26. We have examined the Resolution Plan dated 26.03.2026, the Addendum dated 10.09.2026, the clarification of the SRA dated 22.09.2026, the minutes of the 22nd, 24th and 25th meetings of the CoC, the Due Diligence Certificate of the RP, the affidavits of the SRA, the Performance Bank Guarantee, the compliance affidavits of the RP and the revised versions of Form H. The compliance of the Resolution

Plan with the relevant provisions of the Code and the CIRP Regulations is set out below:

Section / Regulation	Requirement / Point to be Examined	Compliance Status (YES/NO)	Relevant Clause / Document / Form H Reference, Factual Details / Observations
Section 25(2)(h)	***Whether the Resolution Applicant satisfies the eligibility criteria approved by the CoC having regard to the complexity and scale of operations of the Corporate Debtor.***	YES	Form H (Page 1, Clause (ii) and Page 11); EOI and Form G records; Resolution Plan, Parts I and VI.
Section 29A	***Whether the Resolution Applicant is eligible to submit the Resolution Plan.***	YES	Due Diligence Certificate dated 10.04.2026 (Annexure A-36, Vol. 1); Section 29A affidavit (Annexure A-37, Vol. 3); Form H (Page 1, Clause (iii)). **Observations:** After due diligence, the RP certified that the SRA is not disqualified under any of clauses (a) to (j) of Section 29A. The SRA is an independent entity in the textile sector. It has also filed an affidavit under Section 32A. **Updated position:** Eligibility was re-certified in the updated Form H dated 14.09.2026 and the revised Form H dated 23.09.2026.
Section 30(1)	***Whether the Resolution Applicant has submitted the prescribed affidavit/undertaking regarding eligibility under Section 29A.***	YES	Section 29A affidavit and confidentiality undertaking dated 10.04.2026 (Annexure A-37, Vol. 3); Form H (Page 11). **Observations:** The SRA has filed the affidavit declaring its eligibility under Section 29A, together with a confidentiality undertaking.

Section 30(2)(a)	***Whether the Resolution Plan provides for payment of CIRP costs in priority to repayment of other debts.***	YES	**Reference:** Resolution Plan (Page 23, Clause (i)); Form H (Table 7 and Page 11). **Observations:** The Plan provides for payment of CIRP costs in full, at actuals and in priority to all other debts. The figure of ₹1,25,00,000/- in the financial proposal is only an estimate. Under Clause (i)(c), the regulatory fee payable to the IBBI under Regulation 31A forms part of the CIRP costs. **Updated position:** The Addendum dated 10.09.2026 separately provides ₹8,37,274/- towards SIDCO dues for the period from 21.11.2023 onwards, over and above the Plan amount. This does not affect the priority of CIRP costs.
Section 30(2)(b)	***Whether the Resolution Plan provides for payment of debts of Operational Creditors in accordance with the Code.***	YES	**Reference:** Resolution Plan (Pages 26 to 30, Clauses (iv) to (vi)); Form H (Tables 7 and 12); Addendum dated 10.09.2026. **Observations:** Against admitted operational debt of ₹3,52,88,447/-, the Plan provides ₹3,38,467/-, i.e. about 1%. Statutory dues towards ESIC, EPFO, gratuity and labour welfare of ₹31,71,279/- are to be paid in full. Government dues of ₹41,67,461/- are to be paid as specified in the Plan. **Updated position:** On the direction dated 13.08.2026, SIDCO was invited to file its claim. It filed a revised claim on 05.09.2026 of ₹22,27,551/- for the pre-CIRP period and ₹8,37,274/- for the period from 21.11.2023. Under the Addendum, the pre-CIRP claim receives ₹22,276/- at 1%, and ₹8,37,274/- is paid in full. No payment to any other creditor is reduced.
Section 30(2)(b) / Regulation 38(1)(b)	***Whether dissenting Financial Creditors, if any, are provided the statutorily prescribed amount and payment priority.***	YES	**Reference:** Resolution Plan (Page 26, Clause (j)); Form H (Tables 7 and 12). **Observations:** The Plan provides that a dissenting Financial Creditor shall receive not less than its entitlement under Section 30(2)(b) read with Section 53(1). It shall be paid in priority to assenting Financial Creditors. At the 24th meeting on 24.04.2026, SBI (20.51%) did not vote in favour. **Updated position:** At the 25th meeting on 11.09.2026, SBI voted in favour and the Addendum was approved with 100% voting share. No dissenting Financial Creditor remains.

Section 30(2)(c)	***Whether the Resolution Plan provides for management of the affairs of the Corporate Debtor after approval of the Plan.***	YES	**Reference:** Resolution Plan (Page 20, Part III); Form H (Table 9 and Page 11). **Observations:** The Board of Directors is to be reconstituted within 30 days of the Effective Date. Upon implementation, the Corporate Debtor will become a wholly owned subsidiary of the SRA. Neither the Addendum nor the clarification changes this.
Section 30(2)(d)	***Whether the Resolution Plan provides for implementation and supervision of the Plan.***	YES	**Reference:** Resolution Plan (Part VI, Clause 1, Page 48 of the Plan / Page 318 of the paper book); Form H (Table 9 and Page 11); SRA's clarification dated 22.09.2026 (Annexure A-2 to the affidavit dated 23.09.2026). **Observations:** A Monitoring Committee is constituted for the five-month implementation period. It comprises the RP as Chairman, two representatives of the CoC and one representative of the SRA. **Updated position:** On 17.09.2026, this Tribunal noticed that the clause gave one vote to each member but also required decisions by 75% of the voting share. By its clarification, the SRA deleted both sentences as an inadvertent error. The rest of the clause is unchanged.
Section 30(2)(e)	***Whether the Resolution Plan contravenes any provision of law for the time being in force.***	YES (no contravention)	**Reference:** Resolution Plan (Part I, Clauses (iv) and (v); Part VIII, Page 323); Form H (Page 11); legal opinions dated 28.02.2025 and 10.04.2026. **Observations:** The SRA has declared and undertaken that the Plan does not contravene any law. **Updated position:** The inconsistency in the Monitoring Committee clause stands removed. Reliefs requiring the sanction of a statutory authority remain subject to that sanction.
Section 30(2)(f)	***Whether the Resolution Plan conforms to other requirements specified by the Board.***	YES	**Reference:** Resolution Plan (Part VIII, Page 323); Form H (Pages 11 to 13). **Observations:** The Plan contains the disclosures and provisions required under the CIRP Regulations, including the MSME disclosure, the regulatory fee and the performance security. **Updated position:** Compliance was re-certified in the updated Form H dated 14.09.2026 and the revised Form H dated 23.09.2026.

Section 30(4)	***Whether the CoC considered the feasibility and viability of the Resolution Plan and approved it with the requisite voting share.***	YES	**Reference:** Minutes of the 22nd CoC meeting (13.03.2026 and 16.03.2026), 24th CoC meeting (24.04.2026) and 25th CoC meeting (11.09.2026); Form H (Page 3 and Table 5). **Observations:** In the 22nd meeting, the CoC sought clarifications on the source of funds and the payment schedule. This led to the final Plan dated 26.03.2026. In the 24th meeting, the Plan was approved by paper ballot with 79.49% voting share: PNB 45.37%, ARCIL 16.50%, J&K Bank 9.81%, IndusInd Bank 4.05% and ASREC 3.76%. **Updated position:** In the 25th meeting on 11.09.2026, the Addendum was approved by voice vote with 100% voting share. All six Financial Creditors, including SBI, voted in favour.
Section 30(6)	***Whether the RP submitted the CoC-approved Resolution Plan to the Adjudicating Authority.***	YES	The RP filed the present Application IA(IBC)(PLAN)/3(CH)2026 in CP(IB) No. 76/Chd/Pb/2019 seeking approval of the Plan under Section 31(1).
Section 31(1)	***Whether the Resolution Plan contains adequate provisions for its effective implementation.***	YES	**Reference:** Resolution Plan (Page 48, Clause 1 and Page 49, Clause 3); Form H (Page 12). **Observations:** The Plan provides a five-month term, an escrow mechanism, conditions precedent and handover of the Board. The Financial Creditors are to be paid: • ₹3.15 crore within seven days; • ₹1.05 crore at the end of the first month; • ₹4.20 crore in each of the second to fifth months. The SRA's identified resources total ₹3,366.14 lakh. Neither the Addendum nor the clarification alters the implementation structure.
Regulation 38(1)(a)	***Whether payment to Operational Creditors is proposed in priority to Financial Creditors in the manner prescribed.***	YES	**Reference:** Resolution Plan (Pages 26 to 30, Clauses (iv) to (vi)); Form H (Page 12). **Observations:** The Plan expressly provides that payments to Operational Creditors shall be made in priority to Financial Creditors. **Updated position:** The SIDCO amounts under the Addendum are in addition to the payments to other creditors and do not reduce them.

Regulation 38(1)(b)	***Whether dissenting Financial Creditors are proposed to be paid in priority to assenting Financial Creditors.***	YES	**Reference:** Resolution Plan (Page 26, Clause (j)); Form H (Page 12). **Observations:** The Plan provides that dissenting Financial Creditors shall be paid in priority to assenting Financial Creditors, in terms of Section 30(2)(b) read with Section 53. **Updated position:** After the 25th CoC meeting, approval is unanimous and no dissenting Financial Creditor remains.
Regulation 38(1A)	***Whether the Resolution Plan contains a statement explaining how the interests of all stakeholders have been dealt with.***	YES	**Reference:** Resolution Plan (Page 48, Clause 2); Form H (Page 12). **Observations:** The Plan states the treatment of CIRP costs, secured Financial Creditors, Operational Creditors, statutory authorities, workmen and employees, and existing shareholders. **Updated position:** The Addendum supplements this statement in respect of the lease dues of J&K SIDCO relating to the Samba property.
Regulation 38(1B)	***Whether the Resolution Applicant or its related/connected persons have previously failed to implement an approved Resolution Plan.***	YES (no such failure)	**Reference:** Resolution Plan (Page 2 and Part VI); Form H (Page 12). **Observations:** The SRA has declared that neither it nor its related or connected persons has failed to implement, or contributed to the failure of, any resolution plan approved under the Code. The RP has certified this in Form H.
Regulation 38(1B), where applicable	***Whether details/statements concerning any previous failure to implement an approved Resolution Plan have been furnished.***	Not applicable	**Reference:** Resolution Plan (Page 2); Form H (Page 12). **Observations:** As the SRA has declared nil instances of non-implementation, no further particulars were required.
Regulation 38(2)(a)	***Whether the Resolution Plan provides for its term and implementation schedule.***	YES	**Reference:** Resolution Plan (Page 22, Clause (a); Part III); Form H (Pages 5 and 12). **Observations:** The term is five months from the Effective Date, being the date of approval by this Tribunal. Payments to Financial Creditors follow the schedule noted against Section 31(1). The Addendum does not alter the term.

Regulation 38(2)(b)	***Whether the Resolution Plan provides for management and control of the Corporate Debtor during its term.***	YES	**Reference:** Resolution Plan (Page 20, Part III); Form H (Pages 5 and 12). **Observations:** During the term, implementation is supervised by the Monitoring Committee, and management vests in the Board as reconstituted under the Plan. The deletion of the voting sentences does not affect the composition or role of the Monitoring Committee.
Regulation 38(2)(c)	***Whether adequate means for supervising implementation of the Resolution Plan have been provided.***	YES (after clarification)	**Reference:** Resolution Plan (Part VI, Clause 1, Page 48); Form H (Pages 5 and 12). **Observations:** The Monitoring Committee supervises implementation throughout the five-month term. It comprises the RP as Chairman, two representatives of the CoC and one representative of the SRA. **Updated position:** The conflicting sentences providing one vote per member and a 75% voting share stand deleted by the clarification dated 22.09.2026. The revised Form H records this.
Regulation 38(3)(a)	***Whether the Resolution Plan demonstrates that it addresses the causes of default of the Corporate Debtor.***	YES	**Reference:** Resolution Plan (Part II, Page 15, Clause 2); Form H (Page 12). **Observations:** The Plan identifies shortage of working capital and operational distress as the causes of default. It proposes revival through infusion of funds, operational reorganisation and the SRA's experience in the textile sector. Resolving both units as a going concern, rather than acquiring the Ludhiana unit alone, strengthens the revival proposal.
Regulation 38(3)(b)	***Whether the Resolution Plan demonstrates that it is feasible and viable.***	YES	**Reference:** Resolution Plan (Parts III and VI; Page 48, Clause 2); CoC minutes; Form H (Page 12). **Observations:** The CoC examined the financial proposal, source of funds, cash flows and the SRA's capacity to pay, and approved the Plan with 79.49% voting share. **Updated position:** The Addendum was approved unanimously with 100% voting share on 11.09.2026.
Regulation 38(3)(c)	***Whether the Resolution Plan contains provisions for its effective implementation.***	YES	**Reference:** Resolution Plan (Part VI; Page 49, Clause 3); Form H (Page 12). **Observations:** The Plan sets out payment triggers, conditions precedent, escrow funding and the steps for reconstitution of the Board. These are secured by the Performance Bank Guarantee. The mechanism is unchanged after the Addendum.

Regulation 38(3)(d)	***Whether the Resolution Plan identifies the approvals required and the proposed timeline for obtaining them.***	YES	**Reference:** Resolution Plan (Part VI, Para 4; Page 49, Clause 4); Form H (Pages 7, 8 and 13). **Observations:** The Plan identifies: • ROC filings relating to directors and constitutional documents, within 30 days; • reconstitution of the Board, within 30 days; • other statutory approvals, within one year. The reliefs and concessions in Part IX, Para 6 are stated not to be conditions precedent. Approvals required by law remain to be obtained from the competent authorities.
Regulation 38(3)(e)	***Whether the Resolution Applicant possesses the requisite financial, managerial and technical capability to implement the Plan.***	YES	**Reference:** Resolution Plan (Part I; Page 39, Clause 13); Form H (Page 13). **Observations:** The SRA is an established textile enterprise. Its identified sources of funds total ₹3,366.14 lakh: • cash and cash accruals: ₹955.53 lakh; • realisation from identified land: ₹2,150.00 lakh; • liquid balance with a promoter-group concern: ₹260.61 lakh. It has furnished a Performance Bank Guarantee of ₹2,30,15,500/-. The CoC considered its capability both while approving the Plan and while approving the Addendum.

Regulation 39(2)	***Whether the RP has filed the necessary applications concerning preferential, undervalued, fraudulent, extortionate or other avoidance transactions, wherever applicable.***	YES	**Reference:** Minutes of the 9th, 10th and 11th CoC meetings; Form H (Pages 9 and 13); Resolution Plan (Part III, Clause 4). **Observations:** In the 9th CoC meeting on 21.10.2024, the RP placed certain transactions before the CoC. These included a sale of assets without the consent of the Financial Creditors, valued at about ₹7.95 crore. The following applications are pending: • IA No. 309/2025 under Section 66 (fraudulent trading), against Vinay Bawa and others, involving about ₹84.74 crore; • IA No. 595/2024 under Section 19(2), against Parveen Kumar and others. Under the Plan, the SRA has no entitlement to any recovery from these proceedings. The Financial Creditors will pursue them at their own cost and retain the proceeds. The applications will be decided independently on their merits.
Regulation 36B(4A)	***Whether performance security has been furnished by the Successful Resolution Applicant.***	YES	**Reference:** Letter of Intent; PBG compliance affidavit (Annexures A-1 and A-2); Form H (Page 4). **Observations:** The Letter of Intent required performance security of 10% of the Plan value. The SRA furnished security equal to 10% of the Plan value of ₹23,01,54,931/- as then approved. **Updated position:** After the Addendum, the Plan value stands at ₹23,10,14,481/-, of which 10% is ₹2,31,01,448/-. The existing guarantee therefore falls short by ₹85,948/- and requires a top-up.
	Nature and amount of performance security furnished.	YES	**Reference:** Performance Bank Guarantee (Annexure A-2 to the PBG affidavit); Form H (Page 4). **Observations:** Irrevocable Performance Bank Guarantee for ₹2,30,15,500/- (Rupees Two Crore Thirty Lakh Fifteen Thousand Five Hundred only), subject to the top-up noted above.

	Details of performance security, including BG number, date, issuing bank, validity, claim period and beneficiary, wherever applicable.	YES	**Reference:** Performance Bank Guarantee (Annexure A-2 to the PBG affidavit); Form H (Page 4). **Particulars:** • BG No.: 6354IPEBG260003 • Issuing bank: Bank of India, District Shopping Centre Branch, SCO-102, Ranjit Avenue, Amritsar • Date of issue: 05.05.2026 • Valid till: 04.05.2027 • Claim expiry: 03.05.2028 • Beneficiary: Punjab National Bank, SAM Branch, Sector 17, Chandigarh, on behalf of the CoC A true copy is on record.
Regulation 39(4)	***Whether the RP has filed the prescribed compliance certificate in Form H along with the Plan Approval Application.***	YES	**Reference:** Form H filed with the Application (Annexure A-40, Vol. 1); updated Form H dated 14.09.2026 (Annexure A-4 to affidavit dated 15.09.2026); revised Form H dated 23.09.2026 (Annexure A-3 to affidavit dated 23.09.2026). **Observations:** The RP filed Form H with the Application, certifying compliance with the Code and the CIRP Regulations. **Updated position:** Form H has been filed in three stages: (i) with the Application, recording approval with 79.49% voting share; (ii) as updated on 14.09.2026, recording the Addendum, the revised Plan value and 100% approval; (iii) as revised on 23.09.2026 after the order dated 17.09.2026, supplying the missing columns and recording deletion of the Monitoring Committee sentences.

Regulation 39(4)	***Whether the particulars contained in Form H are consistent with the Resolution Plan, addenda/modifications, CoC minutes, voting results and other supporting records.***	YES	**Reference:** Revised Form H dated 23.09.2026; compliance affidavit dated 23.09.2026; SRA's clarification dated 22.09.2026. **Observations:** On 17.09.2026, this Tribunal noticed blank columns in the updated Form H and the conflicting voting stipulation at Page 318 of the Plan. **Updated position:** The revised Form H supplies the missing particulars. It reflects: • the Plan value of ₹23,10,14,481/-; • the Fair Value of ₹27,63,82,217/-; • the Liquidation Value of ₹18,81,72,800/-; • 100% approval of the Addendum; and • deletion of the offending sentences. It is now consistent with the Plan, the Addendum and the CoC minutes.

ANALYSIS AND FINDINGS

27. We have heard Learned Counsel for the Applicant and have perused the material available on record carefully and the extant provisions of the Code and the rules and regulations made thereunder and also the settled position of the law.

28. In the matter in our hands, the question before us, therefore, is whether the Plan meets the requirements specified in section 30(2) of the Code and the Regulations, and also whether there is any legal impediment to its approval.

29. In the present case, the CIRP of the CD was instituted on 20.11.2023, Form G was issued on three occasions in this case, and at one stage the CoC had resolved to propose liquidation. However, no application under Section 33(2) of the Code had been filed when the improved offer was received. The revised offer more than doubled the

consideration, reduced the implementation period from two years to five months, and extended the acquisition from the Ludhiana Unit to the Corporate Debtor as a whole. The CoC, having regard to these improvements, kept its liquidation decision in abeyance. The matter was then brought before this Adjudicating Authority, and by order dated 27.02.2026 the CoC was left free to consider the revised proposal or to issue a fresh Form G. The consideration of the revised Plan by the CoC was, therefore, within the period of CIRP as extended.

30. The Resolution Plan dated 26.03.2026 was approved with 79.49% voting share, which is above the threshold of 66% prescribed under Section 30(4) of the Code. The fact that State Bank of India, holding 20.51%, did not vote in favour at that stage does not affect the validity of the approval. The Addendum dated 10.09.2026 was brought in pursuant to the directions of this Adjudicating Authority to address the claim of SIDCO. It increases the amount payable under the Plan, it does not reduce the amount payable to any existing creditor, and it has been approved by the CoC with 100% voting share. There is thus no occasion to question the commercial terms for the treatment of the SIDCO claim. We also note that the RP did not accept the claim of SIDCO as first presented. It was examined and questioned on specific grounds, including computation of interest and escalation of lease rentals, whereafter revised figures were furnished. We are not, in the present proceedings, determining the contractual entitlement of SIDCO beyond what has been accepted in the Addendum. The

undertaking of the SRA to make the additional payment, having been unanimously approved by the CoC, forms part of the approved commercial terms and is binding on the SRA.

31. As regards Section 30(2)(a), the Plan clearly provides that CIRP costs shall be paid at actuals and in priority to all other payments. The figure shown against CIRP costs is only indicative. Any lawful CIRP cost remaining unpaid shall, therefore, be paid in full and in priority to the payments to other creditors.

32. As regards Section 30(2)(b), the Plan provides for payment to Operational Creditors in terms of the statutory minimum, and accords them priority of payment. The statutory dues towards EPFO, ESIC, gratuity and labour welfare have been separately provided for in full. Once the statutory minimum is met, the distribution among creditors is a matter of commercial wisdom, and this Adjudicating Authority will not substitute its view for that of the CoC. The Plan also safeguards the entitlement of dissenting Financial Creditors; in any case, after the 25th meeting of the CoC, no dissenting Financial Creditors remain.

33. The RP has certified the eligibility of the SRA under Section 29A of the Code after due diligence. The SRA has filed the requisite affidavit and undertaking. Accordingly, the requirements of Sections 29A and 30(1) are satisfied.

34. The Plan provides for implementation within five months, identifies the source of funds, provides for management and restructuring of the Corporate Debtor, and constitutes a Monitoring Committee to

supervise implementation. The requirements of Sections 30(2)(c), 30(2)(d) and 31(1) of the Code, read with Regulations 38(2) and 38(3) of the CIRP Regulations, are met.

35. The final Plan value of ₹23,10,14,481/- is higher than the average Liquidation Value of ₹18,81,72,800/-. This is not by itself a determinative factor, but it lends support to the assessment of the CoC that resolution of the Corporate Debtor as a going concern is preferable to its liquidation.

36. During the hearing on 17.09.2026, this Adjudicating Authority pointed out an inconsistency in Part VI, Clause 1 (Page 318) of the Resolution Plan concerning the voting mechanism of the Monitoring Committee, as the Plan provided for one vote per member while also requiring decisions to be passed by a 75% voting share. In response, the Successful Resolution Applicant, M/s Paramount Syntex Limited, issued a clarification dated 22.09.2026, stating that both provisions had been inadvertently incorporated due to a clerical error and confirming their deletion. The said clarification, along with the Revised Form H, was placed on record by the Resolution Professional through a Compliance Affidavit dated 23.09.2026. The remaining provisions concerning the composition, tenure of five months, and supervisory functions of the Monitoring Committee remain unchanged.

37. The said two sentences, therefore, do not form part of the Resolution Plan being approved. The Monitoring Committee shall function in terms of the provisions of the Plan, the Addendum, the

clarification dated 22.09.2026. Any issue which cannot be resolved under the approved Plan may be brought before this Adjudicating Authority in accordance with law.

38. The performance security stipulated under the RFRP was equivalent to 10% of the Resolution Plan value. Against the original Plan value of ₹23,01,54,931/-, the SRA furnished a Performance Bank Guarantee of ₹2,30,15,500/-, which satisfied the stipulated requirement at that stage. After incorporation of the Addendum, the Resolution Plan value stands enhanced to ₹23,10,14,481/-. Since the Addendum does not modify the requirement concerning performance security, the existing Performance Bank Guarantee requires a corresponding marginal enhancement so that the aggregate performance security is not less than 10% of the final Resolution Plan value.

39. The revised Form H discloses that IA No. 309/2025 under Section 66 of the Code, involving an amount stated to be about ₹84.74 crore, is pending. The Plan provides that the SRA shall have no right or entitlement to any recovery from such proceedings; the recoveries are reserved for the Financial Creditors, who shall also bear the cost of such litigation in terms of the Plan.

40. The Plan also preserves the rights of the Financial Creditors against the personal guarantors of the Corporate Debtor. Recoveries from personal guarantors neither vest in the SRA nor reduce its payment obligations under the Plan. This treatment is consistent with

the distinction in law between the liability of the Corporate Debtor and the independent liability of its guarantors.

41. Nothing in this order shall be construed as an expression of opinion on the merits of IA No. 309/2025 or any other pending avoidance or non-cooperation application, which shall be decided independently in accordance with law.

42. The Plan contains several requests for waivers, exemptions, reliefs and concessions. Approval of a Resolution Plan under Section 31(1) does not take the place of a permission which only a competent authority can grant under the applicable law. Wherever any approval, exemption, licence, consent or waiver is required from the Central Government, a State Government, the Registrar of Companies, tax authorities, industrial development authorities or any other statutory or sectoral regulator, the SRA or the Corporate Debtor shall approach the authority concerned, which shall consider the request in accordance with law.

43. At the same time, the consequences of approval of a Resolution Plan under Section 31of the Code follow from the statute. In *Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited*, (2021) 9 SCC 657, the Hon'ble Supreme Court held that upon approval of a resolution plan, all claims which are not part of the plan stand extinguished, and the plan is binding on all stakeholders referred to in Section 31(1) of the Code.

44. Similarly, the immunity under Section 32A of the Code shall be available only upon satisfaction of the conditions stated therein. Approval of the Plan shall not be read as a finding that every past proceeding or liability, whatever its nature, is covered by Section 32A of the Code.

45. In ***Torrent Power Ltd. v. Ashish Arjunkumar Rathi & Ors., 2026 INSC 206***, the Hon'ble Supreme Court reiterated that the commercial wisdom of the CoC is paramount and cannot be substituted by judicial review. The scope of scrutiny by the Adjudicating Authority under Section 31 of the Code is limited to examining whether the Resolution Plan complies with the requirements of Section 30(2) of the Code and the applicable Regulations, without reassessing the commercial decision of the CoC.

46. In the present case, upon consideration of the Resolution Plan, the Addendum dated 10.09.2026, the clarification dated 22.09.2026, the Revised Form H and the proceedings of the CoC, we are satisfied that the Resolution Plan complies with the requirements of Sections 30(2), 30(4) and 31(1) of the Code read with Regulations 38 and 39 of the CIRP Regulations.

CONCLUSION

47. For the reasons stated above, we hereby approve the Resolution Plan dated 26.03.2026 submitted by M/s Paramount Syntex Limited,

read with the Addendum dated 10.09.2026 and the clarification dated 22.09.2026, with the following directions:

(i) The Resolution Plan, dated 26.03.2026, read with the Addendum dated 10.09.2026 and the clarification dated 22.09.2026, shall be binding on all stakeholders under Section 31(1) of the Code. These are the Corporate Debtor, its employees, members and creditors (including the Central Government, any State Government or local authority to whom statutory dues are owed), guarantors, and other stakeholders involved in the Plan.

(ii) The final Resolution Plan value, after incorporation of the Addendum, is recorded as ₹23,10,14,481/-.

(iii) All unpaid CIRP costs lawfully incurred shall be paid in full and in priority to all other payments. The amount shown against CIRP costs in the Plan shall not operate as a ceiling.

(iv) The existing Performance Bank Guarantee of ₹2,30,15,500/- shall remain valid and enforceable. The SRA shall, within seven days from the date of this Order, furnish such additional performance security as may be necessary so that the aggregate performance security is not less than 10% of the final Resolution Plan value of ₹23,10,14,481/-. The performance security shall be maintained and, where required, renewed until the obligations secured thereby stand duly discharged in accordance with the Resolution Plan. The Resolution Professional/Monitoring Committee shall place proof of such compliance on record.

(v) The Monitoring Committee shall supervise implementation of the Plan during the five-month period. It shall comprise the Resolution Professional as Chairman, two representatives of the CoC and one representative of the SRA. The sentences in Part VI, Clause 1

providing one vote per member and a 75% voting share, having been deleted by the SRA, shall not form part of the approved Plan.

(vi) The SRA shall implement the Plan within five months from the Effective Date, strictly in accordance with its payment schedule, source of funds and other commitments. The transfer of management, reconstitution of the Board, alteration of share capital and amendment of constitutional documents shall be carried out in accordance with the Plan, the Companies Act, 2013 and other applicable laws.

(vii) In terms of Section 31(4) of the Code, the SRA shall obtain the approvals required under any law within one year from the date of this order, or within the period provided in such law, whichever is later. Reliefs, waivers and concessions sought in the Plan that fall within the domain of any statutory or governmental authority shall not be deemed granted by this order. They shall be considered by the competent authority in accordance with law.

(viii) Claims not forming part of the approved Plan shall stand extinguished in terms of *Ghanashyam Mishra and Sons Private Limited (supra)*, save liabilities not capable of extinguishment in law. The benefit of Section 32A shall be available only upon fulfilment of the conditions stipulated therein.

(ix) The rights of the Financial Creditors against the personal guarantors of the Corporate Debtor shall remain unaffected, to the extent preserved under the Plan and the applicable law. The SRA shall have no right over any recovery from such guarantees. IA No. 309/2025 and any other pending avoidance application shall be decided on its own merits, and any recovery shall be dealt with in accordance with the Plan.

(x) In case of default by the SRA, the Monitoring Committee/RP shall be at liberty to approach this Adjudicating Authority for appropriate orders, including invocation of the performance security.

(xi) In terms of Section 31(3)(a) of the Code, the moratorium under Section 14 of the code shall cease to have effect from the date of this order.

(xii) In terms of Section 31(3)(b), the Resolution Professional shall forward all records relating to the CIRP and the Resolution Plan to the IBBI for its database.

(xiii) The Resolution Professional shall stand discharged upon constitution of the Monitoring Committee. This is subject to his obligations as its Chairman and to completion of the acts required of him under the Code and the Regulations.

48. The Registry shall send a copy of this order to the IBBI of India and the concerned Registrar of Companies for information and necessary action. A certified copy of this order may be issued to the parties upon compliance with requisite formalities.

49. Accordingly, **IA(IBC)(PLAN)/3(CH)2026** stands ***allowed and disposed of.***

SD/- SD/-

(SHISHIR AGARWAL)
MEMBER (TECHNICAL)

(KHETRABASI BISWAL)
MEMBER (JUDICIAL)

Yuvraj