Security & Beyond

September 25, 2026

The Secretary / Corporate Relationship Dept.
The Bombay Stock Exchange Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai 400001.

Stock Code: 531404

The Manager
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051.

Stock Code: ZICOM

Ref: ISIN INE 871B01014

Dear Sir / Madam,

Sub: With reference to approval of Resolution Plan, this is Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Pronouncement of Order dated September 24, 2026 under Section 31 of the Insolvency and Bankruptcy Code, 2016 approving resolution plan for Zicom Electronic Security Systems Limited by the Hon'ble National Company Law Tribunal, Mumbai Bench- I ("Hon'ble NCLT").

Dear Sir/ Madam,

With reference to approval of Resolution Plan, this communication is in continuation to announcement made on 24.09.2026 wherein it was informed that the Hon'ble National Company Law Tribunal, Mumbai Bench- I, has pronounced an order dated September 24, 2026 in IA(I.B.C)/1566/MB/2026 in CP(IB) No. 610 of 2021 approving the resolution plan submitted by Advaita Trading Private Limited (the successful Resolution Applicant) with respect to the insolvency process of Zicom Electronic Security Systems Limited. We have enclosed herewith the order dated 24.09.2026 for dissemination.

We request you to kindly take the aforesaid information on your records.

Thanking you,

Yours faithfully,
For **Zicom Electronic Security Systems Limited**
(Under Corporate Insolvency Resolution Process)

CHIRAG R SHAH
2026.09.25
11:53:33 +05'30'

Chirag Shah
Resolution Professional
IBBI/IPA-001/IP-P01169/2018-19/11837
208, Ratnaraj Spring, Opp. HDFC Bank House, Beside
Navnirman Co-op Bank, Navrangpura, Ahmedabad-
380009, Gujarat, India.
Email: zicom.cirp@gmail.com

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH -I

IA(I.B.C)/1566(MB)2026

Under Section 60(5) of Insolvency and Bankruptcy Code, 2016 read with Rule 11of The National Company Law Tribunal, Rules 2016

Central Bank of India

... Applicant

Versus

Chirag Rajendrakumar Shah, Resolution Professional of Zicom Electronic Security Systems Ltd. & Ors

... Respondents

In the matter of

CP(IB) No. 610 of 2021

IDBI Bank Limited

…Financial Creditor

Versus

Zicom Electronic Security Systems Limited

…Corporate Debtor

Order pronounced on : 24.09.2026

Coram:

Sh. Prabhat Kumar	**Sh. Sushil Mahadeorao Kochey**
Hon'ble Member (Technical)	Hon'ble Member (Judicial)

Appearances:

Adv. Shadab Jan a/w Adv. Malavika Sachin for the Central Bank of India
Adv. Rohit Gupta a/w Adv. Niyati Merchant for Respondent
Adv. Rishi Thakur a/w Adv. Dhwani Gala for the Respondent No.2

ORDER

Per: Coram

1. The present Interlocutory Application has been filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("the Code") read with Rule 11 of the National Company Law Tribunal Rules, 2016 by the Applicant, Central Bank of India, a member of the Committee of Creditors ("CoC") of Zicom Electronic Security Systems Limited against the Resolution Professional ("RP"), the CoC and the Advaita Trading Private Limited, the Successful Resolution Applicant ("SRA") of the Corporate Debtor, seeking the following reliefs:

   a. *a direction to the CoC to reconsider and modify the distribution mechanism under the Resolution Plan so as to ensure that the Applicant receives not less than the liquidation value of its security interest, having regard to its superior first charge;*
   b. *a direction to the Resolution Professional to recompute the minimum amount payable to dissenting Financial Creditors under Section 30(2)(b) of the Code, after considering the*

priority and value of their respective security interests under Section 53 of the Code;

c. *an order restraining the Resolution Professional from filing or prosecuting the application for approval of the Resolution Plan in its present form until disposal of this application; and*

d. *stay of the approval and implementation of the Resolution Plan pending disposal of the present application.*

2. The Corporate Insolvency Resolution Process ("CIRP") of the Corporate Debtor commenced pursuant to the order dated 29.07.2022 passed by this Tribunal in C.P. (IB) No. 610 (MB) of 2021 under Section 7 of the Code, whereby Mr. Huzefa Fakhri Sitabkhan, the Erstwhile Resolution Professional was appointed as the Interim Resolution Professional ("IRP") and his appointment was confirmed in the second meeting of the Committee of Creditors ("CoC") on September 21, 2022. Thereafter by order dated 04.09.2025, this Tribunal allowed IA No. 3522 of 2025 and appointed the present Resolution Professional ("RP") replacing the Erstwhile IRP of the Corporate Debtor.

3. The Applicant submits that its claim of approximately ₹74.55 crore has been admitted by the Resolution Professional as secured financial debt and that it holds a 12.70% voting share in the CoC. It is further submitted by the Applicant that, under the security documents and as recorded in the Information Memorandum, the Applicant holds an exclusive and superior first charge over following assets:

   i. Movable machinery, fixtures, furniture, equipment and other fixed assets of the Corporate Debtor;

   ii. Immovable property known as "Zicom House", bearing Survey No. 301, C.S. No. C/160, Street No. 11, New No. 45, Chimbai Road, Bandra (West), Mumbai;

iii. Flat No. F-202, 1st Floor, Albert Court, Municipal No. 2/2, Albert Street, Richmond Town, Ward No. 76, Bangalore; and

iv. Second Charge on the current assets of the Corporate Debtor.

4. The Applicant further submits that, in addition to the aforesaid exclusive first charge, it holds, along with the other consortium lenders, a first pari passu charge over the entire present and future current assets of the Corporate Debtor and a second pari passu charge over the aforesaid immovable properties and movable fixed assets, subject to its exclusive first charge.
5. It is submitted that, at the 19th CoC meeting held on 06.06.2023, the CoC considered the distribution of the financial outlay under the Resolution Plan and resolved that the Financial Creditors could mutually determine the distribution mechanism, provided the total outlay remained unchanged. In the absence of consensus within the stipulated period, the pro-rata distribution proposed under the Resolution Plan would apply. The Applicant further submits that, during the deliberations, it and certain other CoC members objected to the proposed pro-rata distribution on the ground that it failed to account for the differing priority and value of their respective security interests. It is further submitted that, at the 19th CoC meeting held on 06.06.2023, the CoC, with 75.03% voting share, approved distribution of the amount allocated to Financial Creditors in the ratio of 40:60 between secured and unsecured Financial Creditors.
6. The Applicant submits that, despite the objections recorded in the minutes, the CoC approved the Resolution Plan with the pro-rata distribution mechanism. It is contended that the mechanism treats all secured Financial Creditors alike, without regard to the priority or realisable value of their respective security interests, and is therefore inconsistent with Section

30(2)(b) of the Code.

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

Sl. No.	***Name of Creditor***	***Voting Share(%)***	***Voting for Resolution Plan (Voted for/ Dissented /Abstained)***
1.	*IDBI Bank Limited*	*39.27*	*Voted For*
2.	*Union Bank of India*	*18.85*	*Voted For*
3.	*Central Bank of India*	*12.48*	*Dissented*
4.	*Bank of Baroda*	*5.34*	*Dissented*
5.	*J.C. Flowers Asset Reconstruction Private Limited (Erstwhile Saraswat Co-operative Bank Limited)*	*3.36*	*Dissented*
6.	*Indian Bank*	*3.36*	*Dissented*
7.	*Punjab National Bank*	*11.63*	*Voted For*
8.	*Assets Care & Reconstruction Enterprises Limited*	*1.59*	*Voted For*
9.	*Export-Import Bank of India*	*2.39*	*Voted For*
10.	*National Skill Development Corporation*	*1.73*	*Voted For*
Total		***100***	-

8. It is stated that the liquidation value of the Corporate Debtor ranges from approximately ₹13.50 crore to ₹14.99 crore, of which approximately ₹9.19 crore is attributable to the assets exclusively charged in favour of the Applicant. Therefore, the realisable value of its exclusive security, amounting to approximately ₹9.19 crore, ought to constitute the minimum

amount payable to it under Section 30(2)(b) of the Code, instead of Rs. ₹2.83 crore accruing to it in terms of approved Resolution Plan in the event of dissent.

9. The Applicant states that, at the forty-fifth CoC meeting, the Resolution Professional placed before the CoC a legal opinion dated 07.01.2026 obtained from M/s Khaitan Legal Associates. The opinion stated that the priority and value of individual security interests need not be considered while determining the minimum payment to dissenting secured Financial Creditors under Section 30(2)(b), as all secured creditors rank equally under Section 53(1)(b), irrespective of the nature or ranking of their charge.
10. Relying upon *DBS Bank Ltd., Singapore v. Ruchi Soya Industries Ltd.* and Committee *of Creditors of Essar Steel India Limited v. Satish Kumar Gupta*, the Applicant contends that the aforesaid interpretation of Sections 30(2)(b), 52 and 53 is erroneous and that the liquidation comparator for a dissenting secured Financial Creditor must account for the realisable value of its specific security interest.
11. The Applicant further contends that the distribution mechanism violates Section 30(4) of the Code, as the CoC's commercial discretion is subject to consideration of the priority prescribed under Section 53. According to the Applicant, a uniform pro rata distribution that disregards the differing priority and value of security interests cannot be regarded as fair and equitable.

<u>Reply of Resolution Professional("R1") and CoC("R2"):</u>

12. The Respondents submit that the Applicant's alleged exclusive first charge is confined to the SBLC facility of ₹52.25 crore. Under the Inter-Se Agreement dated 06.02.2016, the Applicant otherwise holds a second charge over the current assets and pari passu charges along with the consortium lenders

13. It is submitted that neither the application nor the Applicant's Form C discloses the extent to which the SBLC facility devolved or crystallised into an admitted debt of the Corporate Debtor. The claim founded upon the alleged first charge is, therefore, stated to be vague and unsupported by material particulars.
14. The Respondents contend that an asset-specific and facility-specific charge cannot be mechanically converted into preferential distribution under a comprehensive resolution plan concerning the Corporate Debtor as a whole.
15. It is submitted that the Resolution Plan complies with Section 30(2)(b) of the Code, as it provides dissenting Financial Creditors an amount not less than their entitlement under liquidation and accords such payment priority over other Financial Creditors.
16. The Respondents contend that the distribution mechanism was deliberated upon and approved by the requisite majority of the CoC in exercise of its commercial wisdom, which cannot be interfered with except on the limited grounds specified under Section 30(2) of the Code.
17. The Respondents deny that the Applicant enjoys exclusive security over the assets of the Corporate Debtor and contend that it has selectively disregarded the pari passu and other charges held by the consortium lenders.
18. It is further submitted that Section 52 applies only upon liquidation and that the hypothetical realisation of security thereunder cannot be considered while computing the minimum payment under Section 30(2)(b) of the Code.
19. The Respondents state that the distribution mechanism was initially considered at the nineteenth CoC meeting held on 06.06.2023 and was subsequently discussed at the forty-second and forty-third meetings without objection from the Applicant. According to them, the Applicant raised its alleged superior security interest for the first time at the forty-fifth CoC meeting, nearly three years later, and cannot now challenge the agreed mechanism.

20. The Respondents contend that the Applicant's reliance upon DBS Bank Ltd., Singapore v. Ruchi Soya Industries Ltd. is misplaced, as the question considered therein stands referred to a larger Bench of the Hon'ble Supreme Court. Until the reference is decided, the decision in India Resurgence ARC Private Limited v. Amit Metaliks Limited and Another continues to govern the issue.

21. Relying upon Amit Metaliks, the Respondents submit that similarly situated creditors must be treated equally as a class and that distribution cannot depend upon the value of their respective securities. Reliance is also placed upon the decision of the Hon'ble NCLAT in Beacon Trusteeship Limited v. Jayesh Sanghrajka, wherein it was held that Amit Metaliks may continue to be followed pending the decision of the larger Bench.

<u>Findings:</u>

22. We have heard the Learned Counsel appearing for the parties and perused the material available on record.

23. The Resolution Plan approved by the CoC provides a sum of Rs 16 Cr. (plus commitment under Brand litigation for Secured and Unsecured Financial Creditors and further provides that *the distribution of proceeds under this Plan for the Financial Class of Creditors will be on pro-rata basis or as decided by the CoC members.* The CoC in its 19th Meeting held on 06.06.2023 discussed distribution of Resolution Plan Proceeds amongst the Financial Creditors / CoC members, and *owing to non-consensus by the CoC members over the distribution mechanism for the financial outlay allocated to the financial creditors in the resolution plans, the Chairman stated that sharing of distribution allocated to the financial creditors in the ratio of 40:60 i.e., 40% towards the admitted claims of secured financial creditors and 60% towards the adm*itted *claims of the unsecured financial creditors would be put up for voting.* The minutes of the said meeting records express dissent of Bank of Baroda and Saraswat Co-op bank

limited, who had voted against the resolution plan as well as the applicant did.

24. Further the said plan provides for payment of liquidation value to the financial creditors not voting in favor of the plan. Clause 4.4 of the Plan reads as under :

> *4.4 Liquidation value of the Company is not known to the Applicant. In terms of IBC, and under regulation made thereunder, the amount payable in respect of Financial Creditors who do not vote in favour of the Resolution Plan would not be less than the amount to be paid to such creditors in accordance with sub¬ section (1) of Section 53in the event of liquidation of the Company.The dissenting members of CoC will be paid amount dues to them as per Waterfall Method within 30 days of the effective date*.

25. Indubitably, the applicant is one of such creditor, accordingly, it essentially seeks a direction that the amount payable to it should not be less than the liquidation value attributable to its security interest, having regard to the nature and priority of its first charge over the secured assets. The Applicant further seeks recomputation of the minimum amount payable to dissenting Financial Creditors under Section 30(2)(b) of the Code, after taking into consideration the priority and value of their respective security interests in accordance with the waterfall mechanism contemplated under Section 53 of the Code.

26. In the case of ***DBS Bank Limited Singapore vs. Ruchi Soya Industries Limited and Another (2024) 3 Supreme Court Cases 752,*** the Hon'ble Supreme Court, after taking note of its decision in the case of **Jaypee *Kensington Boulevard Apartments Welfare Association & Ors. v. NBCC (India) Ltd & Ors.(2021) ibclaw.in 63 SC, and Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta & Ors. (2020) 8 SCC 531*** disagreed with the decision in case of ***India Resurgence ARC Private***

Limited Vs Amit Metaliks Limited and another (2021) 19 Supreme Court Cases 672, wherein it was observed that "*19. In Jaypee Kensington (supra), this Court repeatedly made it clear that a dissenting financial creditor would be receiving the payment of the amount as per his entitlement; and that entitlement could also be satisfied by allowing him to enforce the security interest, to the extent of the value receivable by him. It has never been laid down that if a dissenting financial creditor is having a security available with him, he would be entitled to enforce the entire of security interest or to receive the entire value of the security available with him. It is but obvious that his dealing with the security interest, if occasion so arise, would be conditioned by the extent of value receivable by him*." Accordingly, the Hon'ble Court in case of Ruchi Soya (Supra) observed that *"33. In our opinion, the provisions of Section 30(2)(b)(ii) by law provides assurance to the dissenting creditors that they will receive as money the amount they would have received in the liquidation proceedings. This rule also applies to the operational creditors. This ensures that dissenting creditors receive the payment of the value of their security interest."*

27. Further in the case of ***HDFC Bank Limited Vs. Pratim Bayal, Resolution Professional of Birla Tyres Ltd. & Ors. Company Appeal (AT) (Insolvency) No.1472 of 2023***, the Hon'ble NCLAT, after observing at Para 16 in the case of India Resurgence ARC Private Limited holding that *the decision taken by the CoC in commercial wisdom has to be respected and the scope of judicial review is too limited*, observed at Para 17 that "*However, the dissenting financial creditor as per Section 30(2)(b)(ii) is entitled for an amount which is not less than the amount to be paid to such creditors in accordance with Section 53(1). Present is not a case where amount offered to the Appellant is less than the liquidation value which has also been noticed by the Adjudicating Authority in paragraph 13.1. .....*"

28. It has been argued before us that the decision in the case of Amit Metaliks has to be followed and the manner of distribution approved by the CoC by majority has to be taken into consideration for arriving at the amount payable to the dissenting creditor as well. It is noted that the issue in the case of India Resurgence was limited to the effect of amendment introduced in Section 30(4) of IBC whereby a discretion was vested in the CoC to take into account value of security interest of secured creditor in approving of a resolution plan. It is noted that the Hon'ble Court had not specifically ruled in India Resurgence (supra) that the assurance of minimum liquidation value of the dissenting financial creditor, which is statutorily engrafted under Section 30(2)(b) of the IBC, can also be overridden by the explanation one to Section 30(2) and amendment in Section 30(4). In our considered view the decision in the case of India Resurgence is more appropriately applicable to inter-se distribution between the assenting secured creditors, and it cannot be applied to the dissenting secured creditors, as such application shall result into deviation from the earlier decision in the case of Jaypee Kensington (supra) and Committee of Creditors of Essar Steel India Limited, which has also been observed by Hon'ble Supreme Court in case of Ruchi Soya (supra).

29. It is also pertinent to note the amendment in Section 53(1) w.e.f. 26.5.2026 whereby the amount due to the security interest holder has been restricted to the value of their security interest for priority distribution, which has been held by this Bench to be retrospective in its application vide order dated 11.08.2026 passed in *IA IBC 2160/2026 in the matter of CP (IB) No. 1339/MB/2017*. Further, an amendment in Section 30(2) has been brought in force from 26.05.2026 by replacing the existing sub clause (b) by replacing the same by two sub-clauses (b) and (ba) to overcome the ambiguity in relation to inter-se distribution amongst the holder(s) of varying security interest(s) in the CIRP of a Corporate Debtor, and the said

amendment has been made inapplicable to cases where resolution plan has already been approved by the CoC before this date, indicating the intent of the legislature in this relation.

30. A bare perusal of Explanation II inserted with effect from 26.05.2026 makes it clear that the amended provisions of Section 30(2) of the Code, as introduced by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not apply to a CIRP where the CoC had already approved a Resolution Plan by the requisite voting share under Section 30(4) of the Code on or before the commencement of the said Amendment Act. In the present case, the revised Resolution Plan was placed before the CoC in its 43rd meeting held on 29.12.2025 and was thereafter put to e-voting, which commenced on 01.01.2026 and concluded on 18.02.2026. Upon conclusion of the voting, the revised Resolution Plan was approved by the CoC with **75.46% voting share**. Thus, the approval of the Resolution Plan under Section 30(4) of the Code had taken place prior to the commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026 on 26.05.2026. Consequently, by virtue of Explanation II to Section 30(2), the amended provisions of Section 30(2), including the amended clause (b), would not apply to the Resolution Plan under consideration.

31. In view of the aforesaid discussion we are of the considered view that the dissenting financial creditors are entitle to minimum payment equivalent to the liquidation value of their security interest, and a resolution plan proposing payment less than their statutory entitlement cannot pass the test laid down in Section 30(2)(b) of IBC. In the present case the resolution plan has approved by the CoC proposes for prorata distribution amongst the secured creditor or in the manner as decided by the CoC. The CoC has decided to distribute the amounts proposed for financial creditors in the ratio of 40:60 for distribution to secured and unsecured financial creditors without providing for payment of the liquidation value of the security held

by dissenting financial creditor, if any, to such dissenting financial creditor. Since this matter only relates to inter-se distribution, we consider it appropriate to direct the Resolution Professional to determine the amounts payable to each of assenting and dissenting financial creditor in accordance with resolution dated 06.06.2023 passed in the 19th CoC meeting, subject to minimum payment of liquidation value equivalent to security interest held by dissenting financial creditors.

32. It is noted that the amount due to the Applicant for which it holds first charge is stated to be not clear accordingly the Applicant shall provide the necessary details in relation to outstanding secured by different charges as per such security interest to the Resolution Professional for determination of their entitlement.

33. In terms of the aforesaid discussion, **I.A. (IBC) No. 1566 of 2026** is allowed and **disposed of** on above terms. There shall be no order as to costs.

Sd/-	**Sd/-**
Prabhat Kumar	**Sushil Mahadeorao Kochey**
Member (Technical)	Member (Judicial)

Vijay Andhale