

**NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH (COURT-II), CHANDIGARH**

**IA(I.B.C)/2960(CH)2023**

**In**

**CP(IB) No.406/CHD/PB/2018**

**(Admitted)**

*[An Application under sub-section (6) of section 30 of the Insolvency and Bankruptcy Code, 2016, read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016]*

**In the matter of IA(I.B.C)/2572(CH)2023**

**JALESH KUMAR GROVER,**  
RESOLUTION PROFESSIONAL,  
For **NEXGEN LAMINATORS PRIVATE LIMITED,**  
Reg. No.: IBBI/IPA-001/IP-P00200/2017-2018/10390

**Address for Correspondence:**

SCO 818, Second Floor,

NAC Manimajra, Chandigarh-160101

Email: For Correspondence - [ip.nexgenlaminators@gmail.com](mailto:ip.nexgenlaminators@gmail.com)

Email: Regd. With IBBI - [jk.grover27@gmail.com](mailto:jk.grover27@gmail.com)

**... Applicant/Resolution Professional**

**In the matter of CP(IB) No.406/CHD/PB/2018**

*(An Application under section 7 of the Insolvency & Bankruptcy Code, 2016)*

**IN THE MATTER OF:**

**STATE BANK OF INDIA**

**... Financial Creditor**

**Versus**

**NEXGEN LAMINATORS PRIVATE LIMITED**

**...Corporate Debtor**

**Order delivered on: 11.05.2026**

**CORAM: MR. KAUSHALENDRA KUMAR SINGH, MEMBER (TECHNICAL)  
MR. KHETRABASI BISWAL, MEMBER (JUDICIAL)**

**Present:-**

**For the Applicant/RP** : Mr. Aalok Jagga, Mr. Sahil Lohan, Mr. APS Madaan, Mr. Madhav Singhal, Mr. Aryaman Jagga, Mr. Narsingh Chauhan, Advocates, and Mr. GS Sarin, PCS along with Mr. Jalesh Kumar Grover, RP in person, present physically.

**For the SRA** : Ms. Eshna Kumar, Advocate

**For Canara Bank (COC Member)** : Mr. Harsh Garg, Advocate

**ORDER**

1. The present Application has been filed on 24.11.2023 by Mr. Jalesh Kumar Grover, Resolution Professional (hereinafter referred to as the **“Applicant”** or **“RP”**) under sub-section (6) of section 30 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the **“Code”** or **“IBC”**), read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, seeking approval of the Resolution Plan of **Mr. Rajesh Singla** (Erstwhile Suspended Director) (hereinafter referred to as the **“Successful Resolution Applicant”** or **“SRA”**), in respect of **Nexgen Laminators Private Limited** (hereinafter referred to as the **“Corporate Debtor”**), which has been approved with a 100% voting share of the Committee of Creditors (hereinafter referred to as the **“CoC”**) in the 31<sup>st</sup> CoC meeting dated 17.11.2023.

2. The averments made by the Applicant in the present Application and as presented by the Ld. Counsel for the RP are summarized as follows:

(i) The Corporate Debtor is a private limited company incorporated in the year 2011 (bearing CIN: U21022PB2011PTC034561) having its Factory at the registered office at Village Farm Bahadurgarh, Behind Milk Food, Patiala, Punjab 147021, India. The Corporate Debtor is engaged in the manufacturing business of Flexible Packaging material. The Factory of the Corporate Debtor is located at Village Farm Bahadurgarh, Behind Milk Food, Patiala, Punjab 147021, India. The Corporate Debtor is stated to be an MSME and a copy of the MSME certificate has been annexed as Annexure A-26 to the Application.

(ii) The Corporate Debtor was managed by its Board of Directors comprising Mr. Rajesh Singla (DIN: 00407211) and Mr. Sanjay Singla (DIN: 00433611), as per the details provided by the RP in the Information Memorandum. The equity shareholding structure as of 31.03.2022 reflects that Mr. Sanjay Singla holds 16,61,860 shares, constituting 16.62%; Mr. Rajesh Singla holds 13,90,060 shares, constituting 13.90%; and Goodearth Infrastructure Development Ltd. holds 31,71,409 shares, constituting 31.71% of the shareholding, while the remaining shares are held by 39 other shareholders, each holding less than a 3% shareholding.

(iii) An Application under Section 7 of the Code for the initiation of the Corporate Insolvency Resolution Process ("CIRP") of the Corporate Debtor was filed by the, State Bank of India, (Financial Creditor)

bearing CP(IB)No.406/CHD/PB/2018 and the same was admitted *vide* Order dated 25.11.2019. Ms. Ritu Rastogi was appointed as Interim Resolution Professional (“IRP”). On 09.01.2020, the 2nd CoC meeting of the Corporate Debtor was held, wherein the CoC approved the agenda to appoint the Applicant, i.e., Mr. Jalesh Kumar Grover, as the RP, and the same was subsequently confirmed by this Adjudicating Authority *vide* Order dated 22.01.2020.

(iv) The Constitution of the CoC and the voting share of the respective Members have been as under:

<b>S. No</b>	<b>Name of Creditor</b>	<b>Amount Claimed (Rs.)</b>	<b>Amount Admitted (Rs.)</b>	<b>Voting Share (%)</b>
1.	Small Industrial Development Bank of India	55,30,08,185	55,30,08,185	48.03%
2.	State Bank of India	33,42,12,000	33,42,12,000	29.03%
3.	Canara Bank	26,50,52,154	26,50,52,154	22.94%

(v) As against the total claim received at Rs. 1,24,89,70,543/-, the RP admitted the claim to the extent of Rs. 1,23,56,30,512/-.

(vi) During the 17th CoC meeting held on 30.12.2020, the CoC approved handing over the factory operations to one of the Prospective Resolution Applicant namely Mr. Ramneek Goel, on a monthly lease rent of Rs. 4 lakhs, pending approval of the Resolution Plan, to ensure continuity of operations and to prevent erosion of value of the Corporate Debtor. Pursuant thereto, a Management and Operations

Agreement dated 15.03.2021 was executed between the Corporate Debtor and Mr. Ramneek Goel.

(vii) Subsequently, Mr. Ramneek Goel filed IA No. 328/2021 and IA No. 329/2021 seeking a stay on issuance of fresh Form G and further CIRP process, which came to be dismissed by this Adjudicating Authority *vide* Order dated 13.06.2023. Aggrieved thereby, an appeal was preferred before the Hon'ble NCLAT, which was dismissed *vide* Order dated 08.08.2023, holding that the CoC had rightly decided to issue fresh Form G to maximize the value of the Corporate Debtor and that the grant of extension and exclusion of time by the Adjudicating Authority after the expiry of 300 days did not suffer from any infirmity. Pursuant thereto, a caveat was also filed before the Hon'ble Supreme Court.

(viii) Pursuant to the publication of Form G for inviting Expression of Interest (EOI) thrice on 08.02.2020, 30.06.2020 and 16.06.2023 in the course of the CIRP, 6 (six) Resolution Plans were received from Prospective Resolution Applicants, namely from **(a) SPSS Infrastructure Private Limited, (b) Mr. Rajesh Singla, (c) Sandeep Kansal, (d) Mr. Mohit Garg, (e) Lauls Pvt. Ltd., and (f) AAA Capital services Private Limited.** The Members of the CoC, in consultation with the Applicant-RP opted to analyze the Resolution Plans submitted by all of these Prospective Resolution Applicants in order to explore the competitive proposal amongst the PRAs. During the 27th meeting convened on 21.08.2023, Mr. Rajesh Singla was called in for further

negotiations, and he presented two options for his plan (Option I & II). The Option I includes the release of personal guarantees. The Resolution Plan submitted by **Mr. Rajesh Singla** (Resolution Applicant) (Option I) was approved by CoC with 100% in its 31<sup>st</sup> Meeting on 17.11.2023 (*vide* e-voting dated 23.11.2023).

(ix) The RP filed the present Application on 24.11.2023 seeking approval of the Resolution Plan. The initial period of 180 days of the CIRP ended on 01.08.2020. Thereafter, the CIRP period was extended from time to time *vide* Orders dated 09.09.2020, 15.03.2021, 13.06.2023, 22.09.2023 and 18.10.2023, and *vide* Order dated 09.09.2020, while granting an extension of 90 days beyond 180 days, this Adjudicating Authority also excluded the period from 25.03.2020 to 31.07.2020 on account of the COVID-19 lockdown. The extended CIRP period ultimately ended on 24.11.2023.

(x) On the basis of the Valuation Reports, the average fair value and average liquidation value of the Corporate Debtor have been arrived at Rs. 31,45,63,527/- and Rs. 20,17,54,099/- respectively.

(xi) The Resolution Plan value amounts to Rs. 23,76,00,000, excluding the unpaid CIRP cost of Rs. 0.24 Crore (as per Addendum dated 19.11.2023). The SRA has proposed payment of the said amount to the stakeholders within 180 days from the date of approval by the NCLT. Additionally, apart from the Resolution Plan amount of Rs. 23.76 Crore, the SRA has proposed payment of Rs. 3.20 Crore towards

release of Personal Guarantees. The same has been mentioned in the modified Plan at page no. 39. Distribution of the same is as follows:

S.No.	Name of the Financial Creditors	Amount (In Crores)
1.	SIDBI	1.00
2.	SBI	1.25
3.	CANARA BANK	0.95
<b>TOTAL</b>		<b>3.20</b>

Therefore, the total offered amount is Rs. 27.20 Crore.

(xii) The Resolution Plan provides for the payment towards the CIRP cost (Rs. 0.24 Cr) and Rs. 23,76,00,000/- to the various Stakeholders as given in the Table below:

Particulars	Amount Claimed	Amount Admitted	Realizable amount under the plan	Amount realizable in plan to the admitted claim in (%)
<b>Financial Creditors</b>				
<b>(i) Secured Financial Creditors</b>				
a) Creditors not having a right to vote under subsection (2) of section 21	-	-	-	-
b) Other than (a) above:				
- (i) who did not vote in favour of the Resolution Plan	-	-	-	-
- (ii) who voted in favour of the resolution plan	115,12,72,339	115,12,72,339	23,18,00,000	<b>20.14%</b>
<b>SIDBI</b>	55,30,08,185	55,30,08,185	14 Cr*	
<b>SBI</b>	33,42,12,000	33,42,12,000	5.13 Cr	
<b>Canara Bank</b>	26,50,52,154	26,50,52,154	4.05 Cr	

<b>(ii) Unsecured Financial Creditors</b> - Creditors not having a right to vote under subsection (2) of section 21 - Dissenting - Assenting	-	-	-	-
<b>Operational Creditors</b>				
<b>Government Dues</b>				
(a) Employee Provident Fund Organisation (EPFO)	-	-	-	-
(b) Custom Department	3,27,68,881	3,27,68,881	1,97,884	0.60%
(c) ITO (TDS), Patiala	3,50,470	3,50,470	2,116	0.60%
(i) Workmen	-	-	-	-
(ii) Employees	-	-	-	-
(iii) Operational Creditor (Other than employees, workmen, Govt dues)	6,45,78,854	5,12,38,822	2,00,000	0.04%
(iv) Gratuity Liability of Ex-Employees	-	-	25,00,000**	
(v) Gratuity Liability of current Employees	35,25,798	35,25,798	29,00,000**	
<b>(iv) Other Debts and Dues</b>	-	-	-	-
<b>Total</b>	<b>124,89,70,543</b>	<b>123,56,30,512</b>	<b>23,76,00,000</b>	<b>21.65%</b>

*\*In the plan submitted by the SRA, the amount allocated to the Financial Creditors has been distributed on the basis of voting share. However, it has been mutually decided by the CoC members that SIDBI shall receive a minimum value of Rs. 14 crores, as per their security interest.*

*\*\* No claim has been received against the gratuity of the ex-employees and the current employees of the CD. However, the SRA has proposed payment of full amount of the book liability against the dues of the gratuity."*

(xiii) The RP has examined the Resolution Plan and required compliances thereon. For ready reference, the compliance examined by the RP is reproduced in the Table below:

<b>Section of the Code/Regulation No.</b>	<b>Requirement with respect to the Resolution Plan</b>	<b>Compliance (Yes/No)</b>	<b>Relevant clause/Page No. of Resolution Plan</b>
Section 25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of the business of the CD?	Yes	As per the eligibility criteria on pages Nos. 147-148 of the Main Application.
Section 29A	Whether the Resolution Applicant is eligible to submit a resolution plan as per the final list of the Resolution Professional or Order, if any, of the Adjudicating Authority?	Yes	As per the 29A affidavit on pages nos. 609 - 611 of the main Application submitted by the Successful Resolution Applicant.
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Yes	Yes, as per the Affidavit on pages 609-611 of the Main Application
Section 30(2)	Whether the Resolution Plan—		
	(a) Provides for the payment of Insolvency Resolution Process Cost	Yes	At Page No 55 of the Resolution Plan and page no. 6 of the addendum dated 19.11.2023 which is attached as Annexure No. A-22 (Relevant page no. 404 of the main application.)
	(b) Provides for the payment to the operational creditors	Yes	At Page Nos. 408-409 of the main application, which is attached as Annexure No. A-22
	(c) Provides for the payment to the Financial Creditors who did not vote in favour of the resolution plan	Yes	At pages 20-21 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant pages nos. 369-370)
	(d) Provides for the management of the affairs of the corporate debtor?	Yes	At Page No 21 of the Resolution Plan which is attached as Annexure No. A22 (Relevant page no. 370) of the main application,
	(e) Provides for the implementation and supervision of the Resolution Plan	Yes	At Page 21-22 of the Resolution Plan and addendum to the Resolution Plan which is attached as Annexure No. A-22 (Relevant page no. 370-371)
	(f) Contravenes any of the provisions of the law for the time being in force	No	It does not contravene any of the provisions of law for the time being in force. Declaration has been made by the Applicant to that effect in the Resolution Plan at Page 47 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant page no. 396) of the main application.

Section 30(4)	<p>Whether the Resolution Plan</p> <p>(a) is feasible and viable, according to the CoC</p> <p>(b) has been approved by the CoC with 66% voting share</p>	<p>Yes</p> <p>Yes</p>	<p>Email sent by CoC on feasibility and viability of SRA attached at Page Nos. 602-608 of the main application attached as Annexure No. A-24</p> <p>Yes, approved by 100% of Voting Share at Page No. 294 of the main application (Minutes of the 31st CoC meeting held on 17.11.2023)</p>
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC	Yes	Yes, CoC has approved the appointment of Monitoring Professional Mr. Jalesh Kumar Grover for the implementation of the Resolution Plan with 100% voting share in the 31st CoC Meeting held on 17.11.2023 vide e-voting dated 23.11.2023 at Page No. 243-349 of the main application
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors	Yes	At pages 26-31 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant page nos. 375-380) of the main application.
Regulation 38(1A)	Whether the Resolution Plan includes a statement as to how it has dealt with the interest of all stakeholders	Yes	At pages 40-45 of the Resolution Plan which is attached as Annexure No. A-22 (Relevant page no. 389-394) of the main application.
Regulation 38(1B)	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If applicable, the Resolution Applicant has submitted a statement giving details of any such non-implementation	No	At Page 31, of the Resolution plan, which is attached as Annexure No. A22 (Relevant page no. 380) of the main application
Regulation 38(2)	<p>The Resolution Plan provides:</p> <p>(a) the term of the plan and its implementation schedule</p> <p>(b) for the management and control of the business of the corporate debtor during its term</p>	<p>Yes</p> <p>Yes</p>	<p>The Resolution Applicant proposes to implement the entire Resolution Plan within a period of 180 days from the effective date as mentioned at pages 49-50 of the Resolution Plan, which is attached as Annexure No. A-22 (Relevant page no. 398-399) of the main application.</p> <p>At Page No 31 of the Resolution Plan which is attached as Annexure No. A22 (Relevant page no. 380) of the main</p>

	(c) adequate means for supervising its implementation	Yes	<p>application, Resolution Applicant provides for the management and control of the business of the corporate debtor during its term.</p> <p>At Page No 31 of the Resolution Plan which is attached as Annexure No. A22 (Relevant page no. 380) of the main application, Resolution Applicant provides for supervision of the implementation of the resolution plan</p>
Regulation 38(3)	<p>The Resolution Plan demonstrates that—</p> <p>(a) it addresses the cause of default</p> <p>(b) it is feasible and viable</p> <p>(c) it has provisions for its effective implementation.</p> <p>(d) it has provisions for approvals required and the timeline of the same</p> <p>(e) the resolution applicant has the capability to implement the resolution plan</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>At Page No. 32-33 of the Resolution Plan which is attached as Annexure A22 (relevant page no. 381-382) of the main application</p> <p>At Page No. 74-80 of the Resolution Plan which is attached as Annexure A22 (Relevant Page no. 423-429 of the main application.)</p> <p>At pages 98-101 of the Resolution Plan which is attached as Annexure A22 (Relevant Page no. 447-450 of the main application.)</p> <p>At Page No. 98-101 of the Resolution Plan which is attached as Annexure A22 (Relevant Page no. 447-450 of the main application.)</p> <p>At Page No. 33 of the Resolution Plan which is attached as Annexure A-22 (Relevant Page no. 382 of the main application.)</p>
Regulation 39(2)	Whether the RP has filed an Application in respect of transactions observed, found, or determined by him?	Yes	Yes, RP had filed Application in respect of Preferential Transactions (Section 43), IA No. 293/2021 dated 25.03.2021.

			IA no. 293/2021 listed for hearing on 02.09.2022 and the same has been disposed off on 02.09.2022, as a sum of Rs. 24.17 Lacs has been recovered from the respondents and is maintained in the Bank Account of the Corporate Debtor opened for the CIRP proceedings and shall be for the benefit of all the creditors and shall be distributed as per section 53 of IBC, 2016.
Regulation 39(4)	Provide details of performance security received as referred to in sub-regulation (4A) of Regulation 36B	Yes	The Performance Bank Guarantee (PBG) of Rs. (10% of the Resolution Plan Amount, i.e., 2.4 Cr) is to be submitted by the Successful Resolution Applicant within 7 business days of the date of approval of the Successful Plan by the CoC.* <i>(*As per Addendum dated 19.11.2023, the timeline to provide PBG has been changed from 7 business days to 15 business days.)</i>

3. During the course of the hearing on 18.11.2024, this Adjudicating Authority noted that in certain cases claims admitted by the RP were higher than the amounts reflected in the balance sheet as on the CIRP commencement date and accordingly directed the RP to file an Affidavit reaffirming the correctness of such admissions. The SRA was also directed to file an Affidavit confirming inclusion of EPF and other employees' dues in the Resolution Plan by way of addendum.

3.1 In compliance with the above directions of the Adjudicating Authority, an Affidavit *vide* Diary No. 03824/9 was filed affirming that, as per the balance sheet as on the CIRP commencement date, i.e., 25.11.2019, liability towards Financial Creditors was reflected at Rs. 71,20,21,679/-, whereas claims amounting to Rs. 1,15,12,72,338/- were filed and admitted, the difference being on account of interest and other charges not recorded in the

books. It was further affirmed that claims of certain Operational Creditors, were admitted in full despite lower amounts reflected in the books, due to earlier write-offs, letter of credit-related entries, and absence of supporting records. It was also affirmed that no liability towards the Customs Department and Income Tax Department was reflected in the books; however, claims amounting to Rs. 3,27,68,881/- and Rs. 3,50,470/- were filed and admitted in full upon verification.

3.2 Furthermore, the SRA filed an Affidavit *vide* Diary No. 03824/9 incorporating the Employees' Provident Fund and other employee dues appearing in the books of accounts as on the CIRP commencement date into the Resolution Plan by way of Addendum dated 25.11.2024, which has been placed on record. The relevant part of the same has been reproduced below:

*"The Resolution Applicant hereby undertakes that all the employee dues and EPF Dues as on the CIRP commencement date i.e. 25.11.2019 appearing in the books of accounts of the Corporate Debtor shall be paid in full by the SRA.*

*The Resolution Applicant hereby undertakes that this shall not impact the amounts proposed in the resolution plan dated 04/09/2023."*

Moreover, during the course of the hearing on 29.11.2024, this Adjudicating Authority directed the SRA to file an additional Affidavit undertaking that any subsequent claim made by EPFO shall be paid in full. In compliance thereof, an Affidavit *vide* Diary No. 03824/11 has been filed by the SRA undertaking that any subsequent claim raised by EPFO shall be paid in full.

4. It is noted that IA No. 293/2021 was filed by the RP under Section 43 of the Code seeking avoidance of certain preferential transactions entered into by the Corporate Debtor. The said Application was disposed of *vide*

Order dated 02.09.2022, in view of the fact that a sum of Rs. 24.17 lakhs had already been deposited by the concerned Respondents. The recovered amount is presently maintained in the bank account of the Corporate Debtor opened for CIRP proceedings and is to be distributed amongst the stakeholders in accordance with Section 53 of the Code.

Thereafter, while considering the Resolution Plan, this Adjudicating Authority observed that the deposit of the aforesaid amount in IA No. 293/2021 amounted to an admission of preferential transactions, and, accordingly, the SRA/ Suspended Directors were held to be ineligible under Section 29A(g) of the Code. Consequently, the Resolution Plan came to be dismissed *vide* Order dated 07.05.2025. Reference is made to sub-para. (e) of para. 22 of the impugned Order, which reads as under:

*“(e) Although, it is contended by Ld. Counsel for Successful Resolution Applicant/Suspended Directors that no order indicting the Suspended Directors in the application for preferential transaction has been passed by this Bench. Thus, in view of authority (supra) Hari Babu Thota they are not ineligible under Section 29A(g) of IBC to submit the resolution plan. However, this contention on behalf of Suspended Direct is not much convincing because when the total amount of Rs.24.17 lacs claimed in IA No.293/2021 filed under Section 43 has been deposited then it amounts to admission about said preferential transactions and there is no need to pass any formal order by this Bench. In these circumstances, the authority (supra) Hari Babu Thota is not applicable to the facts of present case.”*

Aggrieved thereby, the SRA preferred an appeal before the Hon'ble NCLAT. The Hon'ble NCLAT, *vide* Order dated 11.12.2025 passed in Company Appeal (AT) (Insolvency) No. 825 of 2025, set aside the aforesaid finding of this Adjudicating Authority insofar as it related to non-compliance with Section 29A(g) of the Code and remanded the matter for fresh consideration. The relevant portion of the Order reads as under:

“7. In *Hari Babu Thotha*, Civil Appeal No.4422/2023, decided on 29.11.2023, the Hon’ble Supreme Court held:-

“7. Insofar as Clause (g) is concerned, it is pointed out that only one preferential transaction was identified by the appellant but **no order was passed by the adjudicating authority as on the date of the impugned order.**

xxx

23. Thus, even on this count, the plan submitted in question will not incur the disqualification. We may also note that the aforesaid intent is reflected in the statutory provision itself that in Section 29A (c) which begins with **“at the time of submission of the resolution plan”.**

8. A bare perusal of the judgement above would show the ineligibility or disqualification of the Successful Resolution Applicant has to be seen at the time of submission of the Resolution Plan. The certificates of Chartered Accountants and of the Resolution Professional (Supra) make it categorically clear that the Successful Resolution Applicant never was ineligible to submit the plan. *Hari Babu (Supra)* further notes that there has to be an order under Section 29A(g) of the Adjudicating Authority to the effect there existed a preferential transaction. Admittedly it is not there in this case. In any case the Resolution Professional has pointed out to payment of Rs.24.17 lacs, so received by the appellant, was repaid by the SRA on his own prior to submission of the plan, as is recorded in the order dated 02.09.2022 of the Ld. NCLT.

....

10. Considering the above submissions, we set aside the finding of the Ld. NCLT insofar as it relates to the plan being non-compliant with Section 29A(g) of the Code. Let the plan be considered afresh by the Ld. NCLT in light of the above, as expeditiously as possible, preferably within a period of four weeks from the date the parties appear before it. With these directions, the appeal is disposed of. The parties are directed to appear before the Ld. NCLT on 05.01.2026.”

In view of the aforesaid, the issue relating to ineligibility under Section 29A(g) of the Code stands concluded. The Hon’ble NCLAT, *vide* Order dated 11.12.2025 in Company Appeal (AT) (Insolvency) No. 825 of 2025, having set aside the finding of this Adjudicating Authority holding the Resolution Plan to be noncompliant with Section 29A(g), it stands settled that the SRA cannot be treated as ineligible on the said ground. Accordingly, the eligibility of the SRA under Section 29A(g) of the Code stands affirmed, and the Resolution Plan is required to be considered on its merits.

5. We have heard the submissions made by the Learned Counsel for the RP and have carefully perused all the pleadings placed on the records. It is noted that the CoC approved the Resolution Plan of **Mr. Rajesh Singla** by 100% of the votes, and as such, it is not necessary for us to go into details of the commercial wisdom of the CoC. We, therefore, proceed to examine the plan in light of provisions contained in sections 30(2) and 31 of the Code r.w. Regulation 38 of the IBBI (CIRP of the Corporate Persons) Regulations, 2016. The RP has placed on record the compliance certificate in Form-H. It shows that the fair value of the assets of the Corporate Debtor is Rs. 31,45,63,527/- whereas, the liquidation value of the Corporate Debtor is Rs. 20,17,54,099/-. As per the Addendum dated 19.11.2023, the Resolution Plan value as proposed by the SRA is Rs. 24 crore. Apart from Resolution Plan, an amount of Rs. 3.20 Cr (SIDBI (1 Cr), SBI (1.25 Cr), and Canara Bank (0.95 Cr)) has also been proposed by the SRA towards the release of Personal Guarantees.

6. In order to obtain the approval of the Adjudicating Authority, the Resolution Plan should adhere to the following requirements as per section 30(2) of the Code and Regulation 38 of the CIRP Regulations thereunder:

(i) The Resolution Plan should provide for the payment of Corporate Insolvency Resolution Process costs in priority to the repayment of other debts of the Corporate Debtor.

[Section 30(2)(a)]

(ii) The repayment of the debts of Operational Creditors should not be less than the amount to be paid to such creditors in the event of liquidation of the corporate debtor under section 53 of the Code or the

amount that would have been paid to the said creditors if the amount to be distributed under the resolution plan had been distributed in accordance with section 53(1) of the Code.

Moreover, the payment to the Operational Creditor is to be made in priority over the Financial Creditor;

Further, the repayment of the debts of dissenting Financial Creditors should not be less than the amount that would have been paid to such creditors in the event of liquidation of the corporate debtor under section 53 of the Code, and the payment to said dissenting Financial Creditor is to be made in priority to the consenting financial creditors.

[Section 30(2)(b) read with CIRP Regulation 38(1)(a) & 38(1)(b)];

(iii) Provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan.

[Section 30(2)(c) read with CIRP Regulation 38(2)(b)];

(iv) The implementation and supervision of the Resolution Plan.

[Section 30(2)(d) read with CIRP Regulation 38(2)(c)]

(v) The Resolution Plan does not contravene any of the provisions of the law for the time being in force.

[Section 30(2)(e)];

(vi) The Resolution Plan conforms to such other requirements as may be specified by the Board.

[Section 30(2)(f)]

Such other requirements of the Resolution Plan as detailed in IBBI (Resolution Process for Corporate Person) Regulations, 2016 which are not covered above, are as follows:

(a) The Resolution Plan should include a statement as to how it has dealt with the interest of all stakeholders, including financial creditors and operational creditors of the corporate debtor.

[CIRP Regulation 38 (1A)]

(b) The Resolution Plan should include a statement giving details as to whether the Resolution Applicant or any of its related parties has at any time failed to implement or caused the failure of implementation of any other Resolution Plan which was approved by the Adjudicating Authority.

[CIRP Regulation 38 (1B)]

(c) The Resolution Plan should contain the term of the plan and its implementation schedule.

[CIRP Regulation 38(2)(a)]

(d) The Resolution Plan should also demonstrate that it addresses the cause of default, is feasible and viable, has provisions for its effective implementation, and has provisions for approval required and a timeline for the same. Further, the resolution applicant has the capability to implement the Resolution Plan.

[CIRP Regulation 38(3)]

7. In view of the provisions of the Code as summarized hereinabove in paragraph 6, the Resolution Plan is examined as follows:

(i) The Resolution Plan provides for payment of CIRP costs at Rs. 0.24 Crore. In the context, it has been submitted that in accordance with the Code, the Corporate Debtor will, out of the Fund Infusion, make payment of any unpaid CIRP Costs (including Interim Finance, if any), in priority over payments to any other Creditors within 30 days from the Effective Date, i.e., the date of approval of the Resolution Plan. Once the CIRP Costs have been paid in full as set out above, it is clarified that no claims, liabilities, fines, costs, expenses or any other payment of such nature or otherwise that are or are claimed to constitute CIRP Costs shall be payable by the Corporate Debtor or the Resolution Applicant. Thus, the provisions of Section 30(2)(a) are complied with.

(ii) There are three members of the Committee of Creditors, namely SIDBI, State Bank of India, and Canara Bank, being secured Financial Creditors, collectively having 100% voting share. All the CoC members have voted in favor of the Resolution Plan with 100% voting power, and accordingly, there are no dissenting Financial Creditors.

As per the information provided by the RP, the CD is running as a going concern during CIRP; however, no claims have been received from Workmen/Employees, hence, no amount has been proposed for the same. Further, the claims of Operational Creditors (Other than Workmen, Employees, and Government Dues), which have been

admitted as per the Information Memorandum, amount to Rs.5.12 Crores as against the total claim amount of Rs. 6.46 Crores, and the same shall be settled by making a payment of Rs. 2,00,000/- (Rupees Two Lakhs Only) proportionately in the ratio of the admitted claims of such Operational Creditors.

Further, as against the total admitted dues of Operational Creditor (other than workmen, gratuity, and PF dues) at Rs. 6.46 Crores, the Resolution Plan provides for payment of an amount of Rs. 2,00,000/-, which is 0.04% of their admitted claim. As provided under Section 30(2)(b) of the Code, the repayment of debts of an Operational Creditor should not be less than the amount to be paid to such Creditor under Section 53 of the Code or the amount that would have been paid to such Creditor if the amount distributed under the Resolution Plan had been distributed in accordance with Section 53(1) of the Code.

In the present case, the liquidation value of the Corporate Debtor is Rs. 20,17,54,099/-, whereas the Resolution Plan value is Rs. 24 Cr (excluding the payment of Rs. 3.20 Crore towards the release of Personal Guarantees) against the total admitted claim of Rs.123,56,30,512/-, including a debt of Rs. 55,30,08,185 admitted in favor of the Secured Financial Creditor (SIDBI) alone. Even if this Liquidation Value or the plan value were to be distributed strictly in accordance with the priority set out under Section 53 of the Code, the entire amount would be fully absorbed by the higher-priority stakeholders, particularly the Secured Financial Creditors, leaving no

residual amount for the Operational Creditors. Despite this, the Resolution Plan provides for payment to the Operational Creditors (other than workmen dues, PF and gratuity), though the amount is quite nominal at Rs. 2,00,000/-, which is 0.60% of their admitted claim. Thus, as regards the payment of the Operational Creditor, the Resolution Plan is compliant with the provisions of Section 30(2)(b) read with Regulations 38(1)(a) and 38(1)(b) of the CIRP Regulations.

(iii) Prior to the initiation of the CIRP, the Board of Directors of the Corporate Debtor consisted of the following:

**BOARD OF DIRECTORS OF CORPORATE DEBTOR**

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. Rajesh Singla	Director (DIN-00407211)
2.	Mr. Sanjay Singla	Director (DIN-00433611)

(iv) The Factory of the Corporate Debtor is a going concern. The Resolution Plan provides that upon approval of the Resolution Plan, the existing Directors of the Corporate Debtor shall be deemed to have resigned, and the Board shall be reconstituted with nominees of the Resolution Applicant, who shall thereafter appoint key managerial personnel, and the reconstituted Board shall exercise powers in accordance with the Companies Act, 2013, subject to the terms of the Resolution Plan. The Resolution Plan provides that from the NCLT Approval Date till the Implementation Date, the Corporate Debtor shall be managed by the Implementation and Monitoring Committee. The Implementation and Monitoring Committee shall be constituted of the following: (a) two nominees of the secured Financial Creditors, (b) two

nominees of the Resolution Applicant, and (c) an independent Insolvency Professional. The Chairman of the Implementation and Monitoring Committee is to be nominated by the Resolution Applicant. Further, as per the Addendum dated 19.11.2023, Mr. Jalesh Kumar Grover, RP is proposed to act as a monitoring professional. The terms of appointment and functioning of the Implementation and Monitoring Committee shall be finalized jointly by the CoC and the Resolution Applicant, and the costs thereof shall be borne by the Corporate Debtor, with remuneration of the monitoring professional fixed at Rs. 2,00,000 per month during the monitoring period. Thus, we find that adequate provisions have been made for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan, and as such, the provisions of Section 30(2)(c) of the Code r/w CIRP Regulation 38(2)(b) of the CIRP Regulations have been complied with.

(v) The Resolution Plan also provides that the Implementation and Monitoring Committee will also ensure implementation of the Resolution Plan, oversee payments to stakeholders, and operate the Corporate Debtor as a going concern till the Implementation Date. All decisions of the Committee shall be taken by majority vote, and the terms of its functioning shall be finalized jointly by the CoC and the Resolution Applicant. The Implementation and Monitoring Committee shall exercise powers akin to those of the CoCs and the RP during CIRP, including preservation of the value of the Corporate Debtor, management of cash flows, operation of bank accounts, and

authorization of signatories. Upon the Implementation Date, the Resolution Applicant shall assume sole and absolute control over the affairs of the Corporate Debtor, including the reconstitution of management and executives in accordance with applicable law, and shall be assisted by the Implementation and Monitoring Committee and reconstituted Board during the interim period for a smooth transition and implementation of the Resolution Plan. As such, the provisions of Section 30(2)(d) r/w Regulation 38(2)(c) are complied with.

(vi) The RP has submitted that the plan does not contravene any provisions of law. We also noted that the plan does not contravene any provisions of the law for the time being in force. Thereby, the provisions of Section 30(2)(e) have been complied with.

(vii) The Resolution Plan also confirms to other IBBI Regulations as given hereunder:

(a) The Resolution Plan adequately deals with the interest of all stakeholders, including Financial Creditors and Operational Creditors of the Corporate Debtor. Thereby, the plan is in compliance with Regulation 38(1A) of the CIRP Regulations.

(b) It is submitted that neither the Resolution Applicant nor any of its related parties has at any time failed to implement or contributed to the failure of implementation of any other Resolution Plan which was approved by the Adjudicating Authority. Thereby, the plan is in compliance with CIRP

Regulation 38(1B) of the CIRP Regulations.

(c) The Resolution Applicant proposes to implement this Resolution Plan within a period of 180 Days from the Effective Date (date of Approval of the Resolution Plan by the Adjudicating Authority). The term of the plan and its implementation schedule have been provided in Section V of the Resolution Plan. The distribution of the Resolution Plan amount of Rs. 24 Crore (Rupees Twenty-Four Crores Only) as proposed by the SRA is as follows:

<b>Particulars</b>	<b>Amount Proposed (Corporate Debtor)</b>	<b>Within 15 Days</b>	<b>Within 30 Days</b>	<b>Within 180 Days</b>
CIRP Cost	Rs. 0.24 Crores*	-	Rs. 0.24 Crores	-
Secured Financial Creditor (Other than Financial Creditors belonging to any class of creditors)*	Rs. 23.18 Crores	Rs. 5.184 Crores		Rs. 18 Crores
Unsecured Financial Creditors (Other than Financial Creditors belonging to any class of creditors)	0.00	-		-
Operational Creditors (Government Dues) (EPFO)	Rs. 0.02 Crores	Rs. 0.02 Crores		-
Operational Creditors (Workmen)	0	-		-
Payment for Gratuity Liability of Ex-employees	Rs. 0.25 Crores	Rs. 0.25 Crores		-
Fund for Gratuity Liability of current Employees (Gratuity Fund)	Rs. 0.29 Crores	Rs. 0.29 Crores		-
Operational Creditors (Employees)	0	-		-
Operational Creditor (Other than Workmen & Employees and Govt.)	Rs. 0.02 Crores	Rs. 0.02 Crores		-

Other Creditors, if any (other than financial creditors and operational creditors)	0	-		-
<b>Total</b>	<b>Rs. 24 Crores</b>			

*\*As per Addendum dated 19.11.2023, the unpaid CIRP Cost is Rs. 0.24 Cr, payment to operational Creditor is 0.58 Cr*

The Resolution Applicant has proposed that any amount recovered from avoidance transactions shall be distributed in the manner specified under Section 53 of the Code. Thereby, Regulation 38(2A) of the CIRP Regulations has been complied with.

(d) The primary reason for default is stated to be the adverse impact of demonetization in November, 2016, which affected the consumer goods industry, resulting in significant inventory losses and the consequent failure of the Corporate Debtor to adhere to the financial terms and discipline stipulated by the Financial Creditor, leading to the operation of the plant at reduced capacity. The cumulative effect of these factors resulted in reduced operational revenues and the inability to meet operational dues, interest obligations, and principal repayments. The Resolution Plan provides for the infusion of fresh funds to improve the operational efficiency of the Corporate Debtor. It further contains a detailed business plan demonstrating feasibility and viability, specifies timelines for effective implementation, identifies requisite approvals along with corresponding timelines, and states that the Resolution Applicant

possesses the requisite experience and capability to implement the Resolution Plan. Thus, Regulation 38(3) of the CIRP Regulations has been complied with.

8. It is to be noted that the Resolution Applicant (Mr. Rajesh Singla) is a Commerce Graduate and has been engaged in business since 1992, possessing more than 31 years of experience across various lines of business. He also has over 10 years of experience through his association with Nexgen Laminators Pvt. Ltd. since 2011. Upon approval of the Resolution Plan, the Resolution Applicant shall assume overall control and day-to-day management of the Corporate Debtor and shall be assisted by experienced professionals and executives, identified for appointment as and when required. It is further stated that the Resolution Applicant is in discussions with prospective financiers for arranging requisite funds for the acquisition of the Corporate Debtor and proposes to raise the same through loans or borrowings.

9. The Relief and Waivers are sought by the Resolution Applicant in Section X of the Resolution Plan. The Resolution Applicant is seeking certain Relief and Waivers, which are in the nature of a prayer and not a condition precedent for the implementation of the Resolution Plan. The Relief and Waivers so sought by the SRA are summarised here as under:

- (i) All claims, liabilities, demands, penalties, interest, contingent liabilities, and dues of any nature whatsoever, including those of Financial Creditors, Operational Creditors, Government and statutory authorities, pertaining to the period prior to the effective date, whether

filed or not, admitted or not, or disputed or undisputed, it shall stand extinguished upon approval of the Resolution Plan, and neither the Corporate Debtor nor the Resolution Applicant shall be liable in respect thereof.

(ii) All investigations, inquiries, show cause notices, litigations, arbitration proceedings, and other judicial, regulatory, or administrative proceedings relating to the period prior to the effective date shall stand abated and extinguished, and all creditors shall withdraw proceedings initiated against the Corporate Debtor.

(iii) All consents, licenses, approvals, clearances, benefits, incentives, subsidies, and privileges granted to the Corporate Debtor shall continue to remain valid, and any lapse, expiry, or noncompliance shall stand condoned to ensure continuity of the Corporate Debtor as a going concern. Electricity and other utility connections shall also be restored without insisting on payment of past dues.

(iv) All contracts and agreements of the Corporate Debtor shall continue, and the Resolution Applicant shall have the right to renegotiate, modify, or terminate such contracts, including related party arrangements, which shall stand terminated from the approval date.

(v) All tax liabilities, including direct and indirect taxes, penalties, and interest for the period prior to the effective date, shall stand extinguished. The Corporate Debtor shall be entitled to carry forward accumulated losses, unabsorbed depreciation, and other tax benefits,

and provisions relating to change in shareholding shall not adversely affect such benefits.

(vi) Upon payment in terms of the Resolution Plan, all dues of secured Financial Creditors shall stand settled in full, no further claims shall survive, and Financial Creditors shall issue no dues certificates and hand over vacant possession of assets. Loan accounts shall be regularized and asset classification upgraded to the standard category.

(vii) Government authorities shall grant necessary reliefs, including waiver of stamp duty, registration charges, and other levies relating to implementation of the Resolution Plan, and necessary assistance shall be provided by statutory authorities, the Registrar of Companies, and local administration.

(viii) All adverse credit reporting, including CIBIL classification, shall be corrected, and the Resolution Applicant shall be entitled to change the name of the Corporate Debtor, renegotiate business arrangements, recover receivables, and retain all benefits arising post-implementation.

(ix) Any hidden or unrecorded liabilities relating to the period prior to the effective date shall stand extinguished, and the Resolution Applicant shall not be liable for past noncompliances, contingent liabilities, or obligations of the Corporate Debtor.

(x) All stakeholders shall be bound by the Resolution Plan and restrained from taking adverse action, and the Resolution Applicant

shall obtain statutory approvals, if required, within the period stipulated under Section 31(4) of the Code, along with any other reliefs necessary for effective implementation of the Resolution Plan.

9.1 We have considered the prayers so made as regards to Relief and Waivers as sought for and stated in Section X of the Resolution Plan. We have also considered as to how the unpaid liabilities should be dealt with.

9.2 We find that the unpaid liabilities after the approval of the Resolution Plan and the claims not filed at all with the RP during the CIRP and those which are not included in the Resolution Plan should be extinguished in view of the law settled by the Hon'ble Supreme Court in the case of **Ghanshyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited and Ors. Reported in MANU/SC/0273/2021** which reads as follows:

86. *".....The legislative intent behind this is to freeze all the claims so that the resolution applicant starts on a clean slate and is not flung with any surprise claims. If that is permitted, the very calculations on the basis of which the resolution applicant submits its plans, would go haywire and the plan would be unworkable.*

87. *We have no hesitation to say that the word "other stakeholders" would squarely cover the Central Government, any State Government or any local authorities. The legislature, noticing that on account of obvious omission, certain tax authorities were not abiding by the mandate of I&B Code and continuing with the proceedings, has brought out the 2019 amendment so as to cure the said mischief....."*

9.3 After the Corporate Debtor is taken over by the new management, no inquiry, investigation, litigation, etc. will be made against it in relation to the period prior to the CIRP.

9.4 As regards allowing carryforward losses, it is to be noted that following the process of the CIRP and on extinguishment of the unpaid liabilities, the financial accounts are to be recasted by providing suitable accounting entries whereby the extinguished liabilities, together with the extinguished share capital of the previous management, would get converted into the Capital/General Reserve, and as such, the accumulated losses, if any, will have to be, first of all, set off against such a reserve. For the balance amount, if any, the SRA can approach the Income Tax Authorities.

9.5 As regards other reliefs and concessions sought by the resolution applicant, we direct the said SRA to approach the concerned statutory authorities for those concessions, and those authorities will consider the same as per the provisions of law under the relevant Acts, keeping in view the intent and object of the Code.

9.6 The relief, which is not specifically provided, should not be treated as being allowed. Even if no relief or concessions are granted by the authorities concerned, then also SRA is bound to implement the Resolution Plan effectively without taking shelter of refusal by authorities concerned by non-implementation of the plan. Nevertheless, the SRA will also have liberty to file an appropriate Application, if so required for seeking any specific relief which is not granted hereinabove and/or denied by the concerned authority.

10. The proviso to sub-section (1) of Section 31 of the Code, 2016 states that before passing any Order for approval of the Resolution Plan, the Adjudicating Authority should also be satisfied that the Resolution Plan has provisions for its effective implementation. In view of the discussions and

findings as made hereinabove, we are satisfied that the Resolution Plan in question meets the requirements as referred to in sub-section (2) of section 30 of the IBC and the Resolution Plan also contains the provisions for its effective implementation, and as a result, we hereby approve the Resolution Plan submitted by **Mr. Rajesh Singla** for the Corporate Debtor with the following directions:

- (i) The Resolution Plan shall be binding on the Corporate Debtor, 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 approved 'Resolution Plan' shall become effective from the date of this Order.
- (iii) The Order of moratorium dated 25.11.2019 passed by this Adjudicating Authority under section 14 of the Code shall cease to have effect from the date of this Order.
- (iv) The Resolution Professional shall forthwith send a copy of this Order to the participants and the Resolution Applicant(s).
- (v) The Resolution Professional shall forward all records relating to the conduct of the Corporate Insolvency Resolution Process and Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database.

11. As directed *vide* Order dated 02.09.2022 in the matter of the PUFEE Application in IA No. 293/2021, the payments made by the Respondent amounting to Rs. 24.17 lakhs shall also be treated as an asset of the Corporate Debtor and distributed for the benefit of all creditors in accordance with Section 53 of the Code.

12. As a result, the Application bearing **IA(IBC)2960(CH)/2023** in **CP(IB)No.406/CHD/PB/2018** stands allowed.

**Sd/-**  
**Khetrabasi Biswal**  
**Member (Judicial)**

**Sd/-**  
**Kaushalendra Kumar Singh**  
**Member (Technical)**  
Gitesh