

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**COURT – 2**

ITEM No.301

IA(Plan)/3(AHM)2026 in C.P.(IB)/276(AHM)2024

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

**IN THE MATTER OF:**

Bhavan Trivedi RP of M/s.Button Industries Private Limited .....Applicant

V/s

Income Tax Department & Another .....Respondent

**Order delivered on: 22/04/2026**

**Coram:**

**Mrs. Chitra Hankare, Hon'ble Member(J)**

**Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)**

**ORDER**

The case is fixed for pronouncement of order.

The order is pronounced in open court vide separate sheet.

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

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**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH (COURT-II)**

**IA (Plan) 3 of 2026  
In  
CP (IB) No. 276 of 2024**

*[Application under Section 30(6) read with Section 60(5) of the Insolvency &  
Bankruptcy Code, 2016]*

**IN THE MATTER OF : M/S Button Industries Private Limited**

**MEMO OF PARTIES:**

CA & IP Bhavan Trivedi  
RP of M/s. Button Industries Private Limited  
Having address at:  
55, 6th Floor, Shri Krishna Centre,  
Nr. Mithakhali Six Roads, Navrangpura,  
Ahmedabad, Gujarat, 380009

...Applicant

Versus

1. Income Tax Department  
Vejalpur, Ward (1)(1)  
Having Address at: Jodhpur Village,  
Global Odyssey, Vejalpur,  
Ahmedabad – 380051
2. Wellfin Corporation and Madhav Solar Private Limited  
Having address at:  
Office No. 41, City Centre.  
Swastik Cross Road, C.G. Road,  
Navrangpura, Ahmedabad-380009.

...Respondents

**Order pronounced on 22.04.2026**

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**Coram:**

**MRS. CHITRA HANKARE  
HON'BLE MEMBER (JUDICIAL)**

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

**Appearance:**

For the Applicant : Mr. Ravi Pahwa, Adv. and Mr.  
Mayur Jugtawat, Adv.  
For Income Tax Dpet. : Mr. Aman A Mir, Adv.  
For the Respondent No. 2 : Mr. Tirth Nayak, Adv.  
RP : Mr. Bhavan Triivedi

**JUDGEMENT**

1. The present application has been filed under Section 30(6) read with Section 60(5) of the Insolvency & Bankruptcy Code, 2016 ("IBC, 2016/the Code") by the Resolution Professional of the corporate debtor viz, Button Industries Private Limited seeking approval of Resolution Plan submitted by the Successful Resolution Applicant Wellfin Corporation and Madhav Solar Private Limited, which has been approved with 100% vote casted in favour by the Committee of Creditors of the Corporate Debtor.

**Brief facts of the case:-**

2. The Operational Creditor had filed an insolvency application under Section 9 of the Code for initiation of Corporate Insolvency Resolution Process ("CIRP") against

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the Corporate Debtor which was admitted vide order dated 30.04.2025 and Mr. Gautam Deswal was appointed as IRP. Pursuant thereto, public announcement was made on 02.05.2025 inviting claims. Claims received were collated and a Committee of Creditors ("CoC") was constituted comprising sole unsecured financial creditor namely Neurich Nutrifoods Limited having admitted claim amount of Rs.5,00,00,000/- with 100% voting share.

3. In the first meeting of CoC held on 26.05.2025, IRP was replaced by with the present RP/applicant herein and registered valuers were appointed as per Regulation 27 of IBBI (CIRP) Regulations, 2016. The agenda for issuance of Form-G and invitation of Expression of Interest and eligibility criteria for the Prospective Resolution Applicant (PRA) was approved in the 3<sup>rd</sup> CoC meeting held on 28.06.2025. In compliance with Regulation 36A(1) of the CIRP Regulations, the Resolution Professional published the Invitation for Expression of Interest (Form-G) on 01.07.2025 inviting prospective resolution applicants to submit their EOIs for resolution of the Corporate Debtor.

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The applicant again issued Form G on 24.07.2025 due to non-receipt of EOI documents/Earnest Money Deposit.

4. It is submitted that in the 5th CoC Meeting held on 02.09.2025, the CoC approved the Evaluation Matrix and RFRP, pursuant to which the Information Memorandum and RFRP were shared with the 2 prospective resolution applicants. It is submitted that one PRA i.e. M/s Wellfin Corporation along with Madhav Solar Private Limited as joint PRA submitted their resolution plan including the Scheme of demerger. It is submitted that the other PRA did not submit its updated Resolution Plan despite communications. The Applicant has placed on record the decisions taken in successive CoC meetings qua appointment of valuers and submission of valuation reports, extension of CIRP period by order of this Tribunal, conduct of negotiations with Resolution Applicant. It is submitted that in the 8<sup>th</sup> CoC meeting held on 06.12.2025, the Resolution Plan submitted by M/s Wellfin Corporation and Madhav Solar Private Limited was put to vote and approved by the CoC with 100% vote in favor. Addendum to the Resolution plan was submitted in the 9<sup>th</sup> COC

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meeting which was also approved by the CoC through Postal Ballot. The CoC found the Resolution Plan to be feasible and viable. The Section 29A eligibility of the Resolution Applicant was verified and confirmed by the RP. Pursuant thereto, the Letter of Intent dated 09.12.2025 was issued. The SRA has also furnished EMD at the time of EOI of Rs.1,00,000/- , Rs.5,00,000/- EMD at the time of submission of Resolution Plan and Rs. 44,00,000/- after issuance of Letter of Intent.

5. The applicant has produced Form H on record. As per the recitals, the fair value is Rs.31.49 Lakhs/- and liquidation value is Rs.23.80 Lakhs/-. There is no PUFEE applications filed. The applicant has also made a declaration regarding the feasibility and the viability of the plan. The Resolution Applicant has made a statement in relation to how the Resolution Plan has dealt with interests of all stakeholders, including financial and operational creditors of the Company. As per the Resolution Plan, the monitoring committee shall comprise of three members, i.e. SRA or authorized representative of the SRA, one member of the Unsecured Financial Creditor and the Resolution

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Professional. The Resolution Professional shall continue as the monitoring professional.

6. The amount provided for stakeholders as per Form H under the plan is as under:

(in Rs.)

<b>Stakeholder Type</b>	<b>Amount Admitted</b>	<b>Realizable Amount under the Resolution Plan</b>	<b>Payment Schedule</b>
CIRP Cost	-	At actual (to be adjusted from amount payable to Financial Creditor)	As per approval / priority
Unsecured Financial Creditors	5,00,00,000	60,50,000 (Less CIRP Cost)	T + 30 Bank Working Days (Upfront Cash)
Operational Creditors (including Government and Statutory Dues)	3,28,13,63,809	50,000	T + 30 Bank Working Days (Upfront Cash)
Other Debts and Dues (if any)	0	0	-
Shareholders	0	0	-
Aggregate Payment proposed under Resolution Plan		61,00,000	As per Resolution Plan

7. The Resolution Applicant proposes that the CIRP costs shall be paid in full on an actual basis in priority to all stakeholders would be adjusted from the amounts payable to Unsecured Financial Creditors so that its overall

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financial commitment remains unchanged. No amount is proposed for the existing equity shareholders, whose entire shareholding shall stand cancelled and extinguished. Upon such extinguishment, the Resolution Applicant, either directly or through its nominees/SPV/persons acting in concert, shall subscribe to 10,000 equity shares of Rs.10 each aggregating to Rs.1,00,000, resulting in 100% ownership and control of the Corporate Debtor vesting in the Resolution Applicant and its nominees (eligible under Section 29A of the Code) on the appointed date.

8. The key feature of the Plan is the acquisition of the Corporate Debtor with the SRA. The SRA has proposed the Demerger of Demerged Undertakings i.e. "Precious Metal Division" of Madhav Solar Private Limited (Demerged Company/Resolution Applicant) into Button Industries Private Limited ('Resulting Company' or 'Corporate Debtor') under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 read with the Insolvency and Bankruptcy Code, 2016. The Scheme is being presented pursuant to Section 30(2)(e) and CIRP Regulation 37 of IBBI (Insolvency Resolution Process for Corporate Persons)

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Regulations, 2016 and in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The share capital structure of the demerged company is as follows:

<b>Particulars</b>	<b>Amount(in INR)</b>
<b>Authorised share capital</b>	
1,20,00,000 equity share of Rs.10 each	12,00,00,000
<b>Paid up Share Capital</b>	
96,00,000 equity shares of Rs.10 each	9,60,00,000

9. Upon implementation, the proposed shareholding of the Resulting Company/CD shall be as under:

Sr. No.	Shareholder	Shareholding Pattern (No. of equity shares to be allotted under proposed demerger scheme)	% of holding
1	Jaiprakash L. Bajaj	48,00,000	50
2	Zaveri Realty LLP	48,00,000	50
	<b>TOTAL</b>	<b>96,00,000</b>	<b>100%</b>

10. Pursuant to the directions of this Tribunal dated 24.02.2026, the Resolution Professional filed an affidavit placing valuation report and Information Memorandum on record and further submitted that Income Tax department has filed no claims till the approval of Resolution Plan by the CoC. Learned counsel appearing for Income Tax

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department vide pursis dated 17.03.2026 submitted that it has submitted its claim of Rs.68,08,16,877/- for the Assessment Year 2020-2021 belatedly before the RP and therefore reserves its right to invoke Section 179 of the Income Tax Act, 1961 for the recovery from the personal assets of Directors of the Corporate Debtor who were directors at the relevant period.

11. Successful Resolution Applicant filed its Affidavit cum Undertaking stating qua Income Tax outstanding demand against CD of Rs.61,99,34,091/-, an amount of Rs.50,000/- has been provided in the Resolution plan towards payment to Operational Creditors including Government and Statutory dues. It is undertaken to make payments towards the claim of IT Dept. in terms of the Resolution Plan and as per Section 53 of the Code.

12. Observations & Conclusions :

- a. We observe that the applicant has not filed the net worth certificate of the Resolution Applicant.
- b. The COC has approved the resolution plan without considering whether the proposed de merger of the SRA will be done before or after implementation of the plan.

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However, this cannot be a condition for approving the resolution plan, hence the COC has to reconsider whether this forms part of the plan/condition for approving the plan.

- c. The approximate CIRP cost is not arrived at by the RP even though it states that the CIRP cost will be paid. The COC has to clarify whether this will be over and above the resolution plan proposed and obtain necessary certificate from the SRA giving the actual break up of CIRP cost as on date of approval of plan by COC or up to the date of approval by this adjudicating authority which is to be included in the approval of the resolution plan by COC. The SRA has not furnished the source of raising the unsecured loan and his present net worth in order to consider whether the plan is viable for its implementation.
- d. There are high level of trade receivables shown in the balance sheet for the period 2021-2022 and 2022-23 which are brought down to NIL as on 2024-25. The RP is directed to provide by affidavit whether these were realized or written off.

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- e. The carry forward losses appears to be an amount of Rs.125,97,57,947 as on 2024-25. The RP is directed to file by affidavit the reasons for the losses which are carried forward and whether the SRA will benefit these carried forward losses on approval of the Resolution Plan and whether the Income tax department has served any notice on this observation.
- f. The Income tax department has filed its claim and wishes to proceed under Sec 179 of IT Act against suspended management. COC is directed to give its consent for the same as nothing has been considered in the plan for the IT department even though they are operational creditor.
- g. We rely on the judgments of Hon'ble Supreme Court in COC of Essar Steel Ltd V Satish Kumar Gupta Civil Appeal No. 8766-67 of 2019 and we hereby held that the COC has not exercised proper care in resolving the entity by identifying the receivables and claims payable including the net worth of the SRA and it includes a conditional plan offer of demerger. In view of the same,

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exercising our powers under Section 60(5) of IBC, 2016

the following order is passed:

**ORDER**

IA (Plan) 3 of 2026, Resolution Plan is reverted back to CoC for reconsideration with aforesaid directions and disposed of.

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

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**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**

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