

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD



ITEM No.303
IA(Plan)/17(AHM)2025
in
C.P.(IB)/245(AHM)2024

Under Sections 30 & 31 IBC

IN THE MATTER OF:

Mr. Vinod Tarachand Agrawal RP of M/s Rexsona Tiles Pvt.Applicant
Ltd

Order delivered on: 08/12/2025

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT-I, AHMEDABAD**

**IA (Plan)/17 (AHM)/2025
IN
CP (IB)/245 (AHM)/2024**

*[An application under Section 30 read with Section 31 of the
Insolvency and Bankruptcy Code, 2016]*

In The Matter of:

M/s Bell Impex

....Operational Creditor

V/s

Rexsona Tiles Pvt. Ltd

...Corporate Debtor

And In the matter of

Mr. Vinod Tarachand Agrawal,

Resolution Professional of

M/s. Rexsona Tiles Private Limited

City Mall, Office No. 2020, 2nd Floor,

Near Bhaktinagar Circle,

Morbi – Rajkot Road, Morbi,

Gujarat -363641, India.

Having correspondence address at

204, Wall Street - 1, Near Gujarat College,

Ellisbridge, Ahmedabad - 380 006, Gujarat

.... Applicant

Order Pronounced On: 08.12.2025

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)



A P P E A R A N C E:

For Applicant : Mr. Jaimin Dave, Advocate a.w.
Ms. Hirva Dave, Advocate

O R D E R **[Per: Bench]**

1. This application is filed by the Resolution Professional of M/s Rexsona Tiles Private Limited (Corporate Debtor) under Section 30 read with Section 31 of the Insolvency and Bankruptcy Code, 2016 seeking the following prayers:

- a. *to allow the present application;*
- b. *to approve the Resolution Plan submitted by Mrs. Sonal Sumit Mehta at Annexure Z*
- c. *to hold that in accordance with Section 31(1) of the Insolvency and Bankruptcy Code, 2016, the approved Resolution Plan shall be binding on the Corporate Debtor and 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, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan;*
- d. *to hold that since the resolution plan results in change in the management or control of the Corporate Debtor, according to Section 32A of the Insolvency and Bankruptcy Code, 2016, notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a Corporate Debtor for an offence committed prior to commencement of the CIRP shall cease,*



and the Corporate Debtor shall not be prosecuted for such an offence from the date the Resolution Plan has been approved by this Hon'ble Adjudicating Authority under Section 31 of the Insolvency and Bankruptcy Code, 2016;

e. to grant any other relief as may deem fit in the interest of justice;

2. The Application notes various facts and the following paragraphs discusses the same. The Applicant submits that the M/s Bell Impex had filed an application bearing C.P. (IB) No. 245 of 2024 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "*the Code*") seeking initiation of Corporate Insolvency Resolution Process (CIRP) against Rexsona Tiles Pvt. Ltd (hereinafter referred to as "*the Corporate Debtor*").
3. It is submitted that this Hon'ble Tribunal, vide its order dated 06.12.2024, admitted the said application and initiated CIRP against the Corporate Debtor in terms of the provisions of the Code.
4. It is further submitted that, pursuant to the said order, Mr. Iqbal Singh Gandhi was appointed as the Interim Resolution Professional to carry out functions in accordance with Sections 17, 18, and 19 of the Code.



5. It is submitted that thereafter, the IRP invited claims in accordance with the Insolvency and Bankruptcy Code, 2016 and the Regulations framed thereunder, by issuing the prescribed form on 13.12.2024. (The copy of Form-A dated 13.12.2024 is annexed with the Interlocutory Application as Annexure-B.)
6. It is submitted that pursuant thereto, the IRP received claims from the stakeholders and accordingly constituted the Committee of Creditors comprising the following member:

Sr. No.	Name of the Creditor	Nature of Debt	Amount of Claim Admitted (in Rs.)	Voting Share (in %)
1	M/s. Mahadev Construction Private Limited	Unsecured Financial Creditor	8,17,469/-	100

7. It is submitted that in addition to the above, the IRP also received a claim from the suspended director under Form-C of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016; however, no voting rights were assigned to the said suspended director as he is related to the Corporate Debtor. The details of the same is as follows:



Sr. No.	Name of the Creditor	Nature of Debt	Amount of Claim Admitted (in Rs.)	Voting Share (in %)
1	Mr. Ramniklal Naranbhai Patel	Unsecured Financial Creditor	55,14,226/-	NIL

8. It is submitted that on 02.01.2025, the IRP filed I.A. No. 94 of 2025 in C.P. (IB) No. 245 of 2024 for placing on record the report dated 31.12.2024 certifying the constitution of the CoC. Vide order dated 24.01.2025, this Hon'ble Adjudicating Authority allowed the said application and took the CoC constitution report on record. (The copy of the order dated 24.01.2025 along with the report dated 31.12.2024 is annexed as Annexure-C (Colly) with the Interlocutory Application.

9. It is submitted that apart from the above, the IRP also received a claim from the following Government Department:

Sr. No.	Name of the Creditor	Nature of Debt	Amount of Claim Admitted (in Rs.)
1	Employees Provident Fund, Regional Office, Rajkot	Unsecured Operational Creditor (Govt. Dues)	1,032/-



10. Further, it is submitted that the IRP also received a claim from the Operational Creditor, M/s. Bell Impex, at whose instance the CIRP was initiated against the Corporate Debtor. The details are as under:

Sr. No.	Name of the Creditor	Nature of Debt	Amount of Claim Admitted (in Rs.)
1	M/s. Bell Impex	Unsecured Operational Creditor	1,35,83,362.88/-

11. It is submitted that subsequent to the expiry of the statutory period of 90 days and after issuance of the Request for Resolution Plan, the Applicant received additional claims from two Operational Creditors, namely (i) M/s. Balchem Corporation and (ii) M/s. Hindustan Minechem.

12. It is submitted that as per the provisions of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Applicant apprised the CoC in its 7th meeting held on 02.08.2025 regarding the receipt of the aforesaid belated claims. In the said meeting, the CoC recommended that the claims be categorised as acceptable and resolved to file an appropriate application before this Hon'ble Adjudicating Authority seeking condonation of



delay for admitting the claims received from (i) M/s. Balchem Corporation and (ii) M/s. Hindustan Minechem.

13. It is submitted that accordingly, on 21.08.2025, the Applicant preferred I.A. No. 982 of 2025 in C.P. (IB) No. 245 of 2024 seeking condonation of delay in admitting the claims received beyond the period of 90 days. Vide order dated 26.08.2025, this Hon'ble Adjudicating Authority allowed the said application and condoned the cumulative delay in filing the claims. (The copy of the order is annexed as Annexure D with the Interlocutory Application).

14. In pursuance thereof, the Applicant admitted the claims received from the two Operational Creditors, namely (i) M/s. Balchem Corporation and (ii) M/s. Hindustan Minechem, and accordingly updated the list of Operational Creditors as on 02.08.2025. (The copy of list of all the claimants as on 02.08.2025 as uploaded on the website of the Insolvency and Bankruptcy Board of India is annexed as Annexure - E Colly with the Interlocutory Application).

The details are as under:



Sr. No.	Name of the Creditor	Nature of Debt	Amount of Claim Admitted (in Rs.)
1	M/s. Bell Impex	Unsecured Operational Creditor	1,35,83,363/-
2	M/s. Hindustan Minechem	Unsecured Operational Creditor	39,79,165/-
3	M/s. Balchem Corporation	Unsecured Operational Creditor	16,96,979/-
TOTAL			1,92,59,507/-

15. It is submitted that in the interregnum, on 04.01.2025, the first CoC meeting was held wherein it was unanimously resolved to replace the IRP, Mr. Iqbal Singh Gandhi, and appoint the Applicant, Mr. Vinod Tarachand Agrawal, as the Resolution Professional of the Corporate Debtor. (The copy of the minutes of the 1st CoC meeting dated 04.01.2025 is annexed as Annexure-F with the Interlocutory Application.)
16. It is submitted that accordingly, on 13.01.2025, the CoC preferred I.A. No. 104 of 2025 in C.P. (IB) No. 245 of 2024 under Section 22(3)(b) of the Insolvency and Bankruptcy Code, 2016, seeking replacement of the IRP, Mr. Iqbal Singh Gandhi, and appointment of the Applicant, Mr. Vinod Tarachand Agrawal, as the Resolution Professional for the remaining CIRP period. Vide order dated 27.01.2025, this



Hon'ble Adjudicating Authority allowed the said application. (The copy of the order dated 27.01.2025 is annexed as Annexure-G with the Interlocutory Application.)

- 17.** It is submitted that subsequent thereto, on 30.01.2025, the IRP handed over all data, documents, assets, and charge of the Corporate Debtor to the Applicant. Thereafter, on 01.02.2025, the Applicant convened the 2nd CoC meeting wherein the CoC unanimously approved the eligibility criteria and Form-G. The CoC fixed the following criteria: (a) Earnest Money Deposit (EMD) for Expression of Interest at Rs. 1,00,000/-, and (b) Net Worth requirement of Rs. 50,00,000/-. (The copy of the minutes of the 2nd CoC meeting dated 01.02.2025 is annexed as Annexure-H with the Interlocutory Application.)
- 18.** It is submitted that accordingly, the Applicant published Form-G on 04.02.2025 and subsequently issued an Addendum on 21.02.2025 extending the timeline for submission of Expressions of Interest. The Copies of Form-G dated 04.02.2025 and the Addendum dated 21.02.2025 are annexed hereto as Annexure-I (Colly) with the



Interlocutory Application. As per Form-G dated 04.02.2025, the timelines were set out as under:

Event	Date
Last date for receipt of EoI	06.03.2025
Date of issue of provisional list of Prospective Resolution Applicants ("PRAs")	11.03.2025
Last date for submission of objections to provisional list	15.03.2025
Date of issue of final list of PRAs	17.03.2025
Date of issue of information memorandum, evaluation matrix and RFRP to PRAs	20.03.2025
Last date for submission of Resolution Plans	24.04.2025

- 19.** It is submitted that up to 06.03.2025, the Applicant received EOIs from four PRAs, namely (i) M/s. Real Value Infotech Projects Private Limited, (ii) Mr. Prem Lata, (iii) Mrs. Sonal Sumit Mehta, and (iv) M/s. Sarang Industries. Thereafter, on 17.03.2025, the Applicant published the final list of PRAs. (The copy of the final list dated 17.03.2025 is annexed as Annexure-J with the Interlocutory Application).
- 20.** It is submitted that on 22.03.2025, the 3rd CoC meeting was convened wherein the Applicant placed the final list of PRAs before the members. Since the suspended Board of Directors had cooperated and provided the requisite information and data, the CoC resolved not to file any



application under Section 19 of the Insolvency and Bankruptcy Code, 2016. (The copy of the minutes of the 3rd CoC meeting dated 22.03.2025 is annexed as Annexure-K with the Interlocutory Application.)

- 21.** It is submitted that on 04.04.2025, the Applicant preferred I.A. No. 541 of 2025 in C.P. (IB) No. 245 of 2024 for placing on record the 1st Status Report for the period 06.12.2024 to 31.03.2025. Vide order dated 23.04.2025; this Hon'ble Adjudicating Authority allowed the said application and took the 1st Status Report on record. (The copy of the order dated 23.04.2025 is annexed as Annexure-L with the Interlocutory Application.)
- 22.** It is submitted that in the interregnum, the Applicant issued the Evaluation Matrix and RFRP to the PRAs, which were approved by the sole CoC member vide email dated 22.03.2025. Thereafter, on 03.05.2025, the 5th CoC meeting was convened wherein the Evaluation Matrix and RFRP were ratified by the sole CoC member by show of hands.



- 23.** It is submitted that till 24.04.2025, being the last date for submission of Resolution Plans, the Applicant received Resolution Plans from only two PRAs, namely (i) M/s. Sarang Industries and (ii) Mrs. Sonal Sumit Mehta. One PRA, M/s. Real Value Infotech Projects Private Limited, failed to deposit the EMD and therefore its Resolution Plan was not considered.
- 24.** It is submitted that in the 4th CoC meeting held on 03.05.2025, the Resolution Plans submitted by (i) M/s. Sarang Industries and (ii) Mrs. Sonal Sumit Mehta were opened and briefly discussed. The Applicant suggested inviting the authorised representatives of the PRAs for detailed discussion in the next CoC meeting. After deliberation, the CoC requested the Applicant to undertake the necessary compliance check of the received Resolution Plans. (The copy of the minutes of the 4th CoC meeting along with the Evaluation Matrix and RFRP is annexed as Annexure–M with the Interlocutory Application.)
- 25.** It is submitted that the Applicant also shared the Information Memorandum with the PRAs on 22.03.2025



upon receipt of confidentiality undertakings from them.
(The copy of the Information Memorandum is annexed as Annexure-N with the Interlocutory Application.)

26. It is submitted that as the statutory period of 180 days was due to expire on 04.06.2025 and the review of the Resolution Plans was still in process, the Applicant convened the 5th CoC meeting on 21.05.2025, wherein the CoC unanimously resolved to seek an extension of 90 days for completion of the CIRP by filing an appropriate application before this Hon'ble Adjudicating Authority. A copy of the minutes of the 5th CoC meeting dated 21.05.2025 is annexed as Annexure-O.

27. It is submitted that on 03.06.2025, the Applicant preferred I.A. No. 714 of 2025 in C.P. (IB) No. 245 of 2024 seeking extension of the CIRP period for 90 days from 04.06.2025. It is further submitted that vide order dated 11.06.2025, this Tribunal allowed the application and extended the CIRP by 90 days from 11.06.2025, while excluding the period from 04.06.2025 to 11.06.2025 from the CIRP



timeline. (The copy of the order dated 11.06.2025 is annexed as Annexure-P with the Interlocutory Application.)

- 28.** It is submitted that on 11.07.2025, the 6th CoC meeting was convened wherein the appointment of M/s. Ronak Jain & Co. as Transaction Auditor was ratified with 100% assent. The valuers were also invited to explain the valuation methodology, and the CoC advised inclusion of a disclaimer in the valuation report regarding other assets of the Corporate Debtor.
- 29.** It is submitted that in the 6th CoC meeting held on 11.07.2025, the CoC suggested calling for revised Resolution Plans from the PRAs within 10 days, as the financial proposal offered in the existing plans were found to be low. (The copy of the minutes of the 6th CoC meeting is annexed as Annexure-Q with the Interlocutory Application.)
- 30.** It is submitted that the Applicant appointed registered valuers on 16.01.2025 and 29.03.2025 for determining the value of various assets of the Corporate Debtor, as under:



- (i) Mr. Manish Buchasia – Securities & Financial Assets (appointed on 16.01.2025);
- (ii) Mr. Jigar Shah – Securities & Financial Assets (appointed on 16.01.2025);
- (iii) Mr. Vishal Shah – Plant & Machinery (appointed on 29.03.2025); and
- (iv) Mr. Devang Shah – Plant & Machinery (appointed on 29.03.2025).

31. Thereafter, the Applicant received the valuation reports from the aforesaid registered valuers and shared the same with the members of the CoC. (The copies of the Valuation Reports received from the aforementioned Registered Valuers are annexed as Annexure R-Colly with the Interlocutory Application). A summary of the valuation of the assets of the Corporate Debtor, as assessed by the valuers, is as under:

(a) Plant and Machinery (excluding vehicles):

Particulars of Asset	Mr. Vishal Shah (Valuer - I)		Mr. Devang Shah (Valuer - II)	
	Market/ Fair Value (in Rs.)	Liquidation Value (in Rs.)	Market/ Fair Value (in Rs.)	Liquidation Value (in Rs.)
Plant and Machinery	19,500/-	13,000/-	18,500/-	10,500/-

(b) Securities and Financial Assets:

Sr. No.	Particulars of Asset	Mr. Manish Buchasia (Valuer - I)		Mr. Jigar Shah (Valuer - II)	
		Market/ Fair Value (in Rs.)	Liquidation Value (in Rs.)	Market/ Fair Value (in Rs.)	Liquidation Value (in Rs.)
1.	Trade Receivables	78,35,283/-	7,83,528/-	NIL	NIL
2.	Cash on hand	14,509/-	14,509/-	15,000/-	15,000/-
3.	Bank Balance	34,25,000/-	34,25,228/-	34,25,000/-	34,25,000/-
4.	Bank Deposit	9,00,000/-	9,00,000/-	9,00,000/-	9,00,000/-
5.	Income-tax	3,89,478/-	NIL	NIL	NIL
6.	GST & VAT Balance	18,213/-	NIL	NIL	NIL
7.	Advance Payments	1,60,000/-	NIL	NIL	NIL
TOTAL:		1,27,42,483/-	51,23,265/-	43,40,000/-	43,40,000/-

32. It is submitted that the Applicant duly received the revised Resolution Plans from (i) M/s. Sarang Industries and (ii) Mrs. Sonal Sumit Mehta by 22.07.2025, as suggested by the CoC in its 6th meeting held on 11.07.2025. Subsequently, on 02.08.2025, the Applicant convened the 7th meeting of the CoC, wherein the representatives of both PRAs were invited for discussions on the revised plans.



After detailed deliberation, the CoC decided to review both Resolution Plans and advised the Applicant to undertake due diligence and prepare the compliance report, to be placed before the next CoC meeting for approval. (The copy of the minutes of the 7th CoC meeting dated 02.08.2025 is annexed as Annexure - S with the Interlocutory Application).

33. It is submitted that, on 13.08.2025, the Applicant preferred I.A. No. 951 of 2025 in C.P. (I.B.) No. 245 of 2024 for placing on record the 2nd Status Report in the matter of M/s. Rexsona Tiles Private Limited. Vide order dated 22.08.2025, this Tribunal was pleased to allow the said I.A. No. 951 of 2025 and take the 2nd Status Report on record. (The copy of the order dated 22.08.2025 passed in I.A. No. 951 of 2025 is annexed as Annexure - T with the Interlocutory Application).

34. It is submitted that, on 18.08.2025, the Applicant convened the 8th meeting of the CoC, wherein the views of the CoC were sought on the following key aspects of the Resolution Plan(s):



- (a) Feasibility and viability of the Resolution Plan(s);
- (b) Evaluation of the Resolution Plan(s) as per the approved Evaluation Matrix;
- (c) Reliefs and concessions sought by the PRAs;
- (d) Eligibility of the PRAs under Section 29A of the Insolvency and Bankruptcy Code, 2016;
- (e) Compliance with Section 30(2) of the Code read with Regulations 39(1) and 39(2) of the IBBI (CIRP) Regulations, 2016; and
- (f) Treatment of PUFÉ transactions and their carry-forward process post-approval.

35. It is submitted that, in the 8th meeting of the CoC held on 18.08.2025, the Transaction Audit Report was also discussed, and since no reportable transactions were identified, the CoC decided that filing of a PUFÉ application would not be required.

36. It is submitted that, after due deliberations, the sole member of the CoC approved the Resolution Plan submitted by Mrs. Sonal Sumit Mehta with 100% assent by passing the following resolution(s):



“RESOLVED THAT in terms of section 30(4) of Insolvency & Bankruptcy Code, 2016 and the rules and regulations thereunder, the Committee of Creditors after verifying all the clauses of the plan including relief and concessions, be and is hereby approves the Resolution Plan submitted by “Sonal Sumit Mehta”

“FURTHER RESOLVED THAT pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 and the Rules and Regulations thereunder, the members of the Committee of Creditors hereby approves’ and confirm that feasibility and viability of the resolution plan is checked as mention under the provision of Section 30(4) of the code and under the regulation of 39(3) of CIRP regulations, 2016 and resolution plan approved by CoC is Feasible and Viable.”

“FURTHER RESOLVED THAT pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 and the Rules and Regulations thereunder, the members of the Committee of Creditors hereby confirms’ and approves’ that the plans submitted by RA were evaluated on the basis of evaluation matrix and afterwards the same is shared with the CoC members”

(The copy of the minutes of 8th CoC meeting held on 18.08.2025 along with Evaluation Matrix and e-voting results is annexed as Annexure – U with the Interlocutory Application).

- 37.** Further, it is submitted that Mrs. Sonal Sumit Mehta has duly submitted a declaration by way of an Affidavit dated 19.02.2025 confirming her eligibility under Section 29A of the Insolvency and Bankruptcy Code, 2016. (The copy of the Affidavit dated 19.02.2025 is annexed as Annexure – V with the Interlocutory Application).



- 38.** It is submitted that the Applicant herein has duly verified the eligibility of Mrs. Sonal Sumit Mehta under Section 29A of the Insolvency and Bankruptcy Code, 2016, and has concluded that she does not appear to be disqualified under any of the clauses thereof. (The copy of the letter dated 01.08.2025 is annexed as Annexure – W with the Interlocutory Application).
- 39.** It is submitted that vide E-mail dated 18.08.2025, the Successful Resolution Applicant furnished the details of the proposed directors, namely (i) Mr. Sumit Rajnikant Mehta (DIN: 08653592) and (ii) Mrs. Sonal Sumit Mehta (DIN: 10814557), to be appointed upon approval of the Resolution Plan by this Hon'ble Adjudicating Authority. (The copy of the E-mail dated 18.08.2025 is annexed as Annexure – X with the Interlocutory Application).
- 40.** Further, it is submitted that in terms of Regulation 36B(4A) of the IBBI (CIRP) Regulations, 2016, the Resolution Plan required the Successful Resolution Applicant to furnish a performance guarantee of Rs. 5,00,000/- within 7 days of the Letter of Intent. The Applicant issued the Letter of



Intent on 26.08.2025, and the amount was deposited via IMPS (Ref. No. 523921803683) on 27.08.2025 into the Corporate Debtor's CIRP account with ICICI Bank Ltd. (The Copy is annexed as Annexure – Y with the Interlocutory Application).


- 41.** Furthermore, it is submitted that at Schedule -5 of the Resolution Plan, the Successful Resolution Applicant had sought for following reliefs and concessions from this Tribunal:

"1. All Government Authorities, including but not limited to FEMA, Custom, Excise, VAT, GST, DGFT & GIDC (A, B, C & D as below) to waive the non-compliance, if any of the Corporate Debtor prior to the Appointed Date without levying any fee, penalty or additional duty. The Resolution Applicant requests for an additional period of 12 months starting from the day following the Appointed Date to regularize such non-compliance and breach.

A. All the liabilities confirmed, contingent past, present of future related to Foreign Exchange Management Act FEMA, RBI Act, Banking Regulation act with any bank in India or Foreign as regards pending Export/Import obligations completed/incomplete or pending partially or fully are all deemed to have been settled, all liabilities are extinguished and no formalities are required to be completed whether financial or nonfinancial or civil or criminal or otherwise.

B. All the Liabilities related to Custom Act, Excise, VAT, GST, Director General of Foreign trade on account of any export/import obligations confirmed/contingent or otherwise are deemed to have been extinguished and no obligation of any sort is pending. All Advance License Authorisation scheme open and pending licenses are considered to have been closed without any obligation and this Resolution plan is final for any sort of obligation and no liabilities have been assumed in this regard.

C. Any assets under any statute such as Custom, Excise, GST, DGFT, Advance Authorisation License capital or revenue or any other duty scripts in which any benefits are receivable under any scheme in cash or



kind, Resolution Applicant shall be entitled to avail all benefits without assuming any liability under any case. In Other words, all liabilities are extinguished and all receivables under any form shall be asset of Resolution Applicant without any demur, damage or any obligation.

D. RA does not assume any product/usage/process/abuse liability past, present or future pending in any foreign country or in India of any sort by whatever name called.

2. At the time of commencement of CIRP, the CD was non-operational, there may be chances that certain business permit of the Corporate Debtor lapsed, expired, suspended, cancelled, revoked, terminated or Corporate Debtor has Non-compliance in relation thereof. Accordingly, all government authority to provide reasonable time period after Appointed Date in order for the Resolution Applicant to access the status of these Business Permits and ensure that Corporate Debtor is compliant with the terms of the Business Permits and applicable law without initiating any investigation, actions or proceedings in relation to such non-compliance. Regulation [37(1)]

3. All Government Authority to grant all relief, concession or dispensation as may be required for the implementation of the Resolution Plan in accordance with the terms and conditions;

4. Upon approval of the Resolution Plan, all beneficiaries of guarantee issued by the Company and all Liabilities of the Corporate Debtor with respect to such guarantees shall stand extinguished and such recipients shall not thereafter be entitled to raise any Claims against the Corporate Debtor.

5. Upon approval of the Resolution Plan all matters/litigation pending before labour authorities shall stand disposed of and Corporate Debtor and/or Resolution Applicants shall not lable to make any payment including aby penalty, damages cost or otherwise.

6. Corporate Debtor should be permitted to carry forward its unabsorbed business losses notwithstanding a change in the shareholding of the Corporate Debtor pursuant to this Resolution Plan as per sec 79 of income tax act.

7. All actions, proceedings or penalties under any Applicable Law for any past Tax dues / non-compliances and the same be permanently extinguished with effect from the NCLT Approval Date. Income tax department to quash assessment or re-assessment proceedings consequent to special audit or otherwise or any other proceedings against the Corporate Debtor that relates to the period prior to the Approval Date, the Corporate Debtor and consequently all pending assessments and reassessments u/s 143, 147, 153A, if any and other relevant provisions of Income Tax Act will be deemed to be completed and dropped.

8. All relevant Governmental Authorities to grant complete reliefs from payment of Taxes, levies, fees, charges, transfer premiums, stamp duty, registration fees (including fees payable to the jurisdictional ROC) for various actions contemplated under this Resolution Plan (including for the



Standalone Capital Reduction, increase in authorized share capital, issuance of Equity Shares as contemplated in this Resolution Plan and issuance of RA Equity Shares) and amendment of memorandum of association and articles of association of the Corporate Debtor for allotment of fresh shares to the Resolution Applicant and/or its Nominees and other relevant parties be waived and the ROC be directed to approve the relevant forms under the Companies Act and rules thereto without payment of fees in respect thereof.

9. The Resolution Applicant declares that the Resolution Plan is unconditional, irrevocable, and binding on the Resolution Applicant, and is prepared in accordance with the provisions of the Code and CIRP Regulations (as amended from time to time) and is not in contravention of any provisions of the law for the time being enforce. The reliefs, concessions, waivers and exemptions, if any, sought under the plan are an integral part of the Resolution Plan and shall not be conditional to the implementation of the Resolution Plan. Therefore, any modifications and/or non-acceptance by the Adjudicating Authority of such reliefs, concessions, waivers and exemptions shall be accepted unconditionally by the Resolution Applicant, and the Resolution Plan shall be implemented by the Resolution Applicant in accordance thereto.

42. It is submitted that the members of the CoC duly deliberated on the aforementioned reliefs and concessions in the 8th CoC meeting held on 18.08.2025. It is further submitted that the Successful Resolution Applicant has undertaken in the Resolution Plan that these reliefs and concessions are unconditional and do not affect implementation of the Plan.

43. It is submitted that the approved Resolution Plan meets the requirements of Regulation 38 of the IBBI (CIRP) Regulations, 2016, as well as Section 30 of the Insolvency and Bankruptcy Code, 2016. It is further submitted that



the Plan provides for payment to both Financial and Operational Creditors. (The copy of the approved Resolution Plan submitted by Mrs. Sonal Sumit Mehta is annexed as Annexure – Z with the Interlocutory Application).

44. It is submitted that under the approved Resolution Plan, the Successful Resolution Applicant shall pay an aggregate amount of Rs. 53,00,000/- (Rupees Fifty-Three Lacs Only). A tabular summary of the payments to the creditors under the approved Resolution Plan is as follows:

“Note: Clause 2.1 under Schedule 7 of the Resolution Plan provides that

Sr. No.	Category of Stakeholder	Amount Admitted (in Rupees)	Amount provided under the Plan (in Rupees)
1.	CIRP Costs (Refer Note below)	20,00,000/-	20,00,000/-
2.	Workmen/ Employees	NIL	NIL
3.	Secured Financial Creditors	NIL	NIL
4.	Unsecured Financial Creditors (Related Party)	55,14,226/-	NIL
5.	Unsecured Financial Creditors (Unrelated Party)	8,17,469/-	8,17,470/- (rounded-off)
6.	Dissenting Financial Creditors	NIL	NIL
7.	Operational Creditors (excluding Workmen/ Employees)	1,92,59,507/-	20,00,000/-
8.	Government/ Statutory Dues (as Operational Creditors)	1,032/-	1,030/- (rounded-off)
9.	Other Stakeholders/ Creditors (other than Financial Creditors and Operational Creditors)	NIL	NIL
10.	Contingent Fund (For any legal cost, claim or liabilities after approval of resolution plan by this Hon'ble Adjudicating Authority)	N.A.	4,81,500/-
TOTAL:		2,75,92,334/-	53,00,000/-



the CIRP cost will be paid at actual and in priority to other stakeholders. However, at Clause 2.3.2 under Schedule -7 it has been provided that if there is any increase in the CIRP cost over and above Rs. 20,00,000/- (Rupees Twenty Lacs Only), then such increased balance shall be adjusted from the payment proposed to the Operational Creditors other than workmen, employees and government dues.

General: Note below Clause 2.6 under Schedule - 7 of the Resolution Plan provides that any additional claim in any category of the claimants shall be paid at pro-rata basis from the total payment offered to such category. In any case, the total payment obligation of the Resolution Applicant shall not be in excess of total amount offered i.e. Rs. 53,00,000/- (Rupees Fifty-Three Lacs Only).”

- 45.** It is submitted that till the filing of the present application, a total amount of Rs. 22,23,747.26/- (Rupees Twenty-Two Lakh Twenty-Three Thousand Seven Hundred Forty-Seven and Twenty-Six Paise Only) has been incurred towards the CIRP costs, which has been duly approved/ratified by the CoC. (The copy of the list of CIRP costs incurred is annexed as Annexure – ZA with the Interlocutory Application).
- 46.** It is submitted that the proposed distribution to the various stakeholders of the Corporate Debtor under the approved Resolution Plan is as follows:

Sr. No.	Name of the Creditor	Nature of Debt	Amount of Claim Admitted (in Rs.)	Amount Proposed to be Distributed (in Rs.)
1.	M/s. Mahadev Construction Private Limited	Unsecured Financial Creditor	8,17,469/-	8,17,470/- (rounded-off)
2.	Employees Provident Fund, Regional Office, Rajkot	Unsecured Operational Creditor (Govt. Dues)	1,032/-	1,030/- (rounded-off)
3.	M/s. Bell Impex	Unsecured Operational Creditor	1,35,83,363/-	14,10,562/-
4.	M/s. Hindustan Minechem	Unsecured Operational Creditor	39,79,165/-	4,13,216/-
5.	M/s. Balchem Corporation	Unsecured Operational Creditor	16,96,979/-	1,76,222/-
TOTAL:			2,00,78,008/-	28,18,500/-

47. It is submitted that the approved Resolution Plan of Mrs. Sonal Sumit Mehta duly identifies the Causes of Default and addresses them at Clause 4.5.1, as under:

“4.5.1 Cause of Default (Regulation 38(3) (a))

The cause of default as per our understanding by the CD is as under:-


- i. Liquidity Crunch.*
- ii. Stretched receivables leading to cash flow mismatch.*
- iii. Working Capital gap.*



Besides above the cause of default as mentioned in Resolution Applicant's view was also on account of sudden changes in the economic parameters and changes in law effecting the cash flows and Corporate Debtor was more seriously impacted on account of higher borrowings and impact of interest cost which could not be funded on account of impact in business. The Resolution Applicant though cannot predict economic scenario beyond a period it can surely and would ensure that the borrowing for the project is kept at sustainable level and cash generated from the business is re-invested both to reduce the cost of borrowing and also to install modern and more efficient equipment. It also intends to adopt world class methodologies and system to ensure that the Corporate Debtor is managed on a professional basis and working capital cycle is kept at bare minimum requirement for maximum turnaround of available cash flows."

- 48.** It is submitted that Clause 4.5.2 of the approved Resolution Plan provides as follows:

"4.5.2 Feasibility and Viability (Regulation 38(3) (b)) As per our understanding it was mainly on account of Government policies higher Tax Burden and competition from Peer companies, which led to financial scarcity and the operation of the Company got impacted. Unable to manage the working capital cycle Company faced multiple issues. It is confident of being able to turn around the Corporate Debtor and barring for situation arising out of Covid-19 situation, Company was able to manage the operations profitably. Resolution Applicant is however post Covid-19 situation and stability in the market is confident of achieving the projected financials and Resolution Applicant are sure to bring back the Company to its earlier operational/ growth level. In order to



demonstrate our Managerial and Financial capabilities we would like to state as under:

4.5.2.1 Financial Capability The Resolution Applicant has managerial and financial capabilities to implement the plan. Presently it successfully managing various businesses which demonstrates the managerial and financial capabilities of the Resolution Applicant.”

49. It is submitted that the approved Resolution Plan of Mrs. Sonal Sumit Mehta provides for Implementation Actions at Schedule 2, which are proposed by the Successful Resolution Applicant as under:

“1. As mentioned in the Resolution Plan, the Resolution Applicant has managerial and financial capabilities to implement the plan. Presently RA is successfully managing various business professions which demonstrates the managerial and financial capabilities of the Resolution Applicant. As part of the implementation action and as mentioned in the Resolution Plan a monitoring committee would also be formed who will by establishing a monitoring system would oversee the implementation of the plan.

2. As soon as the plan is approved by the NCLT, Resolution Applicant as mentioned in the plan would replace the existing board and take necessary steps to continue the operations, since it is a ongoing concern.

3. Resolution Professional shall ensure that all agreements/ arrangements/ purchase orders/ work orders etc., between the Corporate Debtor and any person unless required to be amended pursuant to the terms of this Resolution Plan. Protection available under section 32A of the Code shall be available to the Resolution Applicant and the Company as well as to the new management and accordingly, no authorities shall take any actions for any offence committed prior to the date of NCLT Approval in any manner. Further, all the non-compliance under any of the law and



penalty or fee payable thereunder shall be deemed to have been extinguished forever.

4. The Resolution Applicant shall have the sole right to pursue and recover all outstanding claims of the Corporate Debtor against counterparties as of the Effective Date. Such recovery shall be completed within a period of 12 months from the Effective Date.

5. Resolution Applicant shall approach and ensure that for continuity of business upon approval of the Resolution Plan by NCLT, all the government departments including but not restricted to Central Government, State Government, Public Sector Undertakings, Municipal Corporations, etc. continue all the registrations, necessary approvals, licenses, permits, quotas, concessions, clearances or similar grant or right import / export license and all other certifications and approvals as may be required so as to ensure proper operations and going concern of the Corporate Debtor.

6. Resolution Applicant shall ensure that necessary financial commitments made by under the Resolution Plan are brought timely manner and all the required commitments are met in timely manner. Considering the above, the Resolution Applicant have assured that it would be able to implement the plan successfully and have made necessary provisions for its effective implementation.

7. Possession of assets of the corporate debtor will be handed over on payment of upfront amount however charge/ NOC of the CD will be released only after the full and final payment of the approved amount of Resolution Plan.

8. On and from the Approval Date, The statutory auditors of the Corporate Debtor shall be deemed to have resigned from their position as the statutory auditors without requiring any further action and the Resolution Applicant shall be entitled to appoint such suitable Persons as the statutory auditor of the Corporate Debtor as deemed fit by them without requiring any other approval or action save and except any shareholder approval after the acquisition of control of the Corporate Debtor by the Resolution Applicant pursuant to the Resolution Plan.

9. By virtue of approval of this Resolution Plan by the NCLT, there shall be exemption from all type of taxes including but not limited to the income tax, GST, property tax, transfer tax, registration fee, stamp duty, if any, arising on account of transactions consummated or actions undertaken pursuant to the approval of



the Resolution Plan by the NCLT under the Code with respect to the transaction.

10. Upon implementation of this Resolution Plan, the projected financial performance of the Corporate Debtor for the next five (5) financial years has been prepared and attached herewith as "Annexure A" to this Plan. The projections are based on the business revival strategy and operational assumptions forming part of the Resolution Plan and are intended to provide a roadmap for the sustainable revival and long-term viability of the Corporate Debtor.

11. SCHEME OF MERGER, DEMERGER OR REVERSE MERGER:

The Resolution Applicant (RA)/its SPV/Nominee/Affiliate shall have the liberty to merge into the Corporate Debtor (CD) through a reverse merger, forward merger, or to demerge any business line of the Corporate Debtor. A detailed scheme of Merger/Demerger/Amalgamation/Reverse Merger may be submitted before the Hon'ble NCLT at the discretion of the RA, following approval of the resolution plan by the CoC in compliance with all applicable laws. Furthermore, the provisions of Sections 95 to 102 of the Income Tax Act, 1961 (commonly referred to as GAAR provisions) shall not apply to such mergers or reverse mergers. The Resolution Plan is being submitted with the objective of acquiring and operating the Corporate Debtor as a going concern and to facilitate the expansion of its business operations.

That the approval of the Hon'ble NCLT pursuant to Section 31 of the IBC shall constitute adequate approval for issuance of Equity Shares to the Resolution Applicant / Eligible' shareholders, on Merger or Reverse merger of RA with the Corporate Debtor pursuant to the Resolution Plan, in accordance with all provisions of Applicable Law. Accordingly, no further actions and requirements (including procedural requirements for issuance of equity shares and other instruments if any prescribed under the Companies Act), approval, application or consent shall be necessary on the part of Corporate Debtor or from any other Person/ Governmental Authority in relation to either of these actions under any agreement, the constitution documents of the Corporate Debtor or under any Applicable Law."



- 50.** It is submitted that Clause 3 under Schedule – 7 of the approved Resolution Plan provides the estimated timeline for implementation of the Resolution Plan.
- 51.** It is submitted that the approved Resolution Plan provides for performance security under Clause 4.24, in accordance with sub-regulation (4A) of Regulation 36B of the IBBI (CIRP) Regulations, 2016.
- 52.** It is submitted that Clause 2.6 under Schedule – 7 of the Resolution Plan provides for Distribution and Source of Funds, proposing that the amounts payable to the creditors of the Corporate Debtor will be funded through the following contributions:

Source of Fund	Amount (in Rupees)
Fund Infusion by way of Issuance of Equity Shares	26,50,000/-
Quasi Capital/ Unsecured Loan	26,50,000/-
Total Fund Infusion	53,00,000/-

- 53.** It is submitted that as per the net worth certificate provided by the Successful Resolution Applicant, the total net worth of the Applicant/Group is Rs. 15,95,54,748/- (Rupees



Fifteen Crores Ninety-Five Lacs Fifty-Four Thousand Seven Hundred Forty-Eight Only), indicating the capability to implement the Resolution Plan. (The copy of the net worth certificate is annexed as Annexure - ZB with this Interlocutory Application).

- 54.** It is submitted that the Applicant has duly filed a Compliance Certificate under Form H before this Tribunal on 03.09.2025. (The copy of Form H is annexed as Annexure - ZC with this Interlocutory Application).
- 55.** It is submitted that, following the best practices laid down by the recent guidelines of the Insolvency and Bankruptcy Board of India, the details of Business Loss, Unabsorbed Depreciation, Long-Term Capital Loss, and Short-Term Capital Loss of the Corporate Debtor, as per its books of accounts and income-tax returns, are as under:

Summary of Income Tax Losses as per latest Income-Tax Return ("ITR")

(Rs. in crores)

Financial Year	Business Loss		Unabsorbed Depreciation		Long-Term Capital Loss		Short-Term Capital Loss	
	Loss as per latest ITR	Expiry of loss (Financial Year)	Loss as per latest ITR	Expiry of loss (Financial Year)	Loss as per latest ITR	Expiry of loss (Financial Year)	Loss as per latest ITR	Expiry of loss (Financial Year)
2020-21	-	-	-	-	-	-	-	-
2021-22	89,40,921/-	2029-30	-	-	-	-	-	-
2022-23	18,01,99,240/-	2030-31	-	-	-	-	-	-
2023-24	1,62,60,160/-	2031-32	-	-	-	-	-	-

56. It is submitted that in terms of Section 31(1) of the IBC, 2016, the approved Resolution Plan shall be binding on the Corporate Debtor, its employees, members, creditors, statutory authorities, guarantors, and other stakeholders, and no payments beyond those provided in the Plan shall be required from the date of its approval.

57. It is submitted that since the Resolution Plan effects a change in management or control, under Section 32A of the IBC, 2016, the Corporate Debtor's liability for offences committed before CIRP shall cease, and any instruments executed under the Negotiable Instruments Act, 1881 prior to approval shall be null and void ab initio, with no liability on the Resolution Applicant.



- 58.** It is submitted that upon subscription of the Equity Shares by the Successful Resolution Applicant, all Equity Shares held by the existing shareholders shall stand fully extinguished under the Resolution Plan.
- 59.** It is further submitted that nothing in the Resolution Plan affects the Corporate Debtor's right to recover amounts from any third party, including Related Parties, and no such amounts shall be set off against payments made or liabilities discharged under the Resolution Plan.
- 60.** Pursuant to order dated 13.10.2025, the Applicant filed an additional affidavit on 28.10.2025 with Inward No. D-7144 to place on record the following the documents and information before Tribunal:
- i. Copy of last audited accounts of the two companies for whom the Resolution Applicant was the Successful Resolution Applicant out of which one was acquired under Liquidation as a going concern.
 - ii. That, information on the litigation against the Corporate Debtor pending as on date and all annexures to the information memorandum.



iii. Whether the issue of liquidation of the Corporate Debtor was discussed in any of the CoC Meeting. Copy of the loan agreement with Mahadev Construction Companies Pvt. Ltd. and the date of receipt of loan.

61. Before considering the salient features of the submitted resolution plan, we consider appropriate to refer to some relevant facts of the case/Corporate Debtor.

- I. An application under section 9 of the IBC, 2016 was filed by M/s Bell Impex, a partnership firm, on 04.03.2024 and was admitted on 06.12.2024 initiating the CIRP of the Corporate Debtor.
- II. As per Form A, the Corporate Debtor was incorporated on 31.01.2014 and its registered office is in Morbi, Gujarat. The company is involved in cutting, shaping and finishing of stone used in construction, in cemeteries, on roads, as roofing and in other applications.
- III. Form G concerning the (details of place where majority of fixed assets are located, installed capacity of main products/services, quantity and



value of main products/services sold in last financial year, number of employees/workmen) notes that “not applicable” for first two items and “NIL” for the last two items. Therefore, CD neither has any employees nor any production.

- IV. Information Memorandum prepared on 08.03.2025 provides additional information: The authorised share capital of the company is Rs 10,00,00,000 and paid up capital is Rs 9,50,00,000; Date of Balance Sheet 31.03.2024; Directors are: DhirajBhai NaranBhai Patel, Vijay Naran Bhai Kasundra, and Ramnik Lala Naran Bhai Patel.
- V. The company has furniture and fixture (computer) of Rs 32,000 and vehicle/motorcycle Rs 4,000. These are the only assets of the company and these were valued by two valuers.
- VI. There are 20 shareholders of the company.
- VII. There are no employees or workers in the company and corporate debtor is not a going concern entity (page 17 of Information Memorandum).



- VIII. Net Revenue of the company during FYs 2021-2022, 2022-2023, and 2023-2024 is of Rs 3125.08, 1506.59, and 197.03 lakhs and the company had loss of Rs 1520.61 lakhs and Rs 496.56 lakhs in FYs 2022-2023 and 2023-2024 respectively.
- IX. The company did not have any depreciation/amortisation expenses in FY 2023-2024 and the same was 117.08 and 237.71 lakhs in FYs 2022-2023 and 2021-2022 respectively. The company had tangible assets of Rs 2746.26 lakhs and Rs 2756.77 lakhs in FYs 2021-2022 and 2022-2023 respectively. The figure reduced to Rs 0.35 lakhs in FY 2023-2024 and these figures indicate that all the assets have been sold by the company.
- X. The company had trade receivables of Rs 800.95 lakhs and 806.62 lakhs in FYs 2023-2024 and 2022-2023 respectively.
- XI. The company had carried forward losses of Rs 89.40 lakhs and Rs 18.01 crores for FYs 2022-2023 and 2023-2024 respectively. Total loss carried forward to future years is of Rs 20.54 crores.



- XII. The Auditor report for FY 2023-2024 states that the company has sold out entire property, plant and equipment during the year 2023-2024 and has booked capital loss of Rs 328.80 lakhs.
- XIII. The company has sold out entire inventory during the year and inventory is NIL at 31.03.2024.
- XIV. Trades receivable of Rs 738.01 lakhs are outstanding for more than three years as at 31.03.2024 and has been considered as good based on the management undertaking notes the audit report.
- XV. Net worth of the company is negative by Rs 788.88 lakhs.
- XVI. The Auditor's Report notes that there exists a substantial doubt that without establish/acquire a new property, plant and equipment, the company will not be able to continue as a going concern for the foreseeable future.
- XVII. 13 parties have filed FIR in Police Station as the company has failed to make payment to these creditors. Civil Suites in Court are also filed. The



company had trade payables of Rs 1214.52 lakhs and other current liabilities of Rs 279.12 lakhs as on 31.04.2024.

XVIII. Cash and cash equivalent, short term loans and advances, and other current assets as on 31.03,2024 are of Rs 23.44 lakhs, Rs 22.48 lakhs, and Rs 41.44 lakhs.

XIX. Cash flow statement for FY 2023-2024 shows that cash of Rs 2427.75 lakhs is received from sale of assets and amount of Rs 2202.91 lakhs was paid towards repayment of borrowings.

XX. The company had taken loans from HDFC Bank and Cosmos Cooperative Bank, but these became zero as on 31.03.2024.

XXI. Balance Sheet as on 06.12.2024 shows that an amount of Rs 3,59,14,128 is due from sundry debtors for export. Name of parties available at page 246 of the Application. Other sundry debtors were of Rs 4,41,80,464. The company had current assets in the form of GST Cash Ledger of Rs 18,213 and TDS Receivable of Rs 3,89,478.



- XXII. The company had Rs 34,25,228 in HDFC Bank and Rs 9,00,000 as FD in Cosmos Bank as on 06.12.2024. The company had total assets of Rs 4,41,80,456 as on 06.12.2024.
- XXIII. Total liquid assets as on 06.12.2024 were, Cash Rs 14,509; HDFC Bank balance Rs 34,25,228.33; Bank FD in Cosmos Bank Rs 9,00,000. The total amounts to Rs 43,39,737.
- XXIV. The company had creditors for raw material of Rs 12,09,42,350 as on 06.12.2024.
- XXV. Nearly 23 civil suits were pending against the company and its directors.
- XXVI. Ronak Jain and Company was appointed as a transaction auditor of the CD with fees quoted of Rs 1,75,000 plus OPE and taxes. However, there is no transaction audit report. Minutes of 8th CoC meeting notes that RP also discussed the transaction audit report with the CoC and informed that there are no reportable transactions in the same. This filing of PUFEE will not be required.



- XXVII. Padam Chand Jain and Associates were appointed to assist in CIRP for providing the service for filing reply towards scrutiny notice by Income Tax Department.
- XXVIII. Advocate Vishwas Shah was appointed to handle civil matters at a fee of Rs 70,000 each case.
- XXIX. Mr. Vishal Shah carried out the valuation of movable assets and the fair value of Hero HP Deluxe- Bike was Rs 7,500 and liquidation value of Rs 5,000. The computer was valued at Rs 12,000 (fair value) and Rs 8,000 (liquidation value). Total fair value of movable assets was Rs 19,500 and liquidation value Rs 13,000.
- XXX. The valuation report for plant and machinery was given by Devang Shah (date 05.08.2025) and fair value of Computer was Rs 10,000 and liquidation value was Rs 4,000. The fair value and liquidation value of Motorcycle was Rs 8,500 and Rs 6,5000.
- XXXI. Mr. Manish Buchasia carried out the valuation of current and non-current assets (securities and financial assets). He valued balance with income

tax, balance with GST and VAT, sundry debtors, cash and cash equivalent, fixed deposit with COSMOS Bank, Bank Balance with HDFC Bank, carried forward losses of Rs 20,54,00,321. The fair value of the company as per report is given below:

11. OPINION OF THE FAIR VALUE OF THE COMPANY -

Based on the Analysis of the Company, in my assessment, the fair value and Liquidation Value as at 06/12/2024 is as under ~

Amount in Rs.

Main HEAD	SUB HEAD	As on CIRP period 06.12.2024 Rs	Fair value as on 06.12.2024	Liquidation value as on 06.12.2024
Trade Receivables	SUNDRY DEBTORS	8,00,94,584	78,35,283	7,83,528
Cash and Bank Balance	Balance with banks	34,25,228	34,25,228	34,25,228
	Margin money	9,00,000	9,00,000	9,00,000
	Cash	14,509	14,509	14,509
Short term loans and advances	BALANCE WITH INCOME TAX	3,89,478	3,89,478	0
	BALANCE WITH GST & VAT	18,213	18,213	0
Other current assets	Advance payment to creditors	6,40,000	1,60,000	0
Losses		17,55,20,266	93,25,356	0
		6,54,82,012	2,20,68,067	51,23,265

XXXII. Another valuation report of securities or financial assets is issued by Den Valuation (OPC) Private Limited (on 05.08.2025) and the fair and

liquidation value was determined and given un
table below:

We have been provided by the Resolution Professional with the Audited financial statement as at 31st March 2023, and Audited financial statement as on 31st March 2024 and Provisional Financial as on 06th December 2024. Based on the latest financial report provided to us along with other documents as mentioned in Source of Documents, we have arrived its fair value and liquidation Value is as below-

₹ in Lakhs

Particulars	Sub-Heads	Book Value	Fair Value	Liquidation Value
Trade Receivables	Trade Receivables	₹ 800.95	NIL	NIL
Cash and Cash Equivalents	Cash on Hands	₹ 0.15	₹ 0.15	₹ 0.15
	Bank Balance	₹ 34.25	₹ 34.25	₹ 34.25
	Margin Money (Bank Deposit)	₹ 9.00	₹ 9.00	₹ 9.00
Short-term Loans and advances	Income Tax Balance	₹ 3.89	NIL	NIL
	GST & VAT Balance	₹ 0.18	NIL	NIL
Other Current Assets	Advanced paid to creditors	₹ 6.40	NIL	NIL
Total		₹ 854.82	₹ 43.40	₹ 43.40

62. The Resolution Plan submitted by Sonal Sumit Mehta was approved in the 8th meeting of the CoC (sole member Mahadev Construction Company) and the relevant minutes read as below:



Resolution 5A: Approval of Resolution Plan submitted by Sonal Sumit Mehta

"RESOLVED THAT in terms of section 30(4) of Insolvency & Bankruptcy Code, 2016 and the rules and regulations thereunder, the Committee of Creditors after verifying all the clauses of the plan including relief and concessions, be and is hereby approves the Resolution Plan submitted by "Sonal Sumit Mehta "

"FURTHER RESOLVED THAT pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 and the Rules and Regulations thereunder, the members of the Committee of Creditors hereby approves' and confirm that feasibility and viability of the resolution plan is checked as mention under the provision of Section 30(4) of the code and under the regulation of 39(3) of CIRP regulations, 2016 and resolution plan approved by CoC is Feasible and Viable."


"FURTHER RESOLVED THAT pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 and the Rules and Regulations thereunder, the members of the Committee of Creditors hereby confirms' and approves' that the plans submitted by RA were evaluated on the basis of evaluation matrix and afterwards the same is shared with the CoC members"

The above resolution has been passed with 100 % assent by following creditor via e-voting method:

63. A copy of Resolution Plan submitted by Mrs. Sonal Sumit Mehta appears on pages 345 to 402 of the Application.

Some salient features of the Plan are given below:

- The Plan value is Rs 53,00,000. The utilisation include payment of CIRP cost of Rs 20,00,000.



Operational Creditors Rs 20,00,000 and unsecured financial creditor Rs 8,17,470.

3.5. Post Extinguishment of entire outstanding equity shares of the Company, Resolution Applicant shall subscribe within 30 days from the NCLT approval date new equity shares of the Corporate Debtor to meet the fund requirements for the Resolution Plan. The Resolution Applicant and/or her Associates and/or her SPV/s and/or her Nominees/Affiliates and/or Persons acting in concert to RA intends to subscribe to 2,65,000 Nos. of new equity share of Rs. 10 each for an amount of Rs. 26,50,000

4.5.2. Feasibility and Viability (Regulation 38(3)(b))

As per our understanding it was mainly on account of Government policies higher Tax Burden and competition from Peer companies, which led to financial scarcity and the operation of the Company got impacted. Unable to manage the working capital cycle Company faced multiple issues. It is confident of being able to turn around the Corporate Debtor and barring for situation arising out of Covid-19 situation, Company was able to manage the operations profitably. Resolution Applicant is however post Covid-19 situation and stability in the market is confident of achieving the projected financials and Resolution Applicant are sure to bring back the Company to its earlier operational/growth level. In order to demonstrate our Managerial and Financial capabilities we would like to state as under:



64. Information relevant to the current proceedings, as available in revised Form-H (pages 407 to 419 of the Plan Application), is given below:

- Date of initiation of CIRP: 06.12.2024
- Date of publication of Public Announcement: 13.12.2024
- Date of constitution of CoC: 02.01.2025
- Date of expiry of 180 days of CIRP: 04.06.2025
- Date of expiry of extended period of CIRP: 09.09.2025
- Date of approval of Resolution Plan by the CoC: 22.08.2025
- The total admitted claims as Corporate Guarantee: NIL
- The total admitted claim other than Corporate Guarantee: Rs.2,55,92,333.88.
- Fair value of CD: Rs.85,60,241.5
- Liquidation value of CD: Rs.47,43,382.5
- Number of meetings of CoC held: 8
- The total admitted claim is Rs.2,55,92,234.
- Total plan value is Rs.53,00,000/-.
- Percentage of realizable amount to total admitted claims -26.61%
- Performance Guarantee - Rs.5,00,000/- by way of Bank Deposit.
- Source of Fund :



- (i) Fund of infusion by way of issuance of equity shares – Rs.26,50,000/-
 - (ii) Quasi Capital/Unsecured Loan – Rs.26,50,000/-
- The Resolution Plan has been filed 277 days after the commencement of CIRP.
 - As per Form H, the business of CD is given as per NIC Code but nothing on actual business of the CD. It also does not note that the CD has no business, and it is not a going concern.
 - Payment to all stakeholders as per plan: within 30 days of plan approval.
 - Any PUFEE applications - NO
 - The RP has certified that the said Resolution Plan complies with all the provisions of the IBC, 2016, IBBI Regulations 2106 and does not contravene any of the provisions of law for the time being in force.
 - The Resolution Applicant has filed an affidavit confirming its eligibility under section 29A of the Code to submit a resolution plan. The RP has also filed a due diligence certificate under section 29A of the IBC for the SRA.
 - The said resolution plan has been approved by the CoC with 100% voting after considering its feasibility and viability and other requirements specified by the CIRP Regulations.
 - Effective date of resolution plan implementation: On Approval of AA.




- Whether the Resolution Plan is subject to any contingency/condition - Yes
- Details of Monitoring Committee (in brief) :
The RA proposes the members of Monitoring Committee as under:-
 - i. Resolution Applicant or her authorized representative
 - ii. Representative of Financial Creditors.
 - iii. Erstwhile Resolution Professional
- The Unsecured Financial Creditor (Mahadev Construction Company) whose dues are of Rs 8,17,470 (who is also the sole member of the CoC) is proposed to be paid Rs.8,17,470/- , which is 100% of its claim.
- The Committee has recommended under section 39C as:
 - (i) Sale of CD as a going concern- Yes.
 - (ii) Sale of the business of the corporate debtor as a going concern- Yes.
- The RP has certified that the Plan complies with the requirements of the Code and Regulations.
- Business losses for financial years 2021-2022, 2022-2023, and 2023-2024 are of Rs 89,40,921; Rs 18,01,99,240, and Rs 1,62,60,160 respectively.
- As per item 15 (b) of Form H, the CoC has recommended in affirmative (under Regulation 39C): Sale of corporate debtor as a going concern and sale of business of corporate



debtor as a going concern.

65. Income Tax Return for assessment year 2024-2025 is filed on 28.09.2024 of the Corporate Debtor and the relevant information from the same is stated below:

- Balance in profit and loss account is (-) 17,38,88,002.
- Total loans repayable on demand: Rs 1,07,43,593.
- Trade payable: Rs 15,75,77,343
- Total current liabilities: Rs 16,83,20,916
- Gross Block of assets: Rs 35,729
- Trade Receivables: Rs 8,06,61,719
- Balance with Banks: 10,80,745
- Cash in hand: Rs 3,62,819
- Others (Fixed Deposit): Rs 9,00,000
- Total cash and cash equivalent: Rs 23,43,564.
- Other current assets: Rs 63,91,902

- 
- Total current assets: Rs 8,93,97,185.

66. The Resolution Professional filed additional affidavit on 28.10.2025 (to comply order of 13.10.2025 of this Adjudicating Authority) and the information relevant to the current proceedings not discussed earlier in this order is stated below:

- It has been submitted that the Resolution Applicant Mrs. Sonal Sunil Mehta is also known as Sonal Yogesh Bhai Shah.
- To demonstrate her skills in reviving and restructuring corporate debtors, it has been submitted that resolution plan submitted by her in the case of M/s Dharma Extrusion Private Limited has been approved by Tribunal vide order dated 27.03.2025 in IA (Plan) No. 17 of 2024. The details show that the current directors of M/s Dharma Extrusion Private Limited does not include Mrs. Sonal Sunil Mehta and therefore this acquisition does not sufficiently demonstrate the claims made by Mrs. Sonal Sunil Mehta.



- It has been submitted that M/s Sneh Sadan Traders and Agents Private Limited has been acquired as a going concern by M/s Mehta Fincorp, a partnership firm, in which Mrs. Sonal Sumit Mehta is a partner. Copy of Form AOC-4 for FY 2016-2017 and Form MGT-7 for FY 2014-2015 of M/s Sneh Sadan Traders and Agents Private Limited are filed through this Tribunal required copies of last audited accounts. Therefore, non-availability of the latest audited accounts also does not support the claims made by the RA. Regulation 38(2) of the IBBI (Resolution Process for Corporate Persons), Regulations 2016 requires that the Plan should include a statement on the resolution applicant or its related parties have failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority. This information is not available in the submitted resolution plan.



- A list of pending cases against the Corporate Debtor is filed that shows that 64 cases/suits either against the Corporate Debtor or filed by the Corporate Debtor are pending in various courts.
- A copy of loan agreement dated 17.01.2024 entered between M/s Mahadev Construction Private Limited and M/s Rexsona Tiles Private Limited and copy of the Bank statement of M/s Mahadev Construction Private Limited indicating the remittance of funds to the corporate debtor on 17.01.2024. The loan was of Rs 8,00,000 for a period of six months with interest of 1% per month. The bank statement shows that an amount of Rs 8,00,000 was remitted to M/s Rexona Tiles on 17.01.2024 and on the same date an amount of Rs 8,00,000 was received from M/s Om Infrastructure.

67. ANALYSIS AND FINDINGS OF THIS TRIBUNAL

Before advertng to the Application filed by the RP and the submitted Resolution Plan, we consider it appropriate to highlight essential facts about the case as available in the records.



- The corporate debtor was incorporated on 31.01.2014.
- Loan of Rs 8,00,000 was obtained on 17.01.2024 from M/s Mahadev Construction Private Limited and this company formed the single member Committee of Creditors.
- Application under section 9 was filed by M/s Bell Impex on 04.03.2024.
- The company did not have any employee at the time of publishing Form G and thereafter.
- The company did not have any business and was not a going concern as per Information Memorandum.
- One motorcycle and one computer are the only plant and machinery of the Corporate Debtor.
- The Corporate Debtor had tangible assets of Rs 2756.77 lakhs as on 31.03.2023 and it sold all the assets in the financial year 2023-2024 and only assets remaining were computer and motorcycle (of value Rs 0.35 lakhs as on 31.03.2024). A cash of Rs 2427.75 lakhs was received due to sale of assets. That means by selling the assets, the company did not have any



machines/plant/building can be used later on to carry on any business and the RP in the Information Memorandum noted that the Corporate Debtor is not a going concern entity.

- The Corporate Debtor sold entire stock/inventory during FY 2023-2024.
- The Corporate Debtor had a business loss of Rs 20,54,00,321.
- Net worth of the Corporate Debtor is negative by Rs 788.88 lakhs.
- It appears that the case of the Corporate Debtor was under income tax scrutiny but may not have proceeded with due to moratorium under section 14 of the IBC, 2016.
- Many civil suits were filed against the company.
- 13 parties have filed FIR in Police Station due to failure of company to pay the creditors.
- As on 06.12.2024, the CD had an amount receivable of Rs 3,59,14,128 from sundry debtors for exports made from foreign parties. No information on any permission




taken by the CD from RBI for non-receipt of the money as per FEMA Regulations.

- Total liquid assets as on 06.12.2024 were: Cash Rs 14,509; HDFC Bank Balance of Rs 34,25,228.33; Bank FD in Cosmos Bank of Rs 9,00,000. Total liquid assets come to Rs 43,39,737 with the company, and these belong to the CD and ultimately will be owned by the RA (if plan is approved), against the Plan value of Rs 53 lakhs. There are many additional current assets, including potential tax asset in the form of business loss of more than Rs 20 crores, as discussed in this order.
- Fair value of CD is Rs 85,60,241.50
- Liquidation Value is Rs 47,43,382.5, which mostly comprises of cash on hand, bank balance, and fixed deposit in bank.
- Resolution Plan Value Rs 53,00,000/-.

68. Section 31 of the IBC deals with the approval of the resolution plan. Section 31 reads as follows:

“31. Approval of Resolution Plan

(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section



(4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and 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, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan.

Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation.

(2) Where the Adjudicating Authority is satisfied that the resolution plan does not confirm to the requirements referred to in sub-section (1), it may, by an order, reject the resolution plan.

After the order of approval under sub-section (1),—

the moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and

the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.

The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later.

Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors.”



69. To our understanding, section 31 requires satisfaction of the Adjudicating authority on two issues:

- a) Whether the resolution plan has provisions for its effective implementation; and
- b) Whether the resolution plan meets the requirements of section 30 (2) read with Regulations 38 and 39 of the CIRP Regulations.

70. Section 30 (2) of the IBC reads as below:

“30. Submission of resolution plan.

(2) The resolution professional shall examine each resolution plan received by him to confirm that each resolution plan—

(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor;

(b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-

(c) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or

(d) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53,

whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in



favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.

Explanation 1.-For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.

Explanation 2.-For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-

- (i) where a resolution plan has not been approved or rejected by the Adjudicating Authority;*
- (ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or*
- (iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;*
- (e) provides for the management of the affairs of the corporate debtor after approval of the resolution plan;*
- (f) the implementation and supervision of the resolution plan;*
- (g) does not contravene any of the provisions of the law for the time being in force;*
- (h) conforms to such other requirements as may be specified by the Board.*



Explanation. -For the purposes of clause (e), if any approval of shareholders is required under the Companies Act, 2013 (18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law.”

- 71.** Furthermore, Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, requires the CoC to evaluate the resolution plan based on its feasibility and viability, a responsibility that appears to have been inadequately discharged in this case, as evidenced by the lack of scrutiny over the current status of the business of the corporate debtor, wherein all the assets have been sold, no running business, no employees, and in that case the Corporate Debtor was not a going concern and then how the Corporate Debtor can be taken over by the Resolution Applicant as a going concern. This fact lost sight of the Committee of Creditor.
- 72.** This Tribunal is fully conscious of the principle that judicial intervention by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016, must be limited and restrained. As reiterated in a catena of decisions by the Hon'ble Supreme Court, including in ***K. Sashidhar v.***



Indian Overseas Bank [2019] 102 taxmann.com / 12 SCC 150, Committee of Creditors of Essar Steel Ltd. V. Satish Kumar Gupta 8 SCC 531, Ebix Singapore (P) Ltd v. Committee of Creditors of Educomp Solutions Ltd [2021] 130 taxmann.com 208, Vallal RCK v. Siva Industries & Holding Ltd ((2022) 9 SCC 803), the commercial wisdom of the CoC is not to be interfered with, save in exceptional circumstances. However, this Tribunal cannot remain a mute spectator where the very anchor of the insolvency resolution process, the bona fide, and the commercial judgment of the CoC - is corroded by patent arbitrariness and opacity.

- 73.** Hon'ble Madras High Court in the matter of Writ Petition No. 29845 of 2022 **The National Sewing Thread Co. Ltd. Vs The Superintending Engineer & Anr.** has observed in para 52.3 as under:

“ 52.3 While the legislative intent to save the corporate debtor as a going concern may be appreciable, should it be at the cost of others, more so when the IBC offers adequate space for engineering manipulation? The larger question therefore, is why should the Parliament bend backwards to protect one corporate debtor at the risk of exposing the public interest to peril? The present



case, a case study merely, illustrates how IBC could be manipulated to defeat the interests of the undisclosed creditors of the corporate debtor. Some points for the Parliament to ponder, and some legislative correction for it to make, lest the long term impact of the IBC could be disastrous, if not counter productive. Incidentally, has the Parliament taken note of the percentage of recovery generally achieved out of a successful resolution process of the Corporate Debtor?”.

- 74.** The facts as discussed in this order and summarized in paragraph 67 raise serious doubts about the whole CIRP process initiated based on the application of M/s Bell Impex on 04.03.2024 and the CIRP process thereafter. The Corporate Debtor had sold all its assets and inventories (stock) and received cash of Rs 2427.75 lakhs in FY 2023-2024. There appears to be no justifiable reason to seek a loan of Rs 8 lakhs from M/s Mahadev Construction Company on 17.01.2024 as this amount is miniscule in comparison to cash received of Rs 2427.75 lakhs due to sale of assets in the same year, who became the sole CoC member and was obligated to perform the functions of the CoC during the CIRP period. The sole CoC member apparently did not look into the fact that the Corporate Debtor had no business, no assets, and no employees and



whether the liquidation could have been a better option. The Corporate Debtor already had cash/cash balance equivalent of Rs 43 lakhs and many other valuable assets, including tax assets due to business loss of more than Rs 20 crores even then it approved the plan of Rs 53 lakhs. The Plan value of Rs 53 lakhs indicate that the business had no goodwill or intangible. The entire exercise suggests an accommodation or collusive arrangement with the sole purpose of helping the Corporate Debtor obtain benefits, reliefs, and concessions under Section 32A of the IBC, 2016, particularly regarding non-recovery of export proceeds, constituting a potential violation of the Foreign Exchange Management Act, 1999 (FEMA), and attracting inquiry under FEMA Section 13. However, as the plan stands rejected, no immunity under Section 32A IBC accrues, enabling unimpeded FEMA enforcement against the erstwhile management. Assessment under scrutiny was initiated by the Income Tax Department, there are civil suits filed against the corporate debtor, FIRs were with the police authorities, and these could not proceed due to moratorium declared under section 14 of the IBC, 2016. A



transaction auditor was appointed but no PUFEE transactions identified through the CD sold all its assets and inventories in FY 2023-2024 and repaid loans of Rs 2202.91 lakhs. Whether the payment of loans was preferential transaction as per section 43 of the IBC, 2016. To whom the assets were sold and whether at market price or not and whether the transactions were fraudulent or not were not seen by the CoC or the RP. The RP did not file the transaction auditor report. The CD has no business, no assets, and no employees. None is going to benefit from the money received from the Resolution Plan other than the sole CoC member and the suspended management. The RA proposed payment of Rs 53 lakhs. The CD already had about Rs 43 lakhs and that would go to the Resolution Applicant, as it will have control and ownership of the CD. The Resolution Applicant also gets right to potentially misuse the business loss by transferring the same to a profit making company and reduce tax payment. It raises concerns about its alignment with the IBC's objective of genuine insolvency resolution, as there is no resolution of insolvency in this case.



75. There is no discussion in any of the CoC meeting about the reasons for closure of the business of the CD. Causes of default as given in the Plan are stated on paragraph 47 of this order. There is no substance about this case. The reasons for selling all the assets were not inquired though the suspended management attended the CoC meetings. It appears that there were no queries to the suspended management on the reasons for not collecting the export proceeds, reasons for selling all the assets/inventory of the company. There is nothing in the Plan to demonstrate that how the business will be revived when the business is already closed and there is no scope of resolution of the insolvency. The Plan talks of feasibility and viability of the Resolution Plan (paragraph 48) but there is nothing except the theoretical/general statements. Business can be revived when it is a going concern. The plan does not address the cause of default, demonstrate feasibility and viability, provide for effective implementation.

76. The Corporate Debtor has no business assets and no employees. Currently, CD is not conducting any business and is not a going concern or in operation. None will benefit



other than the promoters and erstwhile management of the company from the offences committed by the company due to continued protection to the Corporate Debtor under section 32A of the IBC, 2016.

- 77.** The fulcrum on which the Resolution Process under the Code proceeds is the full and correct knowledge of the affairs of the CD; however, in the present case, full information about the CD, particularly sale of assets, sale of inventory and the reasons for non-recovery of trade receivables from export was not available. Nothing substantial is done to inquire into aspect of recovery from debtors and to whom and at what price assets were sold just prior to initiation of the CIRP. Therefore, the CoC could not be said to have exercised its commercial wisdom while approving the resolution plan. It appears that the CoC did not inquire into these aspects.
- 78.** Commercial wisdom of the CoC: The CoC's role is questionable, as its 100% approval of the Resolution Plan without questioning potential value of significant assets. The fair value was high and there were unclaimed



receivables. The CD has no assets other than the cash and cash equivalent and current assets. As stated above there is no business and the plan's lack of revival strategy violates Section 30(4) of the IBC, which mandates a diligent evaluation of the plan's feasibility and viability. This arbitrary conduct, lacking prudent decision-making at arm's length, undermines the IBC's objective of maximizing value for stakeholders. The facts indicate that their decisions were motivated with the sole intention of getting the approval of this Tribunal and getting all types of benefits, reliefs and concessions available due to the approval of the plan to all involved in the transactions. There appears to be no intention to resolve the insolvency, as the CD has no ongoing business and no party is interested other than the CoC member to recover its dues or CD to get benefits of section 32A of the IBC, 2016 or the Resolution Applicant to get benefits due to potential tax asset due to business loss of more than Rs 20 crores.

79. In the case of Vallal RCK v. Shiva Industries (supra) the Hon'ble Supreme Court has also held that:



“ ...in our view, the adjudicating authority or the appellate authority cannot sit in an appeal over the commercial wisdom of the CoC. The interference would be warranted only when the adjudicating authority or the appellate authority finds the decision of the CoC to be wholly capricious, arbitrary, irrational and de hors the provisions of the statute or rules.”

- 80.** In view of the facts discussed above, we resist short of stating that the CoC not only acted in a “capricious, arbitrary, irrational” manner but also approved the plans that contravene the provisions of IBC and the Regulations. In that regard, the CoC has failed to exercise its commercial wisdom in deciding on the Resolution Plan, which, in a real sense, does not take into account the ground realities of the CD and is not commercially feasible and viable. There are no assets with the Corporate Debtor and therefore value maximisation from the assets of the CD does not arise.
- 81.** Therefore, we are of the view that, considering the facts of the case, the resolution plan has no provisions for its effective implementation or resolution of the insolvency as required by Section 31 (1) of the IBC, as there is nothing in the plan except payment to CoC member, meeting the CIRP cost of Rs 20 lakhs, and payment to operational creditors



out of plan value of Rs 53 lakhs. The Plan value is little more than the cash or cash equivalent of Rs 43 lakhs already available with the Corporate Debtor.

82. The Tribunal would also like to mention that the underlying purpose of a resolution plan is not merely the settlement of claims but the revival of the Corporate Debtor as a going concern in a manner that is commercially viable and legally compliant. In this regard, Regulation 38(3) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, outlines key parameters that every resolution plan must comply with. The said regulation reads as under:

“Regulation 38(3): The resolution plan shall demonstrate that –

- (a) it addresses the cause of default;
- (b) it is feasible and viable;
- (c) it has provisions for its effective implementation;
- (d) it has provisions for approvals required and the timeline for the same; and
- (e) the resolution applicant has the capability to implement the resolution plan.”



- 83.** In the present case, upon a detailed consideration of the material on record, it is evident that the resolution plan fails to satisfy the criteria laid down in the above regulation. Further, section 30 (2) of the IBC, 2016 requires that the plan provide for the implementation of the plan and resolution of the insolvency. The RA has no plans to provide a resolution to the corporate insolvency. As discussed in detail with cogent reasons, the Plan fails to meet the requirements of clauses (c), (d), (e), and (f) of Section 30(2) of the IBC, 2016.
- 84.** We note that in the given facts and circumstances of the case particularly no office, no factory, no employees, no plant and machinery, no business and therefore it is not a case of resolution of any insolvency. In case a Resolution Applicant takes over the Corporate Debtor, it will require to start everything from scratch if any business is to be conducted.
- 85.** The plan lacks financial depth and strategic clarity to justify its feasibility and viability, as it provides no business projections to revive the Corporate Debtor, and the efforts



that the RA will make to collect the receivables from foreign parties which has no ongoing operations, and no employees. Moreover, there is no demonstrable vision to restart the business of the CD and no capability is shown on the part of the Resolution Applicant to implement the plan. In fact, it does not provide any information on the business projections of the CD and how will it be achieved. As discussed above, it has been submitted that the RA has acquired two more businesses under the IBC, but nothing has been submitted to demonstrate what use those acquired entities have been put to and how those have been revived.

86. Thus, in substance and spirit, the resolution plan does not comply with the provisions of section 30 and 31 of the IBC, 2016 and the Regulation 38(3), and the manner in which the CoC has approved it without these essential elements being satisfied raises serious questions about the integrity of the resolution process as a whole.

87. The Hon'ble Supreme Court in the case of Pratap Technocrats (P) Ltd. v. Monitoring Committee of Reliance



Infratel Ltd. 10 SCC 623, under the Heading: Balancing the goals and key objectives of insolvency law in paragraph 46 of the order noted that, “ since an insolvency regime cannot fully protect the interests of all parties, some of the key policy choices to be made while designing the insolvency law relate to the broad goals of the law (rescuing businesses in financial difficulty, protecting employment, protecting the interest of creditors. Encouraging the development of an entrepreneurial class) and achieving the desired balance between the specific objectives identified above.

The Hon'ble Court in paragraph 47 further notes that, “Hence, once the requirements of IBC have been fulfilled, the adjudicating authority and the appellate authority are duty-bound to abide by the discipline of the statutory provisions. It needs to be emphasised that neither the adjudicating authority nor the appellate authority have an unchartered jurisdiction in equity. The jurisdiction arises within and as a product of a statutory framework.

- 88.** Considering the facts of the case, we had raised a query whether the CoC had considered liquidation of the Corporate Debtor as an option for resolution of insolvency and distribution to stakeholders. But there was no proper answer.
- 89.** Accordingly, and in view of the discussion above, the relying on the provisions of Sections 30 and 31 (2) of IBC, 2016 and




Regulation 38 as referred above, the Resolution Plan in question is hereby rejected by this Adjudicating Authority for non-compliance with Regulation 38(3)(a), (b), (c), and (e) of the CIRP Regulations, 2016, as it fails to address the cause of default, it does not take into account ground realities that there is no substance with the Corporate Debtor in the name of business or assets/employees to carry on any business, plan for the recovering of huge debts, demonstrate feasibility and viability, provide for effective implementation. Regarding implementation of the plan, there is nothing other than utilisation of Rs 53 lakhs to be used to pay for the CIRP cost, unsecured financial creditor, and operational creditors. The Plan does not talk anything about use of cash or cash equivalent of about Rs 43 lakhs already available with the Corporate Debtor.

- 90.** We do not intend to state anything adverse about the role played in this case by the sole CoC member M/s Mahadev Construction Company that had lent Rs 8 lakhs in January 2024 just before the CIRP was initiated. This was an unsecured loan. The loan agreement notes that the borrower is known to the lender as a businessperson who



just wanted to use the amount of loan for business best known to the borrower. M/s Mahadev Construction Company is not an institutional financial creditor but simply a corporate person and may not have resources and expertise to perform all the functions as noted in section 21 (9), section 28, section 30 of the IBC, 2016 and Regulation 17 and other Regulations requiring the role of the CoC. In such a situation, the role of the Interim Resolution Professional/ Resolution Professional becomes very crucial and important in putting up the full information about the Corporate Debtor before the CoC. In this case, there was no running business of the CD, it had no employees, and its assets were simply cash or cash equivalents. We have looked into all the information submitted by the RP before us and we note that RP has done a reasonably good job, even having no assistance from any employee as there are none, as far as the conduct of process is concerned but appears to have lost sight of the proper solution of insolvency in this case considering the specific facts of the case and have not paid attention to the sale of assets, sale



of inventory, and regarding preferential and fraudulent transactions.

91. The provisions under Section 33(1)(b) of the Code are reproduced below: -

33. Initiation of liquidation. -

- (1) *Where the Adjudicating Authority, -*
- (b) *rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall -*
- (c) *pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;*
- (d) *issue a public announcement stating that the corporate debtor is in liquidation; and*
- (e) *require such order to be sent to the authority with which the corporate debtor is registered.*

92. The Hon'ble Supreme Court in the case of Ramkrishna Forging Ltd (supra), in paragraph 29 referred to the decisions in the cases of Innoventive Industries Ltd. v. ICICI Bank Ltd. [2017] 84 taxmann.com 320/ 1 SCC 407 and Swiss Ribbons (P) Ltd. v. Union of India [2019] 101 taxmann.com 389/4 SCC 17 in which it was explained that the Code was introduced explicitly by the Parliament for ensuring quick and time bound resolution of insolvency of




corporate entities in financial trouble, by first attempting to revive the Corporate Debtor, failure whereof would entail liquidation of the corporate debtor's assets.

93. As a consequence, following the rejection of the resolution plan under Section 31(2) for non-compliance with statutory requirements, the Tribunal, pursuant to Section 33(1)(b), orders the liquidation of the Corporate Debtor to maximize creditor value and conclude the insolvency process at the earliest. The Corporate Debtor's lack of business operations, absence of employees, and no tangible assets, and financial assets being mainly cash in the bank accounts, coupled with the resolution plan's failure to propose a viable revival strategy, render liquidation the only feasible course to maximize creditor value and achieve the IBC's objective of efficient insolvency resolution.

94. In view of the above, it is hereby ordered as follows: -

- a) The Corporate Debtor – Rexsona Tiles Private Limited, is admitted into liquidation in terms of the provisions of **33(1)(b)** of the Insolvency and Bankruptcy Code, 2016, to be conducted in accordance with Chapter III of the Code and the IBBI (Liquidation Process)



Regulations, 2016 which shall be effective from the date of this order.

b) The CoC in its 8th meeting had decided on the issue of liquidator and the relevant resolution reads as below:

10) To discuss and approve appointment of Liquidator and Liquidator's fees for carrying out the Liquidation Process of the Corporate Debtor as per the provision of Regulation 39D of the CIRP Regulation 2016

The Chairman apprised the members that as per the provision of Regulation 39D of the CIRP Regulation 2016, the committee of creditor in consultation with the Resolution Professional fix a fee of the liquidator if an order for Liquidation is passed u/s 33 for

- (a) The period, if any, used for compromise or arrangement under section 230 of the Companies Act, 2013;
- (b) The period, if any, used for sale under clauses (e) and (f) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016; and
- (c) The balance period of liquidation.

The Resolution Professional requested CoC to advise the name of the liquidator. He further informed the CoC that in case of RP acting as a liquidator the fee of the same will be as per table defined Regulation 4 of the IBBI (Liquidation process) Regulations, 2016.

Post discussion, CoC suggested the name of the RP CA Vinod Tarachand Agrawal having registration number as IBBI/IPA-001/IP-P00641/2017-18/11090 as Liquidator.

After due deliberations, the members of Committee of Creditors passed the following resolution with or without modification:




- c) Therefore, in terms of the decision of the CoC, we appoint **Shri Vinod Tarachand Agrawal** as the liquidator of the Corporate Debtor i.e. **Rexona Tiles Private Limited** and expect that the liquidation process will be fast resulting into resolution of insolvency of the Corporate Debtor.
- d) The Moratorium declared under section 14 of the Code shall cease to have effect from the date of the order of liquidation.
- e) **A fresh moratorium under Section 33(5) of the Code is not declared in this case** because the Corporate Debtor is not a going concern and in view of the amended IBBI (Liquidation Process) Regulations, 2016 [Notification No. IBBI/2025-26/GN/REG129 dated 14th October, 2025 effective 14.10.2025] **due** to which Regulation 30 (e), 30 (f), and 32A of the IBBI (Liquidation Process) Regulations, 2016 have been omitted], neither the corporate debtor can be sold as a going concern nor its business can be sold as a going concern and therefore the CD does not require any protection from institution or continuation of suits or proceedings against the Corporate Debtor. The Income Tax Department, GST Department, and the RBI, Police may inquire into matters noted in this order which may not be consistent with the extant Rules and Regulations.
- f) The appointed liquidator being the Resolution Professional at present, the Liquidator shall take charge of the Corporate Debtor's assets, books, and



records forthwith and perform all duties as prescribed under Sections 35 to 50 of the Code and the IBBI (Liquidation Process) Regulations, 2016.

- g) The Liquidator is directed to file a preliminary report within 75 days of this order, as per Regulation 13 of the IBBI (Liquidation Process) Regulations, 2016, and submit periodical progress reports to this Tribunal.
- h) The liquidator is directed to fully cooperate with the authorities and seek assistance from the suspended management to respond to the inquiries, if any
- i) The Liquidator so appointed shall complete the liquidation process as per the provisions of the Code r.w. the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- j) All the powers of the Board of Directors, key managerial persons, and the partner of the Corporate Debtor, as the case may be, hereafter cease to exist. All these powers henceforth vest with the Liquidator.
- k) The Creditors as well as the Personnel of the Corporate Debtor are directed to extend all cooperation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.
- l) The Liquidator fee will be based on the provisions of IBC, 2016, IBBI (Resolution Process for Corporate Persons) Regulations, 2016 and the IBBI (Liquidation Process) Regulations, 2016.
- m) The Liquidator has the liberty to institute a suit and other legal proceedings on behalf of the Corporate



Debtor with the prior approval of this Adjudicating Authority, as provided in sub-section (5) of section 33 of the Code.

- n) This liquidation order shall be deemed to be notice of discharge to the officers, employees, and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.
- o) This Adjudicating Authority directs the Liquidator to issue a public announcement stating that the Corporate Debtor is in liquidation. The Liquidator will also serve a copy of this order to the various Government Departments such as Income Tax, GST, respective relevant police offices in which case against the corporate debtor or its management were filed, Reserve Bank of India etc., who are likely to have any claim upon the Corporate Debtor or have any proceedings with them, so that the authorities concerned are informed of the liquidation order timely. The Liquidator is also required to provide a copy of this order to the trade unions/employee associations of the Corporate Debtor, if any, so that the workman/employees could also be informed of this liquidation order through their association.
- p) The Liquidator is further directed to issue a public announcement inviting claims from all potential creditors, including those who did not file claims during the CIRP, within 30 days of this order, to ensure maximum creditor participation in the liquidation



process.

- q) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section - 35(1) of IBC, 2016 read with relevant rules and regulations, and also file its response for disposal of any pending Company Applications during the process of liquidation.
- r) The Liquidator is further directed to consider commissioning a forensic audit to identify any preferential, undervalued, fraudulent, or extortionate transactions under Sections 43, 45, 50, and 66 of the IBC, given the significant asset sales and financial discrepancies noted during the CIRP.
- s) The liquidator is directed to take steps for collections of export receivables and take assistance of government authorities, if any.
- t) The Liquidator is directed to prioritize these investigations to ensure transparency and protect creditor interests, addressing all the deficiencies noted in this order during the CIRP. The Liquidator shall coordinate with the Adjudicating Authority to obtain any necessary approvals for instituting legal proceedings, as provided under Section 33(5) of the IBC.
- u) The Registry is directed to communicate this order to the concerned Registrar of the Companies, the registered office of the Corporate Debtor, IBBI, the Resolution Professional, and the Liquidator by speed post as well as



e-mail within one week from the date of this order, after completion of all the formalities for records and necessary action, if any. The Registrar of Companies shall update the Corporate Debtor's status on the MCA portal accordingly.

- v) The Registry is also directed to send a copy of this order to the Ahmedabad office of the Reserve Bank of India, for necessary action, if any regarding non-receipt of export proceeds. A copy of this order be also sent to the Principal Chief Commissioner of Income Tax, Ahmedabad, for necessary action, if any.
- w) Liberty is granted to the Liquidator to approach this Tribunal for any further directions or clarifications as may be required during the liquidation process.

95. Accordingly, **IA(Plan)/17(AHM)2025** in CP(IB) No. 245 of 2024 stands **dismissed** and disposed of.

96. The Registry is also directed to send e-mail copies of the order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps. Files be consigned to the record.

Sd/-

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

SHAMMI KHAN
MEMBER (JUDICIAL)

JP/ LRA