



NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH

1. IA(PLAN)/16/2025 C.P. (IB)/507(MB)2021

IN THE MATTER OF

Shirpur Gold Refinery Limited

...Applicant

Vs

Magicstone Traders Pvt. Ltd.

...Respondent

U/s 9 of the Insolvency and Bankruptcy Code, 2016

Order Delivered on 24.09.2026

CORAM:

SH. VINAY GOEL
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:

For the Applicant:

For the Respondent:

ORDER

IA(PLAN)/16/2025: - The above IA(PLAN)/16/2025 is listed for pronouncement of the order. The same is pronounced in open court, vide a separate order.

Sd/-
VINAY GOEL
Member (Judicial)
//Zakir//

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBI BENCH - V**

I.A.(IBC)(Plan)/16/2025

IN

C.P. NO. 507(IB)/MB/C-V/2021

*(Under Section 30(6) of the Insolvency and
Bankruptcy Code, 2016)*

Mr. Nilesh Rajendra Kothari

(Resolution Professional of M/s Magicstone
Traders Private Limited)

A 703, Iskon Riverside, Near Shelaleikh
Society, Shahi Baug, Ahmedabad, Gujarat
380004

.... Applicant/ Resolution Professional

IN THE MATTER OF:

M/s Shirpur Gold Refinery Limited

135, Continental Building, Dr. A. B. Road,
Worli, Mumbai- 400018

.... Petitioner/ Operational Creditors

VERSUS

M/s Magicstone Traders Private Limited

Office No. 1, SN. 57/3, Mayura Vihar Blg-
Q, Kothrud, Pune - 411029

.... Corporate Debtor/Respondent

Order Pronounced on: 24.09.2026

Coram:

Hon'ble Sh. Vinay Goel,
Member (Judicial)

Hon'ble Sh. Charanjeet Singh Gulati,
Member (Technical)

Appearances:



For the Resolution Applicant: Adv. Pulkit Sharma i/b Adv. Ajinkya kurdurkar.

ORDER

I.A.(IBC)(Plan)/16/2025

1. This Interlocutory Application has been filed by Mr. Nilesh Rajendra Kothari, the Resolution Professional of Magicstone Traders Private Limited, (**“the Applicant/ Resolution Professional”**) under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 (**“the Code”**), seeking: a) approval of the Resolution Plan submitted by M/s Subhlaxmi Investment Advisory Private Limited; b) To direct the members of CoC to contribute towards the unpaid CIRP Costs and the Liquidation Costs, in the event the Resolution Plan is rejected by this Tribunal.

Brief Facts as per the Application:

2. The petition filed by M/s Shirpur Gold Refinery Limited (**“Operational Creditor”**) against M/s Magicstone Traders Private Limited (**“Corporate Debtor”**) was admitted by this Tribunal vide order dated 02.11.2023 under Section 9 of the Code (**“admission order”**), thereby initiating Corporate Insolvency Resolution Process (**“CIRP”**) of the Corporate Debtor. The said Corporate Debtor is a private company incorporated on 09.06.2016 under the provisions of the Companies Act, 1956, CIN: U74110PN2016PTC164929 and having its registered office at Office No. 1, SN. 57/3, Mayura Vihar Blg-Q, Kothrud, Pune - 411029. The Corporate Debtor is engaged in the business of construction, improvement, maintenance, development, work, management, carryout or control any building, factories, roads etc.
3. This Tribunal vide the said admission order, appointed one Mr. Sandeep Jawaharlal Singhal as the Interim Resolution Professional (IRP). Thereafter, the IRP published the public announcement on 04.11.2023 in prescribed ‘Form- A’ in Financial Express (English) and Loksatta (Marathi) inviting claims from the creditors of the Corporate Debtor. Accordingly, the IRP constituted the CoC based on the claims received pursuant to public



announcement. The Applicant submits that the CoC consists of only Operational Creditors and no claims have been received from any Financial Creditors. The total claims received from the Operational Creditors were Rs.81,05,58,253/-.

Fair and Liquidation Value of the Corporate Debtor:

4. The IRP appointed two registered valuers viz. Amandeep Kaur and M/s Kanassure Valuation Services Private Limited for valuation of Securities and Financial Assets (the 'SFA') only since the Corporate Debtor has no other assets based on the limited information and documents received from the suspended board of directors during the CIRP. The Applicant has filed an application, IA (IBC) 2184/2024, seeking information and documents from the Suspended Board of directors.

Sr. No.	Name of Registered Valuer	Assets	Fair Valuation	Liquidation Value
1	Amandeep Kaur	SFA	Nil	Nil
2	M/s Kanassure Valuation Services	SFA	Nil	Nil

5. In the 1st CoC meeting dated 09.02.2024, the members of CoC resolved to replace the said IRP and filed an application IA(IBC) 476/2024, seeking replacement of IRP which was allowed and the Applicant herein was appointed as the Resolution Professional (RP) of the Corporate Debtor.
6. Further, one M/s KAVA & Associates was appointed as the Transaction Auditor to carry out the transaction audit. The transaction auditor submitted the Transaction Audit Report dated 19.04.2024. Accordingly, the Applicant has filed an application, IA (IBC)4628/2024, u/s 66 of the Code.
7. In the 5th CoC meeting, the CoC resolved to extend the CIRP period by 90 days to enable discussion and deliberation on the Resolution Plan. Pursuant thereto, the Applicant filed IA (IBC) 2748/2024 under Section



12(2) of the Code, which was allowed by this Hon'ble Tribunal vide order dated 05.06.2024, extending the CIRP period up to 29.07.2024.

8. During the course of the CIRP, the erstwhile IRP published the first Form G dated 28.12.2023 in Financial Express (English) and Navrashtra (Marathi), inviting Expression of Interest ("**EoI**"). Multiple EoIs were received in response, which the Applicant scrutinised along with supporting documents to prepare the final list of PRAs and issue the RFRP. However, only one PRA, M/s Subhlaxmi Investment Advisory Private Limited, submitted a Resolution Plan. The said Resolution Plan was placed before the CoC for evaluation of its feasibility and viability. The PRA was invited to present the Plan in the 6th CoC meeting held on 26.04.2024. After due consideration, the CoC rejected the Plan with 100% voting share and resolved to issue a fresh Form G.
9. Pursuant thereto, the Applicant published the second Form G dated 29.04.2024 in Financial Express (English) and Navrashtra (Marathi), with the last date for submission of Resolution Plans fixed as 30.06.2024, which was extended from time to time in consultation with the CoC upon requests from PRAs.
10. Subsequent to the second Form G, only one Resolution Plan i.e. from M/s Subhlaxmi Investment Advisory Private Limited was received on 15.07.2024, which was opened and placed before the CoC in its 8th meeting held on 17.07.2024. As certain provisions of the Plan were inconsistent with the Code and CIRP Regulations, 2016 the Applicant sought a revised Plan from the SRA. In the meanwhile, the claim of one M/s PEN India Limited which was under verification, was admitted by the Applicant and accordingly the CoC was reconstituted. The Applicant filed IA(I.B.C)/3950/MB/2024, placing on record the report certifying the reconstitution of CoC. The same was taken on record vide order dated 14.08.2024. The list of reconstituted CoC members are as follows:



Sr.	Name	Class of Creditor	Amount Admitted (Rs.)	Voting %
1	Shirpur Gold Refinery Limited (under CIRP)	Operational Creditor	68,38,08,226/-	28.91%
2	Diligent Media Corporation limited	Operational Creditor	12,67,50,027/-	5.36%
3	PEN India Limited	Operational Creditor	1,55,40,00,000/-	65.72%
TOTAL			2,36,45,58,253/-	100%

11. In the 8th meeting, the CoC resolved to further extend the CIRP period by 60 days, thereby utilising the prescribed maximum period of 330 days. The Applicant accordingly filed IA (IBC) 4380/2024, which was allowed by this Tribunal vide order dated 24.09.2024, extending the CIRP period up to 27.09.2024. The revised Plan was thereafter discussed in the 9th and 10th CoC meetings.
12. In the 10th CoC meeting held on 12.09.2024, the CoC negotiated with the PRA for enhancement of the value offered to Operational Creditors, pursuant to which the SRA submitted a further revised Plan with an enhanced amount on 13.09.2024. In view of the time constraints, the said Resolution Plan submitted was put to e-voting in the same 10th meeting, and approved by the CoC with 71.08% voting share.
13. E-voting was originally scheduled to remain open for 5 days, till 20.09.2024. However, since one of the CoC members, M/s Shirpur Gold Refinery Limited, was itself undergoing CIRP (since 24.06.2024), its Resolution Professional sought an extension of the e-voting timeline, being unable to unilaterally cast a vote without prior consultation with its own CoC. This resulted in an inordinate delay in casting of votes by the CoC members. Therefore, in the 11th CoC meeting, the CoC resolved to further extend the CIRP period by 45 days from 27.09.2024, to enable the CoC to vote on the Resolution Plan. The Applicant accordingly filed IA (IBC) 5217/2024, which was allowed by this Tribunal vide order dated 12.11.2024, extending the CIRP period up to 13.11.2024.
14. The Applicant submits that he has carried out the due-diligence as prescribed by the provisions of the Code and allied CIRP Regulations, 2016 and has issued the Compliance Certificate in prescribed 'Form H' certifying that the Resolution Plan complies with the provisions of the Code and M/s



Subhlaxmi Investment Advisory Private Limited (“**SRA**”) is eligible to submit the Resolution Plan.

Brief background of the Successful Resolution Applicant (SRA):

15. The Applicant submits that the SRA, M/s Subhlaxmi Investment Advisory Private Limited, incorporated in the year 2008, is engaged in the domain of financial services, advisory and consulting services on shares, securities, stocks, and bonds etc.

Earnest Money Deposit (EMD):

16. The Applicant submits that SRA has duly submitted the Earnest Money Deposit (“**EMD**”) of Rs. 10,00,000/- (Rupees Ten Lakhs Only) vide Bank Transfer.

Performance Security/ Performance Bank Guarantee (PBG):

17. The SRA has submitted an amount of Rs.3,80,000/- towards PBG, through cheque dated 13.11.2024.

CIRP Cost:

18. The SRA has proposed an amount of Rs.35,00,000/- (Rupees Thirty-Five Lakhs Only) which shall be paid in priority to other payments proposed under the plan. It is further provided that any shortfall shall be paid by the SRA over and above the said proposed amount.
19. In accordance with Regulation 38(1-A) of the IBBI Rules, 2016, the statement showing the treatment given to the stakeholders as given below:

(Amount in Rs)

Sr. no.	Particulars	Amount Admitted (in Rs)	Amount proposed in the Plan (in Rs)	Payout as % of claimed amount	Terms of Payment	Timeline
A	Financial Creditors					
I	Secured Financial Creditors	N.A	N.A	-	-	-



II	Unsecured Financial Creditors	N.A	N.A	-	-	-
B	Operational Creditors	2,36,45,58,253	3,00,000 plus proceeds of PUFEE application	0.01%		Within 6 months from the date of approval by NCLT
C	Other Operational Creditor (Statutory dues, workmen, employees,)	N.A	N.A	N.A	-	-
D	Other Debts and dues	N.A	N.A	-	-	-
F	GRAND TOTAL	2,36,45,58,253/-	3,00,000 plus proceeds of PUFEE transaction	0.01%		

Contributions To Liquidation Costs:

20. Regulation 39B(4) requires the Resolution Professional to submit, along with the Resolution Plan or liquidation application, a plan to meet the liquidation cost, as approved by the CoC. Accordingly, the Applicant tabled this agenda in the 10th CoC meeting held on 12.09.2024, seeking approval of a plan to meet the liquidation cost, the Corporate Debtor's liquid assets



being NIL. The CoC, however, rejected the same with 100% voting share. It is submitted that a substantial part of the CIRP Costs remains unpaid, and accordingly, in the event the present Resolution Plan is rejected, this Tribunal may direct the CoC members to contribute towards the unpaid CIRP Costs and the anticipated Liquidation Costs.

Submission through Additional Affidavits:

21. This Tribunal vide order dated 14.02.2025 directed the Applicant to ensure all the minutes of the CoC meetings, the Information Memorandum and the valuation report is placed on record. Accordingly, the Applicant via Additional Affidavit filed on 18.02.2025, placed on record *inter alia* the copies of Minutes of Meetings, the Information Memorandum, the Request for Resolution Plan (“**RFRP**”) and Form – G.
22. Further, on the hearing dated 06.05.2025, to a pointed query by this Tribunal as to where is the list of EoIs, List of PRAs/ Final List of PRAs, the Ld. Counsel submitted that such list was not enclosed with the IA or with the Additional Affidavit filed on 18.02.2025 and sought to file requisite compliances as are required under the Insolvency and Bankruptcy Board of India (Insolvency Resolution process for Corporate Persons) Regulations, 2016 (“**CIRP Regulations, 2016**”) by an Additional Affidavit. Accordingly, the Applicant filed Additional Affidavit 21.06.2025, placing on record the list of EoIs, Provisional List of PRAs and Final List of PRAs.
23. Furthermore, on hearing dated 10.02.2026, this Tribunal had observed that:

“IA(PLAN)/16/2025- This is the IA filed by the RP seeking approval of the Resolution Plan. Ld. Counsel for the RP has taken us to some length. However, we observe as under:

1. *The valuation report provided by both the valuers indicates realizable value and liquidation value as ‘Nil’. However, we note that the first valuer at page 19 of the valuation report (page 46 of the IA) has taken securities and financial assets as per the balance as on 31.03.2023 at Rs, 1,00,02,765.05/- which has been valued at ‘Nil’. However, at page 60 the valuation of securities and financial assets as on 02.11.2023 has been tabulated where book value of such assets has been taken as Rs. 9,99,38,74,425.94/-. To a question, that the SFA*



- valued by one valuer take the book value of SFA as around Rs. 1 crore and the other takes it at around Rs. 1000 crores. Id. Counsel for the RP has no explanation in this regard and seeks time to seek instruction from his client.*
- 2. The Financial statement/balance sheet of the Corporate Debtor as on 31.03.2023 or as on the date of insolvency commencement which is on 02.11.2023 are to be co-related with the valuation report. It is noted that the valuation done by the first valuer namely Amandeep Kaur has considered the balances as on 31.03.2023 and not as on the insolvency commencement date.*
 - 3. The total plan value is Rs. 38 lakhs out of which Rs. 35 lakhs are proposed towards the CIRP cost and only Rs. 3 lakhs are for the Operational Creditors against the admitted claim of Rs. 236.45 crores. The RP to put a note that if valuation is at 'zero' how the Resolution Plan has got some valuation.*
 - 4. If the Corporate Debtor has assets (Financial assets) to the tune of Rs. 1000 crores, then how and why the Resolution process has been taken ahead without soliciting needed information from the Suspended Directors before the valuation.*
 - 5. To a question, whether application under Section 19(2) has been filed, Id. Counsel is not sure about it and seeks time to address us on the next occasion. With these observations list this IA for further consideration on 10.03.2026.*

If need be, the RP may file the additional affidavit explaining the above aspects."

24. In compliance of the said order dated 10.02.2026, the Applicant filed an Additional Affidavit on 10.04.2026. Through the said Affidavit, the Applicant submits that:
 - a. As regards paragraph 1 of the said Order, it is submitted that the figures at page 46 of the Application (internal page 19 of the valuation report) are stated in "thousands," as expressly indicated at the top-right of the said page. The valuer has taken the balance as on 31.03.2023, arriving at total Securities and Financial Assets of Rs. 1,00,27,65,000/-, with fair and liquidation value assessed as NIL for the reasons recorded therein - a conclusion broadly consistent



with the balance sheet and the book value adopted by the other valuer at page 60.

- b. As regards paragraph 2 of the said Order, it is submitted that the Resolution Professional furnished both Registered Valuers with all available data, records, and financial information for an independent and fair assessment of the Corporate Debtor's assets. There was no material or substantive change in the Corporate Debtor's financial position between 31.03.2023 and the insolvency commencement date (02.11.2023), such as would materially alter the asset base or valuation outcome. Accordingly, the adoption of the audited balance sheet as on 31.03.2023 by Ms. Amandeep Kaur has not caused any substantial or adverse impact, and the valuation remains fair, reasonable, and reliable for the purposes of the insolvency proceedings.
 - c. As regards paragraph 3 of the said Order, it is submitted that formulation of the Resolution Plan, including proposed amounts and the rationale therefor, lies within the prerogative of the Prospective Resolution Applicant. The valuers assessed the assets on the basis of definitive cash flows and, in their absence, arrived at a NIL value; whereas the Resolution Applicant, at page 34 of the Resolution Plan, has assigned some value on the premise that recovery proceedings could be initiated against certain debtors- while itself acknowledging that any such recovery remains merely anticipated and contingent.
25. As regards paragraphs 4 and 5 of the said Order, it is submitted that the Resolution Professional filed IA (IBC)/2184/2024 under Section 19(2) of the Code on 01.04.2024, which remains pending. Being a time-bound process required to be completed within the statutory period, the Resolution Professional was obligated to continue the CIRP notwithstanding the pendency of the said application. It is further submitted that the Resolution Professional has filed IA (IBC) 4628/2024 under Section 66 of the Code, seeking contribution of approximately Rs. 817 Crores, which application shall be pursued by the creditors for their benefit upon approval of the Resolution Plan.



Analysis & Findings

26. We have heard the Ld. Counsel of the Applicant and perused the documents available on record.
27. With respect to the submission of the Applicant regarding pendency of IA/2184/2024 which was filed by the Applicant under Section 19(2) of the Code, it is observed that, this Tribunal had during the hearing dated 25.06.2026, noted that:
- “...However, we note that the assets in the shape of securities and financial assets as on the Insolvency commencement date has been to the tune of Rupees One Thousand Crore and all those assets have been valued at zero (0), only for the reason that the valuer has not received any information regarding recoverability of the same. Ld. Counsel for the Applicant submits that an Application under Section 19(2) has been filed which is coming up for consideration on 27.07.2026.*
- 3. We note that in this case, the total plan value is Rs. 38 lakhs and out of which Rs. 35 lakh has to go for meeting out the CIRP cost and only Rs. 3 lakhs shall be paid to the creditors against the admitted claim of around Rs. 238 crores.*
- 4. Under the circumstances, we deem it appropriate to list this plan on the day when Application under Section 19(2) is coming up for consideration.”*
28. Further, it is noted that IA/2184/2024 was dismissed by this Tribunal vide order dated 17.08.2026. In the said order, this Tribunal has noted that although opportunity to the RP was granted to go through the documents already supplied to him by the Suspended Director and take further necessary action, the RP has not taken any action in this regard nor done anything to pursue this matter which is pending since 2 years. Therefore, this Tribunal in view of the aforesaid observation, dismissed the said IA.
29. In view of the aforesaid observations, it is noted that the issue pertaining to the Nil valuation, as also the failure on the part of the Resolution Professional to make any meaningful efforts to secure the requisite information from the suspended directors, remains unexplained.
30. When a Resolution Plan is submitted, the RP's primary obligation under the Code is to firstly examine whether the Resolution Applicant is eligible



to submit the Resolution Plan under the provisions of IBC, the CIRP Regulations, 2016 and also meets the requirements set out in the RFRP.

31. In this regard it is necessary to refer the provisions of Section 29A and Section 30 of the Code:

“Section 29A: Persons not eligible to be resolution applicant.

A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—

(a) is an undischarged insolvent;

(b) is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;

(c) at the time of submission of the resolution plan has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or the guidelines of a financial sector regulator issued under any other law for the time being in force and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:

Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of resolution plan;

Provided further that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

Explanation I.-For the purposes of this proviso, the expression “related party” shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares or completion of such transactions as may be prescribed, prior to the insolvency commencement date.

Explanation II.-For the purposes of this clause, where a resolution applicant has an account, or an account of a corporate debtor under the management or control of such



person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under this Code, then, the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code.

(d) has been convicted for any offence punishable with imprisonment-

(i) for two years or more under any Act specified under the Twelfth Schedule; or

(ii) for seven years or more under any other law for the time being in force:

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

(e) is disqualified to act as a director under the Companies Act, 2013;

Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

(f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

(g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code;

Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

(h) has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been



admitted under this Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;
(i) is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or
(j) has a connected person not eligible under clauses (a) to (i).”

Section 30- Submission of resolution plan.

(1) A resolution applicant may submit a resolution plan along with an affidavit stating that he is eligible under section 29A to the resolution professional prepared on the basis of the information memorandum.

(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—

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

(ii) 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.

(c) provides for the management of the affairs of the Corporate debtor after approval of the resolution plan;

(d) the implementation and supervision of the resolution plan;

(e) does not contravene any of the provisions of the law for the time being in force;

(f) conforms to such other requirements as may be specified by the Board.

(3) The resolution professional shall present to the committee of creditors for its approval such resolution plans which confirm the conditions referred to in sub-section (2).



(4) The committee of creditors may approve a resolution plan by a vote of not less than seventy-five per cent, of voting share of the financial creditors, Inserted.- and record reasons for its approval after considering its feasibility and viability the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor, and such other requirements as may be specified by the Board.”

32. Section 29A renders a person ineligible to submit a resolution plan, along with any other person acting jointly or in concert with such person, where such person falls under the criteria stipulated under clause (a) to (j). Further, section 30 governs submission and examination of a resolution plan, requiring under sub-section (1) that a resolution applicant submit its plan along with an affidavit affirming its eligibility under Section 29A of IBC. Under sub-section (2), the Resolution Professional is duty-bound to examine every plan received to confirm, inter alia, under clause (e) that it does not contravene any provision of law for the time being in force, which necessarily includes verifying compliance with the eligibility criteria under Section 29A, and under clause (f) that it conforms to such other requirements as may be specified by the Board (IBBI). By virtue of sub-section (3), the Resolution Professional is obligated to place before the Committee of Creditors, for its approval, only those resolution plans which satisfy the conditions set out in sub-section (2); consequently, any plan submitted by a person ineligible under Section 29A, or otherwise non-compliant with law or Board specified requirements, is liable to be screened out by the Resolution Professional at the threshold itself and cannot be placed before the CoC for consideration and voting under sub-section (4).
33. Further reference is made to Regulation 36A(8) of the CIRP Regulations, 2016:

“Regulation 36A: Invitation for expression of interest.

(8) The resolution professional shall conduct due diligence based on the material on record in order to



satisfy that the prospective resolution applicant complies with-

*(a) the provisions of clause (h) of sub-section (2) of section 25;
(b) the applicable provisions of section 29A, and
(c) other requirements, as specified in the invitation for expression of interest.*

(9) The resolution professional may seek any clarification or additional information or document from the prospective resolution applicant for conducting due diligence under sub-regulation (8)."

34. The above regulation enforces a duty upon the Resolution Professional to conduct due diligence based on the material on record in order to satisfy that the PRA *interalia* complies with the applicable provisions of Section 29A of IBC. Further, Regulation 36A(9) of CIRP Regulations, 2016 provides that the RP may seek any clarification/ additional information or document from the PRA for conducting the said due diligence under sub-regulation (8).
35. In the present case, the Applicant had placed on record with the Application, a copy of declaration u/s 29A submitted by the SRA. However, since the due diligence report on Section 29A prepared by the Applicant was not on record for perusal, this Tribunal in the hearing dated 17.08.2026, directed the Applicant to place on record the due diligence report on Section 29A and a certificate to that effect.
36. It is noteworthy that the Section 29A Compliance Report placed on record through Additional Affidavit filed on 02.09.2026, the Applicant has in conclusion stated that:

F. Conclusion

Based on the documents and information furnished by Subhlaxmi, public-domain data relating to the PRA and the framework of Section 29A of the IBC, the RP is apparently, as of the date of this report and subject to the qualifications herein, satisfied that Subhlaxmi Investment Advisory Private Limited, together with its directors Anand Prakash and Hardev and the connected persons disclosed, is not hit by any disqualification under Section 29A(a) to (i) of the IBC.

It is without prejudice to any findings or directions of the Adjudicating Authority, regulatory bodies or courts and is expressly dependent on continued full and fair disclosure by the PRA and its connected persons in subsequent circumstances that may affect eligibility under Section 29A.

Date:- 31-08-2027

Nilesh Kothari





37. On the perusal of the said compliance report, it is noted that the Applicant has throughout the said report used the words like “indication”, “appears” “apparent” which depicts non-clarity in his decision. Moreover, the conclusion (reproduced above) of the Report also mentions that the RP is **“apparently** as of the date of this report and **subject to the qualification herein**” satisfied that the Subhlaxmi Investment Advisory Private Limited, the SRA together with its directors and connected persons, is not hit by any disqualification under Section 29A(a) to (j) of the IBC.
38. It is noted that the language employed in the said report reflects a qualified and equivocal conclusion, rather than a clear and definitive finding, on the question of the PRA's eligibility. Had the Applicant harboured any doubt as to the eligibility of the PRA, it was incumbent upon him to record such observations clearly and arrive at a negative finding, thereby disqualifying the PRA from submitting a Resolution Plan. It is observed, however, that notwithstanding such uncertainty as to eligibility under Section 29A, the Applicant proceeded to allow the PRA to participate in the CIRP process and submit the Resolution Plan, without arriving at a conclusive determination in this regard.
39. It is further noted that since only one EoI was received, the Resolution Professional, upon a finding of ineligibility under Section 29A of the Code, could have disqualified the said PRA and initiated a fresh process through re-issuance of Form-G, with the approval of the CoC. However, the Applicant neither sought additional information from the PRA to confirm its eligibility as provided in Regulation 36A(9), nor took any adverse action in this regard, despite the qualified nature of the eligibility finding recorded in his own report.
40. Under Regulation 36A(8) of the CIRP Regulations, 2016, it is the bounden duty of the Resolution Professional to carry out due diligence to ensure compliance with Section 29A of the Code, and to thereafter examine the Resolution Plan in terms of Section 30(2) of the Code. Section 30(2)(e) and (f) require the Resolution Professional to examine every Resolution Plan submitted to confirm that it does not contravene any provision of law for



the time being in force and conforms to such other requirements as may be specified by the Board. In the present case, it is evident that the Applicant has failed to diligently discharge his duty under Regulation 36A(8) so as to establish, in clear and unequivocal terms, the eligibility of the PRA under Section 29A of the Code. The Applicant, being the Resolution Professional, has accordingly failed to comply with Regulations 36A(8) and (9) of the CIRP Regulations, 2016, and has further failed to discharge the obligations cast upon him under Section 30(2) of the Code.

41. In view of the foregoing, since the eligibility of the PRA under Section 29A of the Code has not been established in clear and unambiguous terms, the very foundation for consideration of the Resolution Plan stands vitiated. The Resolution Plan submitted by such PRA is, therefore, liable to be rejected on this ground alone.
42. Consequently, it is pertinent to refer to Section 31(2) of the Code, which provides that where the Adjudicating Authority is satisfied that the Resolution Plan does not conform to the requirements referred to in Section 31(1), it may, by an order, reject the Resolution Plan. For better reference, Section 31 of the Code provides as under:

Section 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, ¹[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.

(Bold for Emphasis)

Accordingly, considering the facts and circumstances of the case and the discussion above, the Resolution Plan submitted by M/s Subhlaxmi Investment Advisory Private Limited is **rejected** for the reason of absence of definitive certificate of its eligibility under Section 29A of the Code, in terms of Section 31(2). Accordingly, Prayer (a) is **dismissed**.

43. The consequence of rejection of the Resolution Plan is governed by Section 33(1)(b) of the Code. The said provision reads as follows:

“33. Initiation of liquidation. —

(1) Where the Adjudicating Authority—

- (a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or*
- (b) rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall—*
- i. pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;*
 - ii. issue a public announcement stating that the corporate debtor is in liquidation; and*
 - iii. require such order to be sent to the authority with which the corporate debtor is registered.”*

44. In view of the rejection of the Resolution Plan under Section 31(2) of the Code, and in terms of Section 33(1)(b) of the Code, this Adjudicating Authority is of the considered view that the Corporate Debtor is liable to be liquidated in accordance with the provisions of Chapter III of Part II of the Code and the applicable Regulations.
45. In view of the facts and circumstances and discussion hereinabove, I.A.(IBC)(Plan)/16/2025 is **dismissed** in above terms and stands **disposed of**.



46. The Corporate Debtor is ordered to be liquidated and the following consequential order is passed:

ORDER

- a) The Corporate Debtor, **M/s Magicstone Traders Private Limited** is directed to be liquidated in accordance with the provisions of Chapter III of the Code and applicable regulations. Consequently, the Applicant/RP stands relieved subject to procedural/necessary compliances under Section 34(5) of the Code.
- b) We deem it appropriate to appoint an Insolvency Professional from the panel of Insolvency professionals shared by the IBBI, as the Liquidator of the Corporate Debtor. Accordingly, **Ms. Smita Gupta** bearing Registration No. **IBBI/IPA-001/IP-P-02768/2023-2024/14283**; having address at Flat no 702, 7th floor, Godrej Central J Tower, Shell Colony, Near Tilak Nagar Railway Station, Chembur, Mumbai Suburban, Maharastra, Maharashtra- 400071, e-mail id: sumitayal31@gmail.com having AFA valid upto 30.06.2027, is appointed to act as the Liquidator in terms of Section 34(1) of the Code.
- c) That the Liquidator shall initiate the liquidation process as envisaged under Chapter III of the Code and the Liquidation Process Regulations applicable on the date of passing of this order. He shall take control of all the assets of Corporate Debtor and also continue or institute proceedings in respect of an avoidance transactions or fraudulent or wrongful trading, if any, as per section 35(1)(l) of the Code.
- d) The liquidator for conduct of the Liquidation proceedings will be entitled to the fees as per the Regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, applicable on the date of passing of this order.
- e) The Committee of Creditors constituted under section 21 shall continue to function during the liquidation process as per Regulation 8 of the IBBI (Liquidation Process) Regulations, 2016.



- f) A fresh moratorium shall commence under Section 33(1)(iv) of the Code.
 - g) The Liquidator shall issue public announcement stating that the Corporate Debtor is in liquidation.
 - h) This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.
 - i) The Liquidator shall submit a Preliminary Report to the Adjudicating Authority within 30 days from the liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. The Liquidator shall also submit progress reports as per Regulation 15 of the Liquidation Process Regulations.
 - j) The Liquidator is hereby authorised to represent the Corporate Debtor before the Government Authorities, if required.
 - k) Registry shall furnish a copy of this Order within seven days from the passing of this Order to the following:
 - a. Insolvency and Bankruptcy Board of India;
 - b. Regional Director - Navi Mumbai, Western Region Directorate II, Ministry of Corporate Affairs;
 - c. Registrar of Companies, Pune;
 - d. Official Liquidator attached to Bombay High Court;
 - e. Erstwhile Resolution Professional, Mr. Nilesh Rajendra Kothari.
 - f. Liquidator, **Ms. Smita Gupta**.
47. In respect of prayer clause (b), whereby the Applicant seeks a direction to the members of the CoC to contribute towards the unpaid CIRP Costs and Liquidation Costs, it is noted that no arguments have been made by the Ld. Counsel for the Applicant in support of the said prayer. Hence, no relief is granted in the present proceedings. However, the Applicant is at liberty to take necessary action as may be available in law, including filing a separate application for the said relief which shall be proceeded on its own



merits. Accordingly, with the above direction, the prayer clause (b) stands **disposed of**.

48. The Registry is directed to forward a copy of this Order to the Insolvency and Bankruptcy Board of India (IBBI) for such action as it may deem fit with regards to the conduct of the RP.

Sd/-

Vinay Goel
Member (Judicial)

Rashmi, LRA

Sd/-

Charanjeet Singh Gulati
Member (Technical)