IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.301

IA(Plan)/4(AHM)2026 in CP(IB)/21(AHM)2023

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

IN THE MATTER OF:

Pawan ~~Jagetia RP of M/s. Eurocoin~~ Ceramics Private Limited ....**Applicant**

V/s

Solita Industries LLP Successful Resolution Applicant & Another ....**Respondent**

Order delivered on: 13/05/2026

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in the open court, vide separate sheet.

Sd/-

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

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

AD/SJ

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

IA (Plan) No. 4 OF 2026
IN
COMPANY PETITION (IB) 21 (AHM) 2023

(Under Section 30 (6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF:

~~Pawan Nagetia~~
Resolution Professional of
M/s Eurocoin Ceramics Private Limited ...Operational Creditor

Versus
Solita Industries LLP & Anr. ... Corporate Debtor

AND IN THE MATTER OF:

Pawan Jagetia
Resolution Professional
Of M/s. Eurocoin Ceramics Private Limited
Having address at:
508, 21st Century Business Centre Ring Road,
Beside World trade Centre,
Surat Gujarat-395002 ..... Applicant

Versus

1 Solita Industries LLP
Successful Resolution Applicant
Having registerd address at:
Survey No. 708p2, On Jambudiya Ghuntu road,
Village: Ghuntu Morvi, Gujarat India

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Sd/-

2 Income Tax Department
Rajkot, through Principal Commissioner
Having address at:
Aaykar Bhawan, Race Course Ring Road,
Rajkot-Gujarat-360001

...Respondents

Order pronounced on 13/05/2026

Coram:

MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

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

Present:

For the Applicant:	Mr. Nipun Singhvi Adv
For SRA:	Mr Saurabh soparkar, Sr Adv
For PF	Mr A V Nair
For Income Tax Dept:	Mr. Aman Mir, Adv -R2

JUDGEMENT

1. The present application has been filed under Section 30(6) of the Insolvency & Bankruptcy Code, 2016 ("IBC, 2016/the Code") by the Resolution Professional of the corporate debtor Eurocoin Ceramics Pvt Ltd. inter alia seeking approval of Resolution Plan submitted by the Successful Resolution Applicant M/s Solita Industries LLP

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which has been approved with 100% vote casted in favour by the Committee of Creditors by the sole financial creditor BOB of the Corporate Debtor on 23.01.2026 after discussions in the 9th COC meeting.

2. The Operational Creditor had filed an insolvency application under Section 9 of the Code for initiation of Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor which was admitted vide Order dated 17.04.2024 and whereby the applicant Mr. Pawan Jagetia was as IRP which was confirmed by the COC in its meeting dated 15.05.2025. The public announcement inviting claims from creditors of the Corporate Debtor was made in Form-A on 21.042025 and the claims were received one claim from Financial Creditor NBOB and he constituted the COC and filed its report on 06.05.2025.

3. It is submitted that the IRP conducted the 2nd meeting of COC on 13.06.2025 wherein the registered valuers were appointed and on approval the RP issued the 1st Form G. Also a Sec 19 application IA No.815 was filed against the suspended management. The Last date for submission of EOI was 5.07.2025 and on approval of COC RP published

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extension of Form G whereby the last date of receipt of EOI will be 31.07.2025. The COC approved in its 5th COC meeting held on 13.10.2025 wherein it was resolved to seek further extension of 90 days of CIRP for issuance of 3rd Form G. This tribunal granted the extension of CIRP from 14.10.2025 to 11.01.2026 and permitted issue of fresh form G. The applicant RP published fresh Form G on 22.11.2025 with last date for submission to be 3.12.2025. It is submitted that in the 7th COC meeting provisional list of 3 PRAs were submitted and discussed. The RP issued Information Memorandum, Evaluation Matrix and RFRP to eligible PRAs. The last date for submission of Resolution Plans by PRAs was 14.12.2025. The resolution plans received were discussed on 8.1.2026 and on expiry of 270 days of CIRP, an application was filed with approval of the COC and this AA allowed extension of the CIRP by another 30 days w e f 21.01.2026.

4. It is further submitted that on 23.01.2026, the financial creditor and member of COC on 23.01.2026 of Solita Industries LLP via ballot paper sent by RP. Copy of the 9th COC meeting minutes is enclosed. It is submitted that a

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belated claim application was filed on 10.03.2026 and Section 19 application was listed for hearing on 10.03.2026.

5. The applicant has submitted that as per the resolution plan approved by the COC and the letter of intent issued a Performance Bank Guarantee was to be submitted. The same has been complied by SRA. The key features of the resolution plan are as follows:

Proposed amount	Amount of claim (RS in cr)	Amount admitted (Rs in cr)	Amount as per plan (RS. In cr)	Pay out %	Timeline
CIRP cost	Actuals	Actuals	0.45		30 days (business)
FC	4.45	4.45	4.05	90.94	90 days of approval of plan
OC(excl Stat.dues)	0.44	0.44	NIL	NIL	NA
Employees	NIL	NIL	NIL	NIL	NA
Shareholders	NIL	NIL	NIL	NIL	NA

6. The applicant has submitted that the CIRP cost is paid upfront and in terms of Sec 30(2)(b) of the code read with Regulation 38 of the IBBI (Insolvency resolution for Corporate Persons) Regulations 2016 the plan has proposed NIL payment against the dues of Operational creditors and

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the total claim of operational creditors was Rs.4.29 crores approx. against which there is NIL payment. The shareholders do not get any payment under the plan. The SRA is eligible and the necessary undertaking is provided under Sec 29 A of the IBC 2016.

7. The Plan proposes that virtue of approval of the plan by this authority, the share reduction will take place by fully cancelling the present equity shares of the CD. The SRA may incorporate and or utilise a Special Purpose vehicle that shall be infused capital through the promoters and others as may be required for implementation of the plan. The applicant has submitted that the Liquidation value of the CD was Rs.4,49,59,680 and Fair Value to be Rs.9,49,32,800 and submitted the Form H. It is also submitted that if the AA reverses or sets aside any avoidable transactions under Sec 43,45,47,49, 50 or 66 of the code, the same will pass through to all the stakeholders of the CD.

8. The applicant has submitted that the SRA has proposed certain reliefs and concessions mentioned in Sec 9.4, Page 47 of Plan placed in Annexure 2 of the application. One of

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the concessions sought is from Income tax department who has made party seeking "Carry forward and Set off of losses in case of certain companies" as provided in Sec 79 of the Income tax Act. It is read as "(c) to a company where a change in the shareholding takes place in a previous year pursuant to a resolution plan approved under the IBC 2017(31 Of 2016) after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner".

9. Even though the Income tax department was served and given many hearings, no report was filed. It appears that the Income tax department did not file reply even after 3 hearings in the matter. However, the Ld. Counsel for Income tax appeared on 6.05.2026 and submitted that the Principal Commissioner would like to file his submissions opposing the relief sought by the SRA. Even though two days' time was given no reply was filed by the respondent Income tax department after reserving the order.

10. Ld Sr Counsel appearing for SRA submitted that the respondent Income tax department has to give the necessary concessions and relief on carry forward losses as

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per law. Ld Counsel for applicant has submitted written submissions by affidavit along with certain judgments of NCLT Indore IA plan 07 of 2025 in CP IB 48/2023 and a similar order of this bench in IA Plan 7 of 2025 in CP IB286 of 2023. Ld Sr Counsel for respondent SRA has submitted a written statement that the plan satisfies all the three conjunctive conditions stipulated in Sec 79(2)(c) of the Income tax act, i.e.

a) Change in voting power/shareholding consequent upon the IBC resolution plan.

b) Approval of the resolution plan under IBC... becomes binding on all stakeholders; and

c) Reasonable opportunity to jurisdictional Principal Commissioner of Income tax in terms of Sec 79(2)© of the Income tax act.

The respondent SRA has placed the following facts before this tribunal in its written submissions:

i) The acquisition under an IBC Resolution Plan is not a voluntary commercial transaction driven by tax benefits, it is mandated and approved by NCLT as part of resolution process.

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ii) The RA has committed to reviving the CD as a going concern, infusing capital, and meeting the claims of creditors and is a revival and not for tax benefit; and

iii) Issue of notice to the respondent PC of Income tax ensures transparency on its part.

11. Observations & Conclusion:

We have gone through the submissions and the documents on the resolution plan. The COC by its commercial wisdom has approved the resolution plan. It is also submitted by the RP that the proceeds of the fraudulent transactions identified in the forensic audit report will be distributed to the creditors on its adjudication.

a) Prima facie, from the documents submitted we observe that the Plan complies with Sec 30(2) of the IBC 2016 provisions. As regards the carry forward losses, for which the SRA seeks exemption, the Principal Income tax commissioner was notified thrice and he has not filed any reply in the matter as directed. Further, to seek exemption under the relevant act of Income tax, irrespective of whether the SRA is eligible, this cannot be considered to be a conditional approval of the plan,

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we note that the CD is being resolved. We are of the view that carry forward of losses and unabsorbed depreciation shall be available in accordance with the provisions of the Income tax act. It is for the SRA to seek the tax waiver before the relevant authorities who have not filed any reply, and they may deem to consider it on its merits, keeping in mind that the respondent SRA has acquired the entity which had defaulted to creditors, as part of resolving the CD and this plan is approved in terms of provisions of IBC. Hence we do not pass any orders granting any specific relief in this regard. The plan should be strictly implemented in terms of the time schedule prescribed in the plan approved.

b) As regards the transactions if any are deemed to be preferential, and the forensic audit has already identified certain transactions, since the plan is already approved, the monitoring committee will be granted a period up to 90 days to file an application if any through the RP since we observe no IA is filed till date. The application will be decided on its merits and

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the proceeds if any realised be distributed to all the stakeholders other than the shareholders. This application also does not prevent the COC to bring any action against the guarantors for realisation of its dues, if any other legal process is available under the provisions of IBC 2016.

c) We also rely upon the following judgments:

Hon'ble Supreme Court in case of *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited (2021) 13 S.C.R 737}* & *Municipal Corporation of Greater Mumbai vs. Abhilash Lal and Ors. (2019) ibclaaw.in 480 NCLAT.*

We also rely on the judgments of the other NCLT Mumbai benches in this regard in IA(IBC)(Plan)/13/MB/2026 IN CP(IB) No. 1023/IBC/MB/2024. The carry forward of losses and unabsorbed depreciation shall be available in accordance with the provisions of Income Tax Act, and the Income Tax Department shall be at liberty to examine the same. The SRA to seek necessary reliefs from IT authority.

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We conclude that the Resolution plan complies with the Section 30(2) of the IBC 2016 and also meets requirements of Regulations 37, 38, 38(1A) and 39(4) of IBBI Regulations 2016 and the SRA complies with Sec 29 A of the code. The amount of claim submitted and admitted by the RP as per plan is for Rs.9,18,74,680 and the value of the plan approved is Rs.4,50,00,000.

12. In view of the above, we pass the following order:

ORDER

I. Application is allowed.

II. The approved 'Resolution Plan' for value of Rs. Rs.4,50,00,000 shall become effective from the date of passing of this order.

III. The order of moratorium passed by this Adjudicating Authority under Section 14 of IBC, 2016 shall cease to have effect from the date of this order.

IV. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

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V. The monitoring committee as proposed in the resolution plan shall be constituted for supervising the effective implementation of the Resolution Plan and continue till the payment plan is fully realised and is distributed.

VI. The Resolution Professional, Mr. Pawan Nagetia shall be released from the duties of the Resolution Professional of the Corporate Debtor as per the provisions of the IBC, 2016 and rules/regulations made thereunder from the date of this order.

VII. The Resolution Professional shall forward all records relating to the conduct of the corporate insolvency resolution process and approved Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database.

VIII. As regards various reliefs and concessions which are being sought, we hereby grant the following reliefs and concessions only as against reliefs and concessions claimed by the resolution applicant.

IX. After the payment of the dues to the creditors, as per the resolution plan, all the liabilities/claims of the said

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stakeholders shall stand extinguished and other claims including Government/Statutory Authority, whether lodged during CIRP or not, shall stand extinguished after approval of the resolution plan.

X. From the date of this order, all claims against the Corporate Debtor, except those provided in the plan of the Corporate Debtor stand extinguished.

XI. From the date of this order, all encumbrances on the assets of the Corporate Debtor before the Resolution Plan shall stand extinguished. No reliefs and concessions are granted to guarantee if any issued by the suspended management in an individual capacity to any of the creditors.

XII. For reliefs and concessions sought from the Government / Statutory Authorities, we direct the resolution applicant to approach the concerned Authorities. The concerned Authorities are to consider and decide the matter as per applicable provisions of law for effective implementation of the Resolution Plan.

XIII. As regards reliefs prayed under various provisions of the Income Tax Act, 1961, the Corporate Debtor/

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Resolution Applicant may approach the Income Tax Authorities who shall take a decision on relief and concessions sought by the resolution applicant in accordance with the provisions of the Income Tax Act, 1961.

XIV. The Resolution Applicant shall be entitled to review, revise or terminate any appointments / agreements / understanding entered into by or on behalf of the Corporate Debtor in accordance with the terms and conditions of such agreements / MoUs /contracts.

XV. The management of the Corporate Debtor shall be handed over to the Board of Directors as may be nominated by the SRA for the proper running of the operations /business of the Corporate Debtor.

XVI. The Board of Directors of the Corporate Debtor shall also be reconstituted and procedural compliances shall be done to give effect to such reconstitution.

XVII. The SRA shall, pursuant to the Resolution Plan approved under Section 31(1) of the Code, obtain necessary approvals required under any law for the time being in force within a period of one year from the date

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of approval of the Resolution Plan vide this order or within such period as provided for in such law, as the case may be.

XVIII. All the approvals of shareholders/members of the Corporate Debtor shall be deemed to have been obtained and the provisions made in the Resolution Plan as regards the restructuring of capital shall be binding on them. The reliefs sought by way of approval of the Resolution Plan along with merger of the Corporate Debtor with the SRA under Section 230-232 of the Companies Act, 2013 will be filed a separate application after obtaining necessary approvals in this Plan.

XIX. No approval is given at this stage by way of this order regarding to merger of the Corporate Debtor with SRA and filed a separate application with Audited Financial Statements of both Companies may be submitted for the approval.

XX. With respect to the grant of license/ Government approval, if the license or approval is terminated, suspended or revoked, the resolution applicant may

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approach the concerned Department/ Authorities for such approval/ renewal and Government Authorities may consider the request of the resolution applicant as per applicable provisions of law for effective implementation of the resolution plan.

XXI. A certified copy of this order be issued to all concerned parties upon compliance of all requisite formalities.

XXII. Accordingly, IA (Plan) 04(AHM)/2026 in CP (IB) No.21 (AHM)/2023 is disposed of.

Sd/-

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

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CHITRA HANKARE
MEMBER(JUDICIAL)

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