



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH, COURT-I**

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

**AN APPLICATION UNDER SECTION 30(6) AND 31(1) OF THE
INSOLVENCY AND BANKRUPTCY CODE, 2016 FOR THE APPROVAL
RESOLUTION PLAN.**

IN THE MATTER OF:

Canara Bank

Financial Creditor

Versus

Rajgaria Timber Private Limited

Corporate Debtor

IN THE MATTER OF:

Sanjai Kumar Gupta, RP

Applicant

Coram:

Smt. Bidisha Banerjee, Member (Judicial)

Cmde Siddharth Mishra, Member (Technical)

Date of Pronouncement: 04.11.2025

Appearance (via Hybrid Mode):

Mr. Shaunak Mitra, Adv] For Resolution Professional

Mr. Rahul Auddy, Adv



Mr. Aditya Gooptu, Adv

Mr Sanjai Kr. Gupta, RP

Mr. Shaunak Ghosh, Adv

]For Suspended Director

Ms. Saheli Sen, Adv

Mr. Rajib Mullick, Adv

Mr. Debmalya Biswas, Adv

Mr. Rajib Mullick, Adv

] For Respondent in

Mr. Shaunak Ghosh, Adv

Ms. Soheli Sen, Adv

Mr. Debmalya Biswas, Adv

ORDER

Per: Bidisha Banerjee, Member (Judicial)

1. Heard learned counsel of the parties.

A. Parties to the proceeding

2. This Application has been preferred by the Resolution Professional Mr. Sanjai Kumar Gupta, RP of the Corporate Debtor, Rajgaria Timber Private Limited under section 30(6) and 31 of the IBC 2016, seeking direction for final approval of Resolution Plan submitted by Mangalkari Asset Investment AIF.

B. Prologue:

3. The CoC at its 21st Meeting convened on 04.06.2025 has approved the Resolution Plan submitted by Mangalkari Asset Investment AIF (Successful Resolution Applicant /SRA) by 100% voting share and and Letter of Internt (LoI) was issued on 27.06.2025, which was

unconditionally accepted by SRA Mangalkari Asset Investment AIF on 30.06.2025.

C. Initiation of Corporate Insolvency Resolution Process

4. The Company Petition in C.P (IBC) No 313/KB/2022 was filed by the Canara Bank, Financial Creditor against the Rajgaria Timber Private Limited, Corporate Debtor to initiate Corporate Insolvency Resolution Process (“CIRP”) under section 7 of the IBC 2016, which was admitted vide order dated 30.04.2024.

D. Publication

5. The Applicant made public announcement on 03.05.2024 in Business Standard (All India Edition) and EK-din (Bengali Edition) newspaper in accordance with section 13(1)(b) read with Regulation 6 of the CIRP Regulations, regarding initiation of Corporate Insolvency Resolution Process and for inviting all the creditors of Rajgaria Timber Private Limited to submit their claim to the Applicant. The last date for submission of claim was 14.05.2024.

E. Constitution of CoC

6. The Applicant received three claims from secured Financial Creditor. The CoC was accordingly constituted on 23.05.2024 with the following creditors of the CoC.

Sl. No	Name of Creditors	Voting Right
1.	State Bank of India	69.52%
2.	Bank of Baroda	16.97
3.	Canara Bank	13.51%
Total		100%

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022



F. Collation of Claims

7. The Total amount of claimed and admitted are summarized as under:

a) Claims by Secured Financial Creditors:

Sl. No.	Name of the Financial Creditor	Amount Claimed (Rs.)	Amount Admitted (Rs.)
1	Bank of Baroda (BoB)	20,92,57,808	20,92,57,808
2	Canara Bank	16,66,62,065	16,66,62,065
2	State Bank of India (SBI)	85,72,55,528	85,72,55,528
	TOTAL	1,23,31,75,401	1,23,31,75,401

b) Claims by Operational creditors:

Statutory Government

Sl.No	Name Financial Creditor	Amount Claimed	Amount Provisionally Admitted	Claim not Admitted
1.	Commissioner of Commercial taxes, Beliaghata Charge	25,65,18,542	25,54,44,118	10,74,424
2.	ESI	86,365	86,365	
Total		25,66,04,907	25,55,30,483	10,74,424



G. Appointment of Registered Valuers and Transactional Auditors:

8. The Applicant with approval of CoC, has appointed two sets of Registered valuers namely G Tech Valuers Private Limited and Inmacs Valuers Private Limited. The excerpts of the valuation reports regarding the land and the building of the Corporate Debtor situated at Mouza Bamunari, Bhadua & Mollerber, PS Dhankuni, district Hooghly, West Bengal -712310 are as follows:

Valuers	Fair Value (Rs.)	Liquidtion Value
G Tech Valuers Private Limited	10,63,17,000	8,44,87,000
Inmacs Valuers Private Limited	12,47,01,348	10,87,85,417
Average Value	12,05,09,174	9,66,36,209

9. The Applicant has appointed Dac And Co, Chartered accountants as a Transaction Auditor. Based on the Transaction Audit report dated 28th April 2024 and Addendum to the said report dated 20th May 2025, the Applicant has filed Application and it is being numbered as I.A (IBC) No 960/KB/2025. The said I.A (IBC) No 960/KB/2025 is pending for adjudication.

H. CIRP and Compliances

10. The Applicant submits that in terms of the provisions of section 25(2)(h) of the code read with Regulation 36A(1) of the Insolvency and Bankruptcy of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2016, invitations in Form G for Expression of Interest (“EOI”) from potential Resolution Applicant was published in leading newspaper for the 1st time on 23.07.2024. again the corrigendum to the invitation for Expression of Interest

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

(Form G) was published on 12th August 2024. The Applicant published final list of PRAs on 01.09.2024.


11. In compliance with Section 29 of the Code read with Regulation 36 of the CIRP Regulations, the Applicant prepared the Information Memorandum containing the details related to matters listed in Regulation 36(2)(a) to (1) of the CIRP Regulations ("IM"). In accordance with the provisions of Regulation 36(4) of the CIRP Regulations, the IM was shared with the members of the Consolidated CoC upon procuring an undertaking of confidentiality from the members.
12. In the 13th CoC Meeting held on 03.01.2025, two Resolution plan received from Yaana Apparels Private Limited and Mangalkari Asset investment AIF, were unsealed. However, Yaana Apparels Private Limited vide email dated 19.03.2025 informed RP that they do not want to continue in the resolution process.
13. In 21st CoC Meeting held on 04.06.2025, the sole Resolution plan was placed before CoC and e-voting was conducted from 09.06.2025 to 25.06.2025. The Resolution plan was submitted by Mangalkari Asset investment AIF was approved with 100% Voting Share.
14. Thereafter the Mangalkari Asset Investment AIF unconditionally accepted the Letter of Intent on 30.06.2025. Mangalkari Asset Investment AIF, the Successful Resolution Applicant has furnished performance security amounting to Rs 1,05,00,000/- Crore through Mangalkari Capital Growth Private Limited. Mangalkari Capital Growth Private Limited, a portfolio company of Mangalkari Asset Investment AIF has paid an amount of Rs 1,05,00,000 /- in the CIRP account of the CD on 01.07. 2025 as performance security.

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

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15. The Applicant has filed the instant Application along with an affidavit which includes the provisions with respect to the compliances in prescribed form, i.e., Form 'H' of regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
 16. The Applicant has submitted details of various compliances as envisaged within the Code and the CIRP Regulations which a Resolution Plan should adhere to, which is reproduced hereunder:

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IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

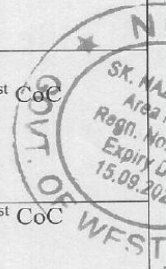
C.P (IB) No 313 /KB/2022

Declarations with respect to compliances of provisions under Code and Regulations

I Sanjai Kumar Gupta (*Name of Resolution Professional*) hereby certify that-

- (i) the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) including the provisions and Regulations as per the table below:

Section of the Code/ Regulation No.	Requirement with respect to Resolution Plan	Compliance (Y/N)	Relevant clause of resolution plan
Section 25(2)(h)	The Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD	Y	
Section 29A	The Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority	Y	
Section 30(1)	The Resolution Applicant has submitted an affidavit stating that it is eligible as per Code	Y	Appendix-13 attached with the resolution plan dated 16.12.2024
Section 30(2)	The Resolution Plan- (a)provides for the payment of insolvency resolution process costs (b)provides for the payment to the operational creditors (c)provides for payment to the financial creditors who did not vote in favour of the resolution plan (d)provides for the management of the affairs of the corporate debtor (e)provides for the implementation and supervision of the resolution plan (f)does not contravene any of the provisions of the law for the time being in force	Y Y Y Y Y Y	Clause - 2.1.2 of the Resolution Plan Pg 24 Clause- 2.3 to 2.6 of the Resolution Plan Pg 26-31 Clause -2.2.1 (iii) of the Resolution Plan Pg 26 Clause-6 of the Plan Pg 34 Clause-6 of the Plan Pg 34 Clause-16 of the Plan Pg 46
Section 30(4)	The Resolution Plan (a)is feasible and viable, according to the CoC (b)has been approved by the CoC with 66% voting share	Y Y	19 th & 21 st CoC 21 st CoC
Section 31(1)	The Resolution Plan has provisions for its effective implementation plan, according to the CoC	Y	19 th & 21 st CoC
Regulation 38 (1)	The amount due to the operational creditors under the resolution plan has been given priority in payment over	Y	Clause- 2.3 to 2.6 of the Resolution Plan Pg 26-31



CERTIFIED TO BE TRUE


IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022



	financial creditors		
Regulation 38(1A)	The resolution plan includes a statement as to how it has dealt with the interests of all stakeholders	Y	Clause 18 Pg 46
Regulation 38(1B)	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If applicable, the Resolution Applicant has submitted a statement giving details of any such non-implementation.	Y	Mamgalkari Compliance -
Regulation 38(2)	The Resolution Plan provides: (a)the term of the plan and its implementation schedule (b)for the management and control of the business of the corporate debtor during its term (c)adequate means for supervising its implementation	Y	a-Schedule 1: Implementation Schedule of the Resolution Plan -Pg 51 b- Clause6 (Section C: Resolution Plan)- Pg 34 c- Clause6 (Section C: Resolution Plan)- Pg 34
Regulation 38(3)	The resolution plan demonstrates 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 (e)the resolution applicant has the capability to implement the resolution plan	Y	a- Clause -1 of Section -C of the Plan Pg 21 b- c- Mamgalkari Compliance - c- Clause 6 (Section C: Resolution Plan)- Pg 34 d- Undertaking - e-Section -B of the Plan pg 15
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?	Yes	
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B)	Rs. 105.00 Lakhs in form of bank transfer by Associate Concern alongwith undertaking	

I. Details of Resolution plan/ Payment Schedule

17. Resolution Applicant has has proposed pay-outs as per provisions of Insolvency and Bankruptcy Code, reflecting at page **31-32** of this application, is as under:

Stakeholder	Admitted Claim (INR) (X)	Total Pay-out (INR) (Y)	Timing of Payments
CIRP Costs	NA	50 Lacs-Estimated Outstanding CIRP Costs to be paid as per actuals on priority basis. If any CIRP Costs exceeds this Rs. 50 lacs, then the excess amount to be adjusted from the payments to be made to Financial Creditors.	Closing Date: Within 30 days pf the NCLT Approval Date (in Priority to any other payments)
Financial Creditors	INR 1,23,31,75,401	INR 9.75 Crores (Indian Rupees nine Crore seventy five lakhs)	30 days- 50 lakhs 90 days -2 crores 180- days-2 crore

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022



			270 days - 5.25 Crores
Operational Creditor	INR 25,55,30,483	INR 25 lakhs	Closing Date: Within 30 days of the NCLT approval date (in priority to Financial Creditors)
Total (Including CIRP Cost)		INR 10.50 Crore	

18. Concerning the CIRP Costs, the SRA at page 31 of this application has submitted that the Resolution Professional has provided an estimate of Rs 50 lacs. However, the CoC has approved the payment of CIRP Cost in actual in compliance of section 30 (2)(a) and applicable CIRP regulations. The CIRP Cost will made in priority over payments to all creditors, as required under section 30(2) (a), within 30 days from the date of NCLT approval date.

J. Our Inference

On the conduct of CoC

19. Upon hearing, the submission made by the learned counsel appearing on behalf of the Resolution Professional of Corporate Debtor herein and pursuing the record and/or documents placed before this Adjudicating Authority, we find that the Resolution plan

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

submitted on 25.06.2025, submitted by Mangalkari Asset investment AIF, annexed at pages 396-484, of this application as annexure K, has been approved by the CoC of the Corporate Debtor by 100% Voting Share. As per the CoC, the plan meets the requirement of being viable and feasible for the revival of the Corporate Debtor. Preponderantly, all the compliances have been done by the Resolution Applicant for making the plan effective after approval by this Adjudicating Authority.

20. We find that the CoC at its 21st meeting held on 04.06.2025, the sole Resolution plan was paved before CoC and e-voting was conducted from 09.06.2025 to 25.06.2025. The Resolution plan submitted by Mangalkari Asset investment AIF was approved by 100% Voting Share and accordingly Letter of Intent (LoI) has been issued to Mangalkari Asset Investment AIF on 27th June 2025, which is unconditionally accepted on by Mangalkari Asset investment AIF. Accordingly, Mangalkari Asset investment AIF has been declared as Successful Resolution Applicant (SRA). The pattern of Voting of the Resolution plan is annexed at pages 277-286 to this Application.
21. We find that approval of the CoC, RP has appointed two sets of registered valuer namely G Tech Valuers Private Limited and Inmacs Valuers Private Limited. The excerpts of the valuation reports regarding the land and the building of the Corporate Debtor situated at Mouza Bamunari, Bhadua & Mollerber, PS Dhankuni, district Hooghly, west bengal -712310 are as follows:

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

Valuers	Fair Value (Rs.)	Liquidation Value
G Tech Valuers Private Limited	10,63,17,000	8,44,87,000
Inmacs Valuers Private Limited	12,47,01,348	10,87,85,417
Average Value	12,05,09,174	9,66,36,209

22. As indicated in Form H submitted by the RP under regulation 39(4) of the CIRP Regulations, 2016, we would note that the fair value of the Corporate Debtor is arrived at 12,55,99,422/- and the liquidation value of the Corporate Debtor at Rs 10,04,21,498/-, while the total value including CIRP cost which would be paid at actual is Rs 10,50,00,000/- which indicates 92.95% haircuts.
23. In the course of the hearing, the Learned Counsel for the Resolution Professional would submit that the Resolution Plan complies with all the provisions of the IBC, 2016, read with relevant Regulations of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and does not contravene any of the provisions of law for the time being in force.
24. Upon perusal of the documents on record and/or documents, we are satisfied that the Resolution Plan submitted on 25.06.2025 by Mangalkari Asset Investment AIF (Successful Resolution Applicant), annexed at 396-484 as annexure K, to this Application, is in accordance with sections 30 and 31 of the I&B Code, 2016 and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

On the Statutory Obligations or Seeking Approvals from the Authorities:

25. As far as the question of granting time to comply with the statutory obligations or seeking approvals from authorities is concerned, the Resolution Applicant is directed to do so within one year from the date of this order, as prescribed under section 31(4) of the I&B Code.

On the Reliefs, Waivers and Concessions:

26. We have perused the reliefs, waivers and concessions as sought and as provided in the Resolution Plan. It is evident that some of the reliefs, waivers and concessions sought by the Resolution Applicant come within the ambit of the I&B Code and the Companies Act 2013, while many others fall under the power and jurisdiction of different government authorities/departments. This Adjudicating Authority has the power to grant reliefs, waivers and concessions only concerning the reliefs, waivers and concessions that are directly with the I&B Code and the Companies Act (within the powers of the NCLT). The reliefs, waivers and concessions that pertain to other governmental authorities/departments may be dealt with by the respective competent authorities/forums/offices, Government or Semi-Government of the State or Central Government concerning the respective reliefs, waivers and concession, whenever sought for. The competent authorities including the Appellate authorities may consider granting such reliefs, waivers and concessions keeping in view the spirit of the I&B Code, 2016 and the Companies Act, 2013.
27. It is almost trite and fairly well-settled that the Resolution Plan must be consistent with the extant law. The Resolution Applicant shall

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

make necessary applications to the concerned regulatory or statutory authorities for the renewal of business permits and supply of essential services, if required, and all necessary forms along with filing fees etc. and such authority shall also consider the same keeping in mind the objectives of the Code, which is essentially the resolving the insolvency of the Corporate Debtor.

28. In this context, we would rely upon the judgment in **Embassy Property Developments Pvt. Ltd. vs. State of Karnataka reported at MANU/SC/1661/2019: (2020) 13 SCC 308**, wherein, the Hon'ble Apex Court has laid down that:

“39. If NCLT has been conferred with jurisdiction to decide all types of claims to property, of the corporate debtor, Section 18(f)(vi) would not have made the task of the interim resolution professional in taking control and custody of an asset over which the corporate debtor has ownership rights, subject to the determination of ownership by a court or other authority. In fact an asset owned by a third party, but which is in the possession of the corporate debtor under contractual arrangements, is specifically kept out of the definition of the term "assets" under the Explanation to Section 18. This assumes significance in view of the language used in Sections 18 and 25 in contrast to the language employed in Section 20. Section 18 speaks about the duties of the interim resolution professional and Section 25 speaks about the duties of resolution professional. These two provisions use the word "assets", while Section 20(1) uses the word "property" together with the word "value". Sections 18 and 25 do not use the expression "property". Another important aspect is that Under Section 25(2)(b) of IBC, 2016, the resolution professional is obliged to represent and act on behalf of the corporate debtor with third parties and exercise rights for the

benefit of the corporate debtor in judicial, quasi-judicial and arbitration proceedings. Section 25(1) and 25(2)(b) reads as follows:

25. Duties of resolution professional –

(1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

(2) For the purposes of Sub-section (1), the resolution professional shall undertake the following actions:

(a).....

(b) represent and act on behalf of the corporate debtor with third parties, **exercise rights for the benefit of the corporate debtor in judicial, quasi judicial and arbitration proceedings.**

This shows that wherever the corporate debtor has to exercise rights in judicial, quasi-judicial proceedings, the resolution professional cannot short-circuit the same and bring a claim before NCLT taking advantage of Section 60(5).

40. Therefore in the light of the statutory scheme as culled out from various provisions of the IBC, 2016 it is clear that wherever the corporate debtor has to exercise a right that falls outside the purview of the IBC, 2016 especially in the realm of the public law, they cannot, through the

resolution professional, take a bypass and go before NCLT for the enforcement of such a right.”

(Emphasis Added)


29. The reliefs sought for subsisting contracts/agreements can be granted, and no blanket orders can be granted in the absence of the parties to the contracts and agreements.

On the Extinguishment of Claims:

30. Concerning the waivers with regard to the extinguishment of claims which arose prior to the initiation of the CIR Process and which have not been claimed are granted in terms of the law laid down by the Hon'ble Apex Court in **Ghanashyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited** reported in **MANU/SC/0273/2021: (2021)9SCC657: [2021]13SCR737** that “once a resolution plan is duly approved by the Adjudicating Authority Under Sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the Corporate Debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.”

(Emphasis Added)

31. Further, the relevant part of the **Ghanshyam Mishra judgment (supra)** in this regard is given below:



“61. All these details are required to be contained in the information memorandum so that the resolution applicant is aware, as to what are the liabilities, that he may have to face and provide for a plan, which apart from satisfying a part of such liabilities would also ensure, that the Corporate Debtor is revived and made a running establishment. The legislative intent of making the resolution plan binding on all the stakeholders after it gets the seal of approval from the Adjudicating Authority upon its satisfaction, that the resolution plan approved by CoC meets the requirement as referred to in Subsection (2) of Section 30 is, that after the approval of the resolution plan, no surprise claims should be flung on the successful resolution applicant. The dominant purpose is, that he should start with fresh slate on the basis of the resolution plan approved.’

“62. This aspect has been aptly explained by this Court in the case of Committee of Creditors of **Essar Steel India Limited through Authorised Signatory (supra)**.’

“107. For the same reason, the impugned **NCLAT judgment [Standard Chartered Bank v. Satish Kumar Gupta]** in holding that claims that may exist apart from those decided on merits by the resolution professional and by the Adjudicating Authority/Appellate Tribunal can now be decided by an appropriate forum in terms of Section 60(6) of the Code, also militates against the rationale of Section 31 of the Code. A successful resolution applicant cannot suddenly be faced with "undecided" claims after the resolution plan submitted by him has been accepted as this would amount to a hydra head popping up which would throw into uncertainty

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

amounts payable by a prospective resolution applicant who would successfully take over the business of the corporate debtor. All claims must be submitted to and decided by the resolution professional so that a prospective resolution applicant knows exactly what has to be paid in order that it may then take over and run the business of the corporate debtor. This the successful resolution applicant does on a fresh slate, as has been pointed out by us hereinabove. For these reasons, NCLAT judgment must also be set aside on this count.

(Emphasis Added)

32. Thus, on the date of approval of the resolution plan by the Adjudicating Authority, all such claims, that are not a part of the resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan. The Hon'ble Supreme Court of India further laid down that all the dues including the statutory dues owed to the Central Govt, any State Govt or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period before the date on which the Adjudicating Authority grants its approval under Section 31 of the I&B Code could be continued.

On Guarantors:

33. Concerning the waivers sought in relation to guarantors, the Hon'ble Apex Court held in **Lalit Kumar Jain v. Union of India reported in MANU/SC/0352/2021: (2021) 9 SCC 321: (2021) ibclaw.in 61 SC** that the sanction of a resolution plan and finality imparted to it by Section 31 does not per se operate as a discharge

of the guarantor's liability. As to the nature and extent of the liability, much would depend on the terms of the guarantee itself.

(Emphasis Added)

34. Further, we would rely upon the judgment rendered by the **NCLAT in Roshan Lal Mittal v. Rishabh Jain reported in (2023) ibclaw.in 803 NCLAT** that:

“The Resolution Plan does not absolve the personal guarantors from their guarantee. The law well settled by the Hon’ble Supreme Court in the matter of “Lalit Kumar Jain vs. Union of India & Ors. – (2021) 9 SCC 321), that by approval of resolution plan the guarantees are not ipso facto discharged.”


(Emphasis Added)

35. Hence, we would infer that if there are any personal guarantors of the corporate debtor, the personal guarantees shall be invoked and an appropriate action against them, in accordance with law, be taken.

On Inquiries, Litigations, Investigations, and Proceedings:

36. For the reliefs and waivers sought for all inquiries, litigations, investigations, and proceedings shall be granted strictly as per section 32A of the IBC, 2016 and the provisions of the law as may be applicable.

37. In this context, we would infer that upon the approval of the Resolution Plan, the Corporate Debtor avails the limbs of new management to revive its business. Thus, all the past liabilities of the Corporate Debtor including criminal liability prior to the initiation of the CIR Process shall stand effaced and the new management will step into the shoes of the company with a fresh or



clean slate. Hence, the old management shall be liable to face all the offences committed prior to the commencement of the CIR Process. At this juncture, we would rely upon the judgment rendered by the Hon'ble Apex Court in **Ajay Kumar Radheyshyam Goenka vs. Tourism Finance Corporation of India Ltd. reported in MANU/SC/0244/2023: (2023) 10 SCC 545** that:

“67. Thus, Section 32A broadly leads to:

- a. Extinguishment of the criminal liability of the corporate debtor, if the control of the corporate debtor goes in the hands of the new management which is different from the original old management.
- b. The prosecution in relation to "every person who was a "designated partner" as defined in Clause (j) of Section 2 of the Limited Liability Partnership Act 2008 (6 of 2009), or an "officer who is in default", as defined in Clause (60) of Section 2 of the Companies Act. 2013 (18 of 2013), or was in any manner in charge of, or responsible to the corporate debtor for the conduct of its business or associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of such offence" shall be proceeded and the law will take it's own course. Only the corporate debtor (with new management) as held in Para 42 of P. Mohanraj will be safeguarded.
- c. If the old management takes over the corporate debtor (for MSME Section 29A does not apply (see 240A), hence for MSME old management can takeover) the corporate debtor itself is also

not safeguarded from prosecution Under Section 138 or any other offences.”

(Emphasis Added)

On PUF E Application(s):


38. We find that on 04.06.2025, the Applicant has preferred an application being I.A. (IB) No. 960/KB/2025 under Section 45 of the IBC, 2016, 2016 against the Pawan Kumar Rajgaria, Suspended Director (Respondent Nos. 1), “Madhu Rajgaria, Suspended Director,(Respondent 2) AND Auroshikha Traders, Partnership Firm (Respondent 3) for recovery of an aggregated amount of Rs. 36 Crores plus interest @15%. We find that the Clause 6 at page 3 to 3rd supplementary Affidavit dated 25.09.2025, caters to the provision of “Right to pursue all applications filed by the Applicant regarding the Avoidance Transactions”. We would infer that approval of the Resolution Plan shall not affect the proceedings of the PUF E applications and the same shall be pursued by the Secured financial Creditor i.e SBI at its own cost as per Clause 6 at page 3 to 3rd supplementary Affidavit dated 25.09.2025. Any benefit which accrues to the Corporate Debtor subsequent to the adjudication of the section 45 application shall act as a pass through and the full benefit shall be distributed to the creditors in the same ratio as funds already being distributed now through this resolution plan subject to compliance of section 30(2)(b) of the IBC, 2016.
39. As far as the question of granting time to comply with the statutory obligations or seeking approvals from authorities is concerned, the Resolution Applicant is directed to do so within one year from the date of this order, as prescribed under section 31(4) of the I&B Code.

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

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40. In case of non-compliance with this order or withdrawal of the Resolution Plan, the payments already made by the Resolution Applicant shall be liable for forfeiture.
 41. The Resolution Plan shall form part of this Order and shall be read along with this order for implementation. The Resolution Plan thus approved shall be binding on the Corporate Debtor and all other stakeholders involved in terms of Section 31 of the I&B Code, so that the revival of the Corporate Debtor Company shall come into force with immediate effect without any delay.
 42. The Moratorium imposed under section 14 of the Code by virtue of the order initiating the CIR Process, shall cease to have effect from the date of this order.
 43. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record and also return them to the Resolution Applicant or New Promoters.
 44. Liberty is hereby granted for moving any application, if required, in connection with the successful implementation of this Resolution Plan.
 45. A copy of this Order is to be submitted to the Registrar of Companies (RoC) to whom the company is registered, by the Resolution Professional.
 46. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order.
 47. The Resolution Professional is further directed to hand over all records, premises/ factories/ documents to the Resolution Applicant to finalise the further line of action required for starting the operation. The Successful Resolution Applicant shall have

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

I.A (IB)(PLAN) No 24/KB/2025

C.P (IB) No 313 /KB/2022

access to all the records/ premises/ factories/ documents through the Resolution Professional to finalise the further line of action required for starting the operation.

48. The Registry of this Adjudicating Authority is directed to send e-mail copies of the order forthwith to all the parties and their Learned Counsels for information and for taking necessary steps.
49. In terms of the view above, the interlocutory application being **I.A. (IB) (Plan) No. 24/KB/2025** along with the main **C.P (IB) 313/KB/2022** being shall stand disposed of accordingly.
50. Certified copy of the orders, if applied for with the registry of this Adjudicating Authority, be supplied to the parties upon compliance with all requisite formalities.

Cmde. Siddhart Mishra
Member (Technical)

Bidisha Banerjee
Member (Judicial)

Signed On 04.11.2025

NKS(LRA)