

THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

IA (IBC) Plan No. 04/JPR/2024,
IA (IBC) No. 277/JPR/2024
& IA (IBC) No. 289/JPR/2025
In CP No. (IB)-114/7/JPR/2019

IN THE MATTER OF:

UNION BANK OF INDIA (ERSTWHILE CORPORATION BANK)

...Financial Creditor

VERSUS

GOENKA DIAMOND AND JEWELS LIMITED

...Corporate Debtor

AND IN THE MATTER OF:

IA (IBC) Plan No. 04/JPR/2024

MEMO OF PARTIES

SOURABH MALPANI, RESOLUTION
PROFESSIONAL OF GOENKA DIAMOND AND
JEWELS LIMITED

Guru Kripa Plot No. 93, Neelkanth Colony,
Queens Road, Jaipur- 302021 (Rajasthan)

...Applicant

AND IN THE MATTER OF:

IA (IBC) No. 277/JPR/2024

MEMO OF PARTIES

UNION BANK OF INDIA

SAM Branch, 104, Ground Floor, Bharat
House, MS Marg, Fort, Mumbai- 01

IA (IBC) Plan No. 04/JPR/2024

IA (IBC) No. 277/JPR/2024

IA (IBC) No. 289/JPR/2025

CP (IB) No. 114/7/JPR/2019

...Applicant

Versus

GOENKA DIAMOND AND JEWELS LIMITED

401, Panchratna Moti Singh Bhomiyon Ka
Rasta, Johari Bazar, Jaipur- 302003
(Rajasthan)

...Respondent

AND IN THE MATTER OF:

IA (IBC) No. 289/JPR/2025

MEMO OF PARTIES

UNION BANK OF INDIA

SAM Branch, 104, Ground Floor, Bharat
House, MS Marg, Fort, Mumbai- 01

...Applicant

Versus

**SOURABH MALPANI, RESOLUTION
PROFESSIONAL OF GOENKA DIAMOND AND
JEWELS LIMITED**

Guru Kripa Plot No. 93, Neelkanth Colony,
Queens Road, Jaipur- 302021 (Rajasthan)

...Respondent No. 1

**THE COMMITTEE OF CREDITORS OF
GOENKA DIAMOND AND JEWELS LIMITED**

...Respondent No. 2

MR. NAVNEET NANDLAL GOENKA

Successful Resolution Applicant

1305, Panchratna Building, Mama
Parmanand Marg, Opera House, Girgaon
Division, Street No. 184, Mumbai- 400004

...Respondent No. 3

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IA (IBC) No. 289/JPR/2025

Sd/-

In

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For the Resolution Professional	:	Akarsh Mathur, Adv. Varun Singh, Adv. Rajan Soni, Adv. Tarun Goyal, Adv. Sourabh Malpani, In person
For the Union Bank of India	:	Yash Momaya, Adv. Siddharth Chavan, Adv. Disha Pareek, Adv. Apeksha Sharma, Adv.
For the CoC	:	Amol Vyas, Adv. Abhishek Purohit, Adv.

Order Pronounced on: - 02.12.2025

ORDER

Per: Ms. Reeta Kohli, Judicial Member

- The present Application bearing *IA (IBC) (Plan) 04/JPR/2024* was filed by *Mr. Sourabh Malpani* ('Applicant'/ 'RP'), Resolution Professional of *Goenka Diamond and Jewels Limited* ('Corporate Debtor'), under Section 30(6) and Section 31 of the Insolvency and Bankruptcy Code, 2016 ('Code') read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') seeking approval of the Resolution Plan submitted by *Shri Navneet Goenka* ('Successful Resolution Applicant' / 'SRA') which is approved with 86.56% majority by Committee of Creditors ('CoC') of the Corporate Debtor. This Application has been filed seeking the following reliefs:

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- “1. *pass necessary order(s)/direction(s) under Section 31 of the Code, approving the Resolution Plan submitted by the Successful Resolution Applicant Shri Navneet Goenka, which has been approved by the COC with 86.56% votes casted in favour of the Resolution Plan;*
 2. *pass necessary order(s)/direction(s) declaring that upon approval of the Resolution Plan by this Hon'ble Tribunal, the provisions of the Resolution Plan shall be binding on the Corporate Debtor, its creditors, guarantors, members, employees, statutory authorities and other stakeholders in accordance with Section 31 of the Code, and shall be given to and implemented pursuant to the order of this Hon'ble Tribunal;*
 3. *pass appropriate order/directions approving the appointment of the monitoring committee as stated in the Resolution Plan;*
 4. *pass necessary order(s)/direction(s) discharging the Resolution Professional Mr. Saurabh Malpani from the duties of the Resolution Professional of the Corporate Debtor;*
 5. *pass necessary order(s)/direction(s) in favour of the Successful Resolution Applicant absolving from/of all/any financial/statutory liabilities of the Corporate Debtor accrued prior to the commencement of the CIRP except whatever stated in the Resolution Plan in accordance with section 32A of the Code;*
 6. *pass necessary orders / directions for granting the requisite relief and concessions as sought under the Resolution Plan;*
 7. *Pass such other necessary order(s) /direction(s) as this Hon'ble Tribunal may deem fit and proper.”*
2. The captioned Company Petition was filed by *Union Bank of India* (‘Financial Creditor’) under Section 7 of the Code for initiation of Corporate Insolvency Resolution Process (‘CIRP’) against the Corporate Debtor and the same was admitted by this Adjudicating Authority vide Order dated 09.12.2022. Later on, vide Order dated 12.04.2023 *Mr. Sourabh Malpani* was appointed as IRP (‘Interim Resolution Professional’). Further, the CoC in its 8th CoC meeting

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dated 08.05.2023 unanimously resolved to confirm the appointment of the Applicant as Resolution Professional ('RP') for the Corporate Debtor.

3. In compliance of the Code, the Resolution Professional collated 9 claims till 30.04.2023. Further, as per Section 21(1) of the Code, the CoC was reconstituted and the details of the CoC member is as follows: -

S. No.	Name of the Creditor	Amount of Claim admitted	Voting Right in Percentage
1	<i>Punjab National Bank</i>	<i>Rs. 1,026,319,818</i>	<i>24.05%</i>
2.	<i>Union Bank of India</i>	<i>Rs. 606,318,936</i>	<i>14.21%</i>
3.	<i>Alchemist ARC Limited</i>	<i>Rs. 1,775,839,215</i>	<i>41.61%</i>
4.	<i>Punjab & Sind Bank</i>	<i>Rs.859,452,648</i>	<i>20.14%</i>
	Total	Rs. 4,267,930,616	100%

4. Further, in terms of Regulation 27 of the CIRP Regulations, 2016 two registered valuers namely, *AAA valuation and Pensar*, were appointed to determine the fair value and the liquidation value of the Corporate Debtor. As per *AAA Valuation's Report*, the Fair Value of the Corporate Debtor is Rs. 36,75,85,069/- and the Liquidation Value is Rs. 29,47,59,855/- and as per *Pensar's Report*, the Fair Value of the Corporate Debtor is Rs. 17,05,95,997/- and the Liquidation Value is Rs. 13,64,75,997/-.
5. It is stated that as per the decision of the CoC in the 8th CoC meeting and requisite approval of the CoC members, the Resolution Professional reissued Invitation for Expression of Interest ('EoI') through FORM G on 19.05.2023 (Second Edition) in leading newspapers wherein the last date for submission for EoI was 03.06.2023.

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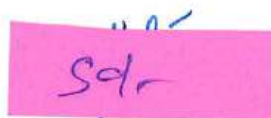
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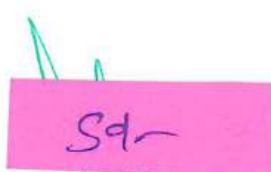
6. Thereafter, the Resolution Professional received 7 EoIs. The provisional list of Prospective Resolution Applicant ('PRAs') was issued on 28.06.2023 and the Request for Resolution Plan ('RFRP') and Information Memorandum ('IM') were issued on 03.07.2023. As per the RFRP, the last date for submission of Resolution Plans was 10.08.2023. The list of PRAs is as follows:

PRAs No.	Particulars	Type of Applicant
1	Turnaround Consultants Private Limited	Private Co.
2	Navneet Goenka	Individual
3	Subhlaxmi Investment Advisory Private Limited	Private Co.
4	Kirsten Tieup Private Limited	Private Co.
5	Bazel International Limited	Public Co.
6	Nakshatra Corporate Advisors Limited	Public Co.
7	Anand Chemicals & Rubber Private Limited	Private Co.

7. The last date for submission of the Resolution Plan i.e., 10.08.2023, was extended up to 15.10.2023 as per decision of the CoC in the 12th meeting and thereafter to 10.11.2023 in accordance with the decision taken in 13th CoC meeting. Further, the last date for submission of Resolution Plans was extended to 10.12.2023 and 10.01.2024 in the 14th and 15th CoC meetings, respectively.
8. In the 16th CoC meeting, the Resolution Professional submitted that he has received three Resolution Plans before the last date for submission of Resolution Plan i.e., 10.01.2024. The details of the Resolution Applicants who submitted the Resolution Plans is as follows: -

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- (i) *Navneet Goenka*
 - (ii) *Anand Chemicals & Rubber Private Limited*
 - (iii) *Turnaround Consultants Private Limited*
9. Further, in terms of Section 30 of the Code and Section 240A of the Code, *Mr. Navneet Goenka*, promoter and member of suspended board of directors of the Corporate Debtor, submitted its final Resolution Plan and the same was presented to the CoC along with the Resolution Plans submitted by *Turnaround Consultants Private limited* and *Anand Chemicals & Rubber Private Limited* in the 18th CoC meeting dated 15.02.2024.
10. It is submitted that currently the CoC comprises of 3 Banks/Institutions namely, *Union Bank of India* having 13.44 % voting share, *Alchemist ARC Limited* having 67.02% voting share, and *Punjab & Sind Bank* having 19.55% of voting share.
11. It is submitted that the e-voting for approval of the Resolution Plans was held from 20.02.2024 to 12.03.2024 and the CoC members **approved** the Resolution Plan submitted by *Mr. Navneet Goenka* with a majority of 86.56%. Further, on approval of the Resolution Plan, the Applicant issued Letter of Intent to the Successful Resolution Applicant i.e., *Shri Navneet Goenka*, on 13.03.2024.
12. Pursuant to the issuance of letter of intent, the Successful Resolution Applicant, *Shri Navneet Goenka*, has confirmed Release of performance security payment through RTGS in the name of *Alchemist Asset*

Reconstruction Company Limited (RTGS UTR NO. SBINR52024031308489234 dated 13th March 2024) for Rs 3,67,19,000/- being 10% of the amount provided in the Resolution Plan in compliance of the terms of the RFRP.

13. The brief contours of the approved Resolution Plan of the Successful Resolution Applicant *Shri Navneet Goenka* as highlighted by the Applicant RP are provided hereunder:

I. The SRA has addressed the Cause of Default and Proposed that “*I propose a revitalization plan that involves restructuring the current debt setup and injecting fresh capital.*”

II. The SRA has put forth the financial proposal to be distributed/appropriated in the following manner:

1) Claims filed and Admitted by Resolution Professional as at 09.02.2024:

(Rs. in Lakh)			
<i>Particulars</i>	<i>Claims Amount</i>	<i>Admitted Amount</i>	<i>Voting %</i>
<i>Secured Financial Creditors</i>			
<i>Union Bank of India (UBI)</i>	6,668.97	6,360.44	13.44%
<i>Alchemist ARC Limited (AARC)</i>	32671.87	31725.38	67.02%
<i>Punjab & Sind Bank (PSB)</i>	10,067.43	9,252.37	19.55%
<i>Total Secured Financial Creditors</i>	49,408.26	47,338.18	100.00%
<i>OC - Government Dues</i>			

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<i>Income Tax Department - Mumbai</i>	5,026.39	5,026.39	
<i>Income Tax Department - TDS - Jaipur</i>	42.13	42.13	
<i>Employees State Insurance Corporation</i>	1.90	1.90	
Total OCs - Government Dues	5,070.42	5,070.42	
OC - Other than Workmen & Employees			
<i>Bombay Stock Exchange</i>	18.16	18.16	
<i>National Stock Exchange</i>	5.26	5.26	
<i>PNB Investement Services</i>	8.32	0.00	
<i>M/s Ummed Jain & Co.</i>	6.42	6.34	
Total Ocs - Other than Workmen & Employees	38.16	29.76	
Other Creditors			
<i>Mount Unique CHS Limited</i>	31.12	0	
Total other Creditors	31.12	0	
Grand Total	54547.97	52438.38	

2) CIRP COST:

*The CIRP Costs (to the extent unpaid) on 'Actual' basis shall be paid in priority to any other debt of the Corporate Debtor within 90 days from the Effective date. It is understood by the SRA that currently the CIRP cost is being paid by the Corporate Debtor from funds generated by the Corporate Debtor's business. It is further clarified that unpaid CIRP costs (including contribution by COC, if any), estimated at **Rs. 50.00 lakh** shall be paid in priority to any other payment under the Resolution Plan. In case the CIRP Costs exceed the amount of **Rs. 50.00 lakh** as mentioned above, SRA shall bring in*

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the excess amount. Once CIRP cost is paid as per the provision above, then SRA shall have no further liability towards any cost incurred during the CIRP period by RP, CoC members or any other person.

3) COST OF SCHEME AND SOURCE OF FUNDS

Particulars	Amount in Rs. Lakh
Financial Outlay	
CIRP Cost	50.00
Financial creditors	3,500.00
Unsecured Financial Creditors	-
Employees and Workmen dues	-
OCs - (Employee State Insurance Corporation)	1.90
OCs - (Income Tax & others Statutory dues)	-
OCs other than Workmen, Employee, Statutory dues	20.00
Working Capital / Contingencies (Note 1)	1,500.00
Total Resolution Amount	5,071.90
Means of Finance	
Issue of equity shares to RA / its nominees	2,200.00
Issue of Equity shares / Unsecured debt / Quasi Equity / OCD / CD *	2,871.90
Total	5,071.90

* The terms of such debt/quasi equity/OCD/CD/ or any other instruments shall not be prejudicial to the interests of the Corporate Debtor. Further, the public shareholding and lock in requirements as

applicable under the provisions of applicable laws shall be adhered to.

- 4) Post approval of the resolution plan and within 90 days from the effective date the tentative capital structure is proposed to be as follows: -

<i>Particulars</i>	<i>Category</i>	<i>Nos of Shares</i>	<i>Face Value</i>	<i>Share Capital</i>	<i>% of holding</i>
<i>SRA / its Nominees</i>	<i>Transfer of Existing Promoters Group Shareholding</i>	1,82,42,925	1.00	1,82,42,925	7.25%
	<i>Transfer of equities invoked by PNB</i>	6,89,712	1.00	6,89,712	0.27%
	<i>Infusion of Fresh Funds in form of Fully paid-up Equity</i>	22,00,00,000	1.00	22,00,00,000	87.41%

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<i>Public Share Holders</i>	<i>1,27,67,363</i>	<i>1.0</i> <i>0</i>	<i>1,27,67,363</i>	<i>5.07%</i>
Total	25,17,00,00 0		25,17,00,00 0	100.00 %

5) Resolution Amount to be Paid to Secured Financial Creditors:

As per the Information Memorandum shared by RP, an amount of Rs. 49408.27 lakh was claimed by SFCs and an amount of Rs. 47338.19 lakh has been admitted by the RP. The RA proposes to discharge the liabilities of the SFCs as under:

- a. **Upfront Payment:** Payment of **Rs. 1000.00 lakh** will be made to the SFCs on proportionate basis to their admitted claims within a period of 90 days from the Effective Date.*
- b. **Deferred Payment:** The RA will make a payment of **Rs. 2500.00 lakh** to SFCs on proportionate basis to their admitted claims in a phased manner within 810 days from Effective Date as full and final settlement of their claims / dues / debt and the respective share of the SFCs of the deferred payment is detailed in the payment schedule is as follows:*

Timeline	Total
Upfront Payment (Within 90 days)-A	1000.00
<i>Within *270 Days (01st Instalment)</i>	<i>1000.00</i>
<i>Within *540 Days (2nd Instalment)</i>	<i>1000.00</i>
<i>Within *810 Days (3rd Instalment)</i>	<i>500.00</i>
Total Deferred Payment-----B	2500.00
Total-----A+B	3500.00

- c. *The SRA has proposed the amount in the resolution plan in view of the proposal of the resolution applicant for extinguishment of their rights in respect of the personal and corporate guarantee. The following assets are identified by the RA as Non-core assets of the Corporate Debtor: Mumbai Residential Asset (Flat at Mount Unique) and Nagpur Commercial Asset*
- d. *The SRA believes that the sale of the above non-core assets shall contribute to bringing in more working capital into the Corporate Debtor which shall ensure effective revival and turnaround of the Corporate Debtor. Thus, the SRA proposes for Release of charge on the Nagpur Commercial Asset within 15 days of payment of the 01st Instalment/tranche. Release of charge on the Mumbai Residential Asset (Flat at Mount Unique) within 15 days of payment of the 02nd Instalment/tranche.*
- e. *Consequent to the above, the SFCs, shall return all title deeds and other documents (including charge documents, if any) held by them or on their behalf to the Resolution Applicant within 15 days of the respective instalment payment and also undertake necessary steps for satisfaction of charge with the ROC. Monitoring Committee shall ensure the same. That the RA undertakes that the implementation of this resolution plan is not conditional with regard to the sale of the above mentioned Non-core assets of the CD.*

6) Treatment to Dissenting Financial Creditor:

The Resolution Applicant proposes to pay to the Dissenting Financial Creditors such amounts as are prescribed under Section 30(2)(b) of the Code and in such manner as laid down under regulation 38 (1) of the CIRP regulations along with Section 53 of the IBC.

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7) Operational Creditors- Government Dues (Income Tax Department)

It is stated that as per the Information Memorandum shared by RP, an amount of Rs. 5,068.52 lakh was claimed by Income Tax Department (Mumbai + Jaipur) and RP has admitted Rs. 5,068.52 lakh. It is submitted that SRA is not aware of the Liquidation Value of the CD, but SRA believe that Liquidation Value of the CD in shall not be sufficient to repay the debt of even the Secured Financial Creditors and therefore, the liquidation value applicable to OCs in terms of sub clauses (i) and (ii) to section 30(2)(b) as mentioned above, would in all likelihood be NIL. Thus, the Resolution Applicant proposes to pay NIL Amount to above mentioned OCs in proportion of their admitted claims as full and final settlement of their claims.

III. The Term of the Resolution Plan is 810 Days from ("Term") from the Effective Date.

IV. Implementation Schedule in the Resolution Plan is as follows:

Description of Activity	Timeline - Estimated time period (in days)
<i>Approval of Resolution Plan by Adjudicating Authority (Effective Date) and receipt of order by the Resolution Applicants OR Effective date</i>	<i>Y</i>
<i>Constitution of Monitoring Committee</i>	<i>Y</i>
<i>Reconstitution of Board</i>	<i>Y + 90 days</i>
<i>Upfront infusion of capital and funds</i>	<i>Y + 90 days</i>

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<i>Payment of Insolvency Resolution Process Costs</i>	<i>Y+90days</i>
<i>Payment of Operational Creditors (workmen, employees, government dues and others), dissenting FCs and other creditors</i>	<i>Y + 90 days</i>
<i>Upfront Payment of dues to Financial Creditors</i>	<i>Y + 90 Days</i>
<i>Complete handover of CD to RA</i>	<i>Y + 90 Days</i>
<i>1st Tranche of Deferred Payment to SFCs</i>	<i>Y + 270 Days</i>
<i>2nd Tranche of Deferred payment to SFCs</i>	<i>Y+ 540 Days</i>
<i>3rd Tranche of Deferred payment to SFCs</i>	<i>Y+810 Days</i>

V. Monitoring Committee:

It is submitted that Monitoring Committee will come into force on the date of approval of Resolution Plan by Hon'ble NCLT. Monitoring Committee shall be constituted by Committee of Creditors in consultation with the SRA, which would comprise of the Resolution Professional as the Chairman, one representative of the SRA and one from Secured Financial Creditors of the CD. The RP shall be the Chairman of the committee and his fees shall be on a monthly basis as mutually decided between SRA and majority Financial Creditor. Thereafter the Monitoring Committee will supervise the implementation of the Resolution Plan as per the provisions contained herein. The Cost of the Monitoring Committee would be paid

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by the SRA on actual basis as may be negotiated / settled by mutual consent. The Monitoring Committee's scope shall be limited to the implementation of the Resolution Plan and the newly constituted Board of Directors shall be responsible for the operations of the Corporate Debtor. The implementation of the Resolution Plan shall be carried out by the Resolution Applicant under the supervision of the Monitoring Committee till the completion of all the resolution proposals as mentioned in the resolution plan. The Monitoring Committee shall be dissolved on the complete implementation of the resolution plan.

VI. RELIEFS AND CONCESSIONS SOUGHT BY THE SRA

- a. It is stated that Save and except specifically dealt with under this Resolution Plan, no other payments or settlements (of any kind) shall be made to any other person in respect of claims filed under the CIRP (including, for avoidance of doubt, any unverified portion of their claims) and all claims against the corporate debtor along with any related legal proceedings, including civil proceedings, criminal proceedings and/or any other penal proceedings (whether admitted or not, ascertain or unascertained, disclosed or undisclosed, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, secured or unsecured, disputed or undisputed, present or future), shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity on the effective date. Further no proceedings/penalty, etc. shall be initiated on Resolution Applicant or the corporate debtor pertaining to the period prior to the effective date.
- b. On On making of payments as proposed in the Resolution Plan to the financial creditors, all encumbrances, security interest, liens and/or attachment (including pursuant to applicable acts & laws), whether

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covered in the Resolution Plan or not, created or suffered to exist over the assets of the corporate debtor (changed or not changed with the lenders) or over the securities of the corporate debtor, whether by contracts or by applicable law shall cease to exist and shall be irrevocably released and all enforcement commenced by any Secured Financial Creditors or any other person over any of the assets of the corporate debtor or over any securities of the corporate debtor shall stand extinguished as detailed in Chapter 5.

- c. On the approval of Resolution Plan by Adjudicating Authority, any pending cases in DRT /DRAT, in the name of the corporate debtor shall stand withdrawn and the name of corporate debtor shall be removed from all future proceedings. Also, any pending cases from Enforcement Directorate, in the name of the Corporate Debtor shall stand withdrawn and the name of corporate debtor shall be removed from all future proceedings.*
- d. Any amount of GST balance/GST input credit or any other indirect tax balance and Income Tax refunds or any other refunds for direct or indirect tax, if available to the Corporate Debtor, then the same should be available as it is, and no adjustment shall be made against the same for the dues that have been extinguished as per the plan.*
- e. All pending Assessments/litigations/orders/demands/dues etc by Excise Department, Income Tax Department, Service Tax Department, VAT/GST department or any other department or any other person as applicable, including but not restricted to those mentioned in Information memorandum, whether admitted or not, ascertain or un-ascertain, disclosed or undisclosed, due or contingent, asserted or unasserted, crystallized or uncrystallized, present or future, known or unknown, secured or unsecured, disputed*

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or undisputed, whether part of above claim of tax authorities or not, unless provided in the plan shall be deemed to be extinguished.

- f. Further, the RA shall write off the outstanding receivables / Trade debtors in its books of accounts and no adverse income tax implication shall fall on the RA / CD due to such write off and treatment in accordance with applicable provisions of law shall be done. With the approval of this Resolution Plan by the National Company Law Tribunal (NCLT), it shall be deemed equivalent to approval from the Reserve Bank of India (RBI), confirming and accepting write off of the aforementioned receivables from the debtors.*
- g. All the penalty, fine, charges, interest, etc. with respect to all statutory/regulatory non-compliance including in respect to various provisions of Applicable Acts & Laws including SEBI, BSE having occurred prior to effective date, are waived and Resolution Applicant or Corporate Debtor shall not be liable to pay any amount with regards to the same. Further, the share trading and listing of the CD on NSE and BSE shall be regularized.*
- h. The losses as per income tax are mentioned in the balance sheet /information memorandum of the CD. The approval of Resolution Plan by Adjudicating Authority shall be deemed to be approval to Treat the accumulated losses and unabsorbed depreciation as stated above to be the loss of the Corporate Debtor for the year in which the approval of the Resolution Plan is received by the Resolution Applicant. Hence carried forward to 8 years will be from the year in which Resolution Plan is approved. The Hon'ble NCLT be pleased to give or issue necessary direction, instructions to the CBDT, Central board of Indirect Taxes and Customs and State GST authorities to exempt income/gain/profits, if any, arising as a result of giving effect*

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to the Resolution plan and from being subjected to Income Tax in the hands of the Corporate Debtor or the Resolution Applicant under the provisions of value added tax, customs, octroi, excise duty, service tax, goods & services Tax, Income-Tax Act including but not limited to any income tax and Minimum Alternate Tax (MAT) liability arising on capital reduction in Corporate Debtor .

14. The compliance of Section 30 of the Code and Regulation 37 and 38 of the CIRP Regulations 2016 and various other provisions of the Code as provided under the Resolution Plan is reproduced hereunder:

Relevant Provision	Regulations	References
Sec 25(2)(h)	Prospective resolution applicant, who fulfil such criteria as may be laid down by him with approval of committee of creditors, having regard to the complexity and scale of operations of the business of corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plans.	<i>Resolution applicant, fulfills such criteria as laid down by resolution professional with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the board, to submit a resolution plan or plans.</i>
Sec 30(1)	A resolution applicant may submit a resolution plan along with an affidavit	<i>Such affidavit has been provided and the RA undertakes that he alongwith</i>

	stating that he is eligible under section 29A to the resolution professional prepared on the basis of the information memorandum.	<i>all his nominees/resolution group/investco/members of new board of directors shall be eligible under section 29A</i>
Sec 30 (2) (a)	Provides for the payment of Insolvency Resolution Process cost in manner specified by the board in priority to the repayment of the other debts of the corporate debtor	<i>Refer Chapter 5 – Financial Proposal – Settlement /Restructuring Plan – Point 2</i>
Sec 30 (2) (b)	Provides for the repayment of the debts of operational creditors in such manner as may be specified by the board which shall not be less than the amount to be paid to the operational creditors in the event of liquidation of the corporate debt or under section 53.	<i>Refer Chapter 5 – Financial Proposal – Settlement /Restructuring Plan – Point 7</i>
Sec. 30(2)(b) Explanation 1	Distribution is fair and equitable to operational creditors and dissenting financial creditors	<i>The RA confirms that the distribution is fair and equitable. Refer Chapter 5</i>

Sec 30 (2) (c)	Provides for the management of the affairs of the corporate debtor after approval of the Resolution Plan.	<i>Refer Chapter 6 , 7 & 8</i>
Sec 30(2)(d) & Reg 38(2)(c)	Term of the plan, implementation schedule and supervision of the Resolution Plan.	
Sec 30(2)(e)	Does not contravene any of the provisions of the law for the time being in force.	<i>Resolution Applicant has prepared the Resolution Plan after taking into consideration compliance of all applicable laws and regulations and has not contravene any of the provisions of the law for the time being force. The RA undertakes to rectify if there are any non-compliances notified by the RP / COC.</i>
Sec 30(2)(f)	Plan conforms to such other requirements as may be specified by the board.	<i>The resolution plan has been prepared taking every aspect into consideration so as to confirm to such other requirements as may be specified by the board.</i>

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Regulation 37(a) &(b)	Transfer of all or part of the assets of the corporate debtor to one or more persons; Sale of all or part of the assets whether subject to any security interest or not	<i>RA shall sell the non-core assets of the CD as provided in the Resolution Plan</i>
Regulation 37(c)	The substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor.	<i>Refer Chapter 5 – Financial Proposal – Settlement /Restructuring Plan – Point 3</i>
Regulation 37(ca)	Cancellation and delisting of any shares of corporate debtor	<i>NA</i>
Regulation 37(d)	Satisfaction or modification of any security interest.	<i>Refer Chapter 5 Point 6</i>
Regulation 37(e)	Curing or waiving of any breach of the terms of any debt due from the corporate debtor.	<i>NA</i>
Regulation 37(f)	Reduction in the amount payable to the creditors.	<i>Refer Chapter 5 – Financial Proposal – Settlement /Restructuring Plan</i>
Regulation 37(g)	Extension of a maturity date or a change in interest rate or	<i>NA</i>

	other terms of a debt due from the corporate debtor.	
Regulation 37(h)	Amendment of the constitutional documents of the corporate debtor.	<i>Refer Chapter 5 – Point 3 - Financial Proposal – Settlement /Restructuring Plan</i>
Regulation 37(i)	Issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests or other appropriate purpose.	<i>NA</i>
Regulation 37(j)	Change in portfolio of goods or services produced or rendered by the corporate debtor.	<i>No amendment or change in the portfolio of goods or services produced or rendered by the corporate debtor is envisaged/ proposed at this stage</i>
Regulation 37(k)	Change in technology used by the corporate debtor.	<i>Resolution Applicant propose to evaluate & use the technology best suited to the corporate debtor.</i>
Regulation 37(l)	Obtaining necessary approvals from the central and state government and other authorities.	<i>Since necessary approvals of the central and state governments are already in place for the operation of the business, no additional</i>

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		approval from these authorities is envisaged as part of the Resolution Plan. In case of expiry of approval, Resolution Applicant shall ensure obtaining such approval from relevant authorities during implementation of the plan.
Regulation 38(1)	The amount due to the operational creditors under the plan shall be given priority in payment over financial creditors.	Refer Chapter 5 – Financial Proposal – Settlement /Restructuring Plan – Point 7
Regulation 38(1A)	Dealing with interest of all stakeholders including financial creditors and operational creditors.	Resolution Applicant proposes to make payment to various creditors (financial & operational) as per provisions of Chapter 5 of the resolution plan and undertakes to implement the same as per the provisions of Chapter 5, 6, 7 & 8
Regulation 38(1B)	(i) Whether the resolution applicant or any of its related parties has failed to implement or	Resolution Applicant hereby declares that Resolution Applicant or any of its related parties hasn't failed to

	contributed to the failure of implementation of any resolution plan approved under the Code. (ii) If so, whether the resolution applicant has submitted the statement giving details of such non-implementation	<i>implement or contributed to the failure of the implementation, in the past of any Resolution Plan approved under the Insolvency and Bankruptcy Code("Code")</i>
Regulation 38(2)(a)	Term of the plan and its implementation schedule	<i>Refer Chapter 6, 7 & 8</i>
Regulation 38(2)(b)	Management and control of the business of the corporate debtor during term of the plan.	<i>Refer Chapter 8</i>
Regulation 38(3)	A Resolution Plan shall have demonstrated 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	<i>The Resolution Applicant has tried its best efforts in this Resolution Plan that it has adequately addressed the cause of default (Refer Chapter 5 point 2). The Resolution Applicant undertakes and declares that this Resolution Plan is feasible and viable and the Resolution Applicant has the</i>

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	and the timeline for the same; and e) The resolution applicant has the capability to the implement the Resolution Plan.	<i>financial capability and technical expertise in successfully implementing the Resolution Plan And have provided for the mechanism to monitor the progress and implementation of the Resolution Plan, under the supervision of Monitoring Committee. We further confirms that RA does not require any approvals other than NCLT Approval and RA has capability to implement the Resolution Plan</i>
Section 31(4)	Addresses necessary approvals required under any law for the time being in force within a period of one year from the date of approval of resolution plan by the AA or within such period as provided for in such law, whichever is later.	<i>Since necessary approvals of the central and state governments are already in place for the operation of the business, no additional approval from these authorities is envisaged as part of the Resolution Plan.</i> <i>In case of expiry of approval, Resolution Applicant shall ensure obtaining such</i>

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		<i>approval from relevant authorities during implementation of the plan.</i>
Section 31(4) Proviso	If the plan contains a provision for combination, as referred to in Section 5 of the Competition Act, 2002, whether the resolution applicant has obtained or addresses the approval of the Competition Commission of India under that Act prior to the approval of the resolution plan by the CoC	<i>It is confirmed that the CCI approval is not required by the RA for takeover of the CD</i>
Reg 36(4A)	Provides for an undertaking to submit the performance security of such nature, value, duration and source and within time specified in the request for resolution plan also specifying that the performance security shall stand forfeited if the resolution applicant, after its approval by the Adjudicating Authority,	<i>The RA undertakes to submit the performance guarantee of 10% of the amount of the Resolution Plan amount within 7 (seven) business days of the date of approval of the Successful Plan by the COC, in favor of Lead Financial Creditor and agrees that the performance security shall stand forfeited if the</i>

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	fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.	<i>resolution applicant, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.</i>
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15. It is submitted that the Resolution Professional has perused the Resolution Plan and the same is in compliance with Section 30 of the Code and in compliance with Regulations 37, 38, and 39 of the CIRP Regulations. Further, the RP has provided necessary details with respect to compliance of these provisions in Form H.
16. At this juncture, it is pertinent to mention that the dissenting Financial Creditor namely, *Union Bank of India* ('UBI'/'Bank'), has raised objections against the Plan. Concerning the objections to the Resolution Plan, the Bank has filed two Interlocutory Applications bearing no. *IA (IBC) No. 277/JPR/2024* and *IA (IBC) No. 289/JPR/2025*. However, it was submitted that *IA 277/JPR/2024* suffers from a formal defect and the contentions raised in *IA (IBC) No. 289/JPR/2025* are identical. Since, the contentions and the reliefs prayed for *IA (IBC) No. 277/JPR/2024* and *IA (IBC) No. 289/JPR/2025* are identical, for sake of brevity the contentions of *IA (IBC) No. 289/JPR/2025* are provided hereunder: -

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16.1. The Application has been filed under Section 60 (5) of the Code, read with Rule 11 of the National Company Law Tribunal Rules, 2016 ("NCLT Rules") seeking the following prayers: -

- (i) *deferment of the hearing of the Interlocutory Application No. IA(IBC)/ Plan/ 4/JPR/ 2024 filed by the Resolution Professional under Sections 30 and 31 of the IBC till such time as this Application is heard and disposed of;*
- (ii) *And objecting to the Resolution Plan approved by the Committee of Creditors and actions being undertaken by the Resolution Professional and the Committee of Creditors of the Corporate Debtor, which are contrary to the provisions of the IBC, and its core objective of value maximization;*
- (iii) *Seeking directions against the Resolution Professional to ensure compliance with the provisions of the IBC.*

16.2. It is stated that the Resolution Plan approved by the COC inter alia proposes the following terms:

- a. An Upfront Payment of INR 10 Crore to SFCs, including the Applicant. A deferred payment (payable over 810 days) of INR 26 Crore to SFCs.
- b. Upon payment of only the Upfront Payment and payment of CIRP Cost, "all personal and corporate guarantees given in respect of the financial debts of the Corporate Debtor shall stand

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extinguished and the security interest provided under said personal and corporate guarantees shall stand satisfied".

- c. The Resolution Plan claims that the SRA is not aware of the Liquidation Value of the CD but claims that it shall not be sufficient to repay the debt of the Secured Financial Creditors. **However, no comment as to the valuation of the Third-Party Securities is made, despite the SRA being fully aware of the same, being himself (together with his family members) the providers of that Third-Party Security.**

16.3. It was submitted that the debt due to the Bank from the Corporate Debtor is secured by third party securities and the same are not the assets or properties of the Corporate Debtor. The details of third-party securities are as follows:

- a. *Mortgage of Goenka House at Jaipur, owned by Mr. Nandlal S. Goenka.*
- b. *Mortgage of Shop No. 1, Parikh Mansion, Mumbai, owned by Mrs. Nirmala Goenka.*
- c. *Mortgage of Shop No. 2, Parikh Mansion, Mumbai, owned by Mrs. Bhawna Goenka.*
- d. *Personal Guarantee dated 23.05.2013 from Mrs. Bhawna Navneet Goenka.*
- e. *Personal Guarantees dated 17.03.2011 and 27.05.2013 from Mr. Nandlal Goenka.*

- f. *Personal Guarantees dated 17.03.2011 and 27.05.2013 from Mrs. Nirmala Nandlal Goenka.*
- g. *Personal Guarantee dated 17.03.2011 and 10.05.2013 from Mr. Nitin Goenka.*
- h. *Personal Guarantee dated 17.03.2011 and 10.05.2013 from Mr. Navneet Goenka (the SRA) (collectively, "Third Party Security"/ "Third Party Securities")*

16.4. It is contended that the Resolution Plan, if approved by this Hon'ble Tribunal, will extinguish the Third-Party Securities provided to the Bank without: (i) any valuation being conducted of the Third-Party Security by the RP in the course of the CIRP; (ii) without liquidation value of the security interest in the Third-Party Security being paid to the Bank.

16.5. Further, it was highlighted that as per the Resolution Plan, the Union Bank of India (a public sector bank) stands to receive only Rs. 3.90 Crores as against the admitted claim of Rs. 63.60 Crore which is a haircut of 93.8%.

16.6. The Bank therefore submits that the Resolution Plan is clearly illegal, and the entire conduct of the CIRP of the CD, and the actions of the COC and RP, are egregiously perverse and illegal, for the following reasons: -

- a. The Resolution Plan proposes to extinguish the Third-Party Security without any valuation and without any deliberation by the

COC or the RP. It was stated that the entire security package (*de hors* the personal guarantees, as the assets of the personal guarantors are not known, though in proceedings under Section 95, they would become known, and value would be recovered and received for the same) is worth Rs. **89.21 Crore**.

- b. Whilst personal guarantees can be released in CIRP, value must be assigned for the same. This value must be fair value and the same has to be arrived at after due assessment and proper valuation in a manner known to law. The securities cannot be assigned an arbitrary value without any basis. In the present case, even assuming that some value has been assigned to the securities, the same is entirely arbitrary and without any assessment of fair or liquidation or distress value.
- c. Further, no assessment has been carried out either by the COC or the RP concerning the value of third-party securities. A completely arbitrary, and grossly inadequate sum has purportedly been proposed [i.e. the ad-hoc increase of INR 1 Crore], and the same has been capriciously and arbitrarily accepted by the COC.

16.7. Additionally, it was submitted that the Resolution Plan is violative of Section 32A of the IBC, and has resulted in clear abuse of process by the SRA. The Resolution Plan seeks to provide complete immunity,

including from criminal prosecution, to the SRA, and the directors, employees, officers of the CD - including those who were in management and control of the CD prior to CIRP, and against whom there may, presently, be criminal proceedings ongoing. This is evident from inter alia the following provisions in the Resolution Plan:

- a. *"The RA, CD, and their Directors, Officers, and Employees will not be held responsible for any CD liability or obligations prior to the effective date. They are immune from prosecution, and no legal or coercive action will be taken against the CD or its property for any offences committed or funds diversion before the CIRP commencement by the former promoters, ultimate beneficial owners, or CD's management."*
- b. *"Starting from the Effective Date, all inquiries, investigations, and proceedings by various agencies (CBL ED, DRI, EOW, Police, SEEL MCA, SFIO, PMO, etc.), whether civil or criminal, related to the CD or its affairs, prior to the Effective Date, will be closed, withdrawn, cancelled, settled, and dismissed. New inquiries or legal proceedings arising from actions before the Effective Date will be barred".*

17. We have perused all the documents filed and carefully considered the submissions of the learned counsels for the Parties. Since, the reliefs prayed for in *IA (Plan) 4/2024*, *IA (IBC) 289/2025*, and *IA (IBC) 277/JPR/2024* are intertwined, for sake of clarity and coherence all the abovementioned IAs are adjudicated upon together in the instant Order.

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18. The moot questions of law which arise for our consideration in the instant case are:

- I. *Whether Resolution Plan providing for extinguishment of third-party security interests and third party guarantees of the Financial Creditors including dissenting Financial Creditor is contrary to the provision of Section 30, sub-section (2) and the CIRP Regulations?*
- II. *Whether the instant Resolution Plan complies with all the mandatory requirements of Section 30 (2) and Regulation 38 of CIRP Regulations?*

19. To address the aforementioned issues, it is relevant to refer to Section 30 of the Code, 2016 and the same is reproduced hereunder:

“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

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distributed in accordance with the order of priority in sub-section (1) of section 53,

whichever is higher and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.

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

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

(i) where a resolution plan has not been approved or rejected by the Adjudicating Authority;

(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or

(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;]

(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.

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

(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 6[sixty-six] per cent. of voting share of the financial creditors, after considering its feasibility and viability, 7[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:

Provided that the committee of creditors shall not approve a resolution plan, submitted before the commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017(Ord. 7 of 2017), where the resolution applicant is ineligible under section 29A and may require the resolution professional to invite a fresh resolution plan where no other resolution plan is available with it:

Provided further that where the resolution applicant referred to in the first proviso is ineligible under clause (c) of section 29A, the resolution applicant shall be allowed by the committee of creditors such period, not exceeding thirty days, to make payment of overdue amounts in accordance with the proviso to clause (c) of section 29A:

Provided also that nothing in the second proviso shall be construed as extension of period for the purposes of the proviso to sub-section (3) of section 12, and the corporate insolvency resolution process shall be completed within the period specified in that sub-section.]

Provided also that the eligibility criteria in section 29A as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 shall apply to the resolution applicant who has not submitted resolution plan as on the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018.

(5) The resolution applicant may attend the meeting of the committee of creditors in which the resolution plan of the applicant is considered:

Provided that the resolution applicant shall not have a right to vote at the meeting of the committee of creditors unless such resolution applicant is also a financial creditor.

(6) The resolution professional shall submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority."

20. Apropos a Resolution Plan, the scope of jurisdiction of the Adjudicating Authority concerning approval or rejection of the Resolution Plan under Section 31 of IBC is no more *Res-integra*. The Hon'ble Apex Court in the recent Judgment dated 12.02.2024 in the case of *Greater Noida Industrial*

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SC, has observed as under:

*“28. Once the plan is approved by the COC, the RP has to submit it for approval of the Adjudicating Authority. As per sub-section (1) of Section 31 of the IBC, if the Adjudicating Authority is satisfied that the resolution plan as approved by the COC under sub-section (4) of Section 30 meets the requirements of sub-section (2) of Section 30, it has to approve the resolution plan. On its approval, the plan becomes binding on the CD and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan. **But where the Adjudicating Authority is satisfied that the resolution plan does not conform to the requirements referred to in subsection (1), it may, in exercise of power under sub-section (2) of Section 31, by an order, reject the resolution plan.**”*

21. Thus, the position of law is well settled that while considering a Resolution Plan, the Adjudicating Authority has to ensure that the Resolution Plan complies with the mandatory requirements prescribed under Section 30(2)(a) to (f) and failing which the Adjudicating Authority will not have any discretion but to reject the Resolution Plan as per Section 31(2) of the Code.

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22. Having taken note of the legal position concerning approval or rejection of a Resolution Plan, it is now appropriate for us to return to the facts of this case and adjudicate upon the rival contentions of the Resolution Professional and the dissenting Financial Creditor i.e., *Union Bank of India*.

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23. Before proceeding further, it is relevant to reproduce the relevant portion of the Resolution Plan dealing with extinguishment of guarantees and security interests and the same is reproduced hereunder: -

“Upon payment of the upfront amount to the secured financial creditors and payment of the outstanding Insolvency Resolution Process Cost, as provided above, all the personal and corporate guarantees given in respect of the financial debts of the Corporate Debtor shall stand extinguished and the security interest provided under said personal and corporate guarantees shall stand satisfied. On such extinguishment of guarantee and satisfaction of security interest, the secured financial creditors shall issue necessary NOC/NDC/letter and execute necessary documents in relation thereto and shall return all title deeds and other documents (including charge documents, if any) held by them or on their behalf not later than 15 days of the Upfront payment. Monitoring Committee shall pursue and ensure the same.”

24. Thus, it transpires that the Resolution Plan envisages extinguishment of guarantees and securities extended towards the Secured Financial Creditors upon completion of upfront payment by the SRA i.e., *Shri Navneet Goenka*, who is promoter and suspended Managing Director of the Corporate Debtor.
25. The dissenting Financial Creditor namely, *Union Bank of India*, has challenged the legality of the aforementioned clause as it seeks to extinguish all the guarantees and securities extended in its favour apropos the loan facilities availed by the Corporate Debtor. Further, it was argued that the valuation of securities was not undertaken before extinguishing the same.

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26. In relation to the aforementioned issue, it is relevant to take note of the Judgment of the Hon'ble NCLAT in the case of *SVA Family Welfare Trust & Anr. v/s Ujaas Energy Ltd. & Ors.* Company Appeal (AT) (Ins.) No. 266 of 2023 wherein it was observed that: -

"28. The above judgment fully supports the submissions of the Appellant that security interest of dissenting Financial Creditor by virtue of personal guarantee of the ex-director of the Corporate Debtor could have been very well dealt in the Resolution Plan. It is further relevant to notice that each Financial Creditor has personal guarantee in their favour to secure the loan extended by them. All Financial Creditors has assented for relinquishment of such security except Bank of Baroda which had only 5.83% vote share. The decision of the CoC to accept the value for relinquishment of personal guarantee was a commercial decision of the CoC which cannot be allowed to be impugned at the instance of dissenting Financial Creditor.

29. In view of the foregoing discussions, we are of the view that the Adjudicating Authority committed error in rejecting the Application for approval of the Resolution Plan on the ground that plan could not have contained a provision for extinguishment of personal guarantee of the personal guarantors. Plan allocates a plan value for extinguishment of personal guarantee which has been accepted by the Financial Creditors by a vote share of 78.04%. We, thus, are of the view that the order of the Adjudicating Authority dated 06.01.2023 is unsustainable. In result, we allow the Appeal and set aside the order dated 06.01.2023 passed by the Adjudicating Authority. We hold that the Resolution Plan submitted by the Appellant did not contravene any of the provisions of Section 30(2)(e) of the Code. The Adjudicating Authority shall proceed to pass a fresh

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order in IA 190 of 2021 praying for approval of the Resolution Plan along with necessary directions. Adjudicating Authority shall endeavour to pass fresh order on IA 190 of 2021 within a period of three months from the date when copy of this order is produced before it."

27. Relying upon the aforementioned Judgment, the Hon'ble NCLAT in the case of *Puro Naturals JV v/s Warana Sahakari Bank and Ors. (2023) ibclaw.in* 750 NCLAT had observed that: -

"16. The present is a case where CoC deliberated over the issue and on such deliberation and inputs, the Successful Resolution Applicant submitted revised Resolution Plan and the Resolution Plan dealt with security interest and the personal guarantee also. We, thus, answer Question No.(I) holding that Resolution Plan in question has consciously dealt with securities and personal guarantees given to the Financial Creditors including the dissenting Financial Creditors and the said clauses of the Resolution Plan do not contravene any provisions of Section 30, sub-section (2) as well as CIRP Regulations, 2016. The view of the Adjudicating Authority that Resolution Plan is contrary to provisions of Section 30, sub-section (2) is unsustainable and deserved to be set-aside."

28. From a bare perusal of the aforementioned Judgments, the position of law apropos extinguishment of guarantees and securities appears to be well settled. However, there exists a fine distinction in the facts of the current case and the aforementioned Judicial Pronouncements. In *SVA Family Welfare Trust & Anr.(Supra)*, the Resolution Plan envisaged extinguishment of security interest provided by ex-director of the Corporate Debtor. Similarly,

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in the case of *Puro Naturals JV (Supra)*, the Resolution Plan provided for extinguishment of guarantees and security interests of the promoters of the Corporate Debtor. In this regard, it is relevant to produce the relevant portion of the Resolution Plan which was before the Hon'ble NCLAT in the case of *Puro Naturals JV (Supra)* and the same is reproduced hereunder: -

““C-3 Provision for Secured Financial Creditors of Corporate Debtor

.....

It is further given to understand that this amount is secured inter alia by the properties of the Corporate Debtor, Guarantees of the promoters and certain assets of the promoters....”

29. Thus, in the Judgments of *SVA Family Welfare Trust & Anr. (Supra)* and *Puro Naturals JV (Supra)* the Hon'ble NCLAT has dealt with the extinguishment of security interest of the promoters, directors, and ex-directors of the Corporate Debtor in the Resolution Plan.
30. In contrast to the facts which were before the Ld. Appellate Tribunal, in the instant case, the Resolution Plan envisages removal of securities and guarantees of the third parties one of whom was never associated with the Corporate Debtor in any capacity and the other did not hold any managerial or directorial position at the relevant time. The details of the securities and the guarantees apropos the dissenting Financial Creditor which are proposed to be extinguished by virtue of the Resolution Plan submitted by suspended managing director of the Corporate Debtor is as follows: -

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- a. *Mortgage of Goenka House at Jaipur, owned by Mr. Nandlal S. Goenka.*
- b. *Mortgage of Shop No. 1, Parikh Mansion, Mumbai, owned by Mrs. Nirmala Goenka.*
- c. *Mortgage of Shop No. 2, Parikh Mansion, Mumbai, owned by Mrs. Bhawna Goenka.*
- d. *Personal Guarantee dated 23.05.2013 from Mrs. Bhawna Navneet Goenka.*
- e. *Personal Guarantees dated 17.03.2011 and 27.05.2013 from Mr. Nandlal Goenka.*
- f. *Personal Guarantees dated 17.03.2011 and 27.05.2013 from Mrs. Nirmala Nandlal Goenka.*
- g. *Personal Guarantee dated 17.03.2011 and 10.05.2013 from Mr. Nitin Goenka.*
- h. *Personal Guarantee dated 17.03.2011 and 10.05.2013 from Mr. Navneet Goenka (the SRA)*

31. At this juncture, it is pertinent to note that *Mrs. Bhawna Goenka/ Bhawna Navneet Goenka* whose security and guarantee has been proposed to be extinguished due to operation of the Resolution Plan has never been a director of the Corporate Debtor namely, *Goenka Diamond and Jewels Ltd.* Similarly, *Mr. Nitin Goenka* whose Guarantee has been sought to be extinguished held the post of director in the Corporate Debtor from 01.04.2002 to 15.04.2008. It is pertinent to mention that *Mr. Nitin Goenka* gave personal guarantee apropos the debts availed by the Corporate Debtor vide Personal Guarantee deeds dated 17.03.2011 and 10.05.2013. Thus, *Mr. Nitin Goenka* neither has

any connection to the Corporate Debtor as on date nor he was a director of the Corporate Debtor at the time of signing of guarantee deeds.

32. Thus, it transpires that by virtue of instant Resolution Plan, the guarantees and securities of the people who had no connection with the Corporate Debtor at the relevant time have been sought to be extinguished beside the suspended management of the Corporate Debtor.
33. Further, we cannot lose sight of the fact that the Personal Guarantee Contract and the Security Deeds by themselves constitute an independent contract between the Guarantor/Surety and the Financial Institutions. The liability envisaged under such contracts are independent in themselves as the contract of guarantee is an independent contract. Moreover, permitting the SRAs to extinguish the liabilities of parties unrelated to the Corporate Debtor will be in gross violation of the basic objectives of the Code which is meant for resolution of Corporate Debtor and the basic tenets of contract law.
34. In the instant case, it is also pertinent to note that while extinguishing the securities of the unrelated parties, no valuation was conducted by the CoC or the Resolution Professional. Further, apropos the securities and guarantees, the SRA had provided a meagre sum of one crore towards extinguishment of the securities and guarantees of the dissenting financial creditors. In the present context, the CoC's decision to approve a resolution plan that seeks to extinguish or revoke the securities and personal guarantees of individuals who

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are unrelated to the Corporate Debtor represents non application of mind and complete failure in exercising the commercial wisdom as envisaged under the Code. Further, guarantees and securities given by third parties constitute independent contracts and cannot be discharged merely by approval of a Resolution Plan for the Corporate Debtor. By endorsing such extinguishment, the CoC has acted beyond its mandate, undermining the sanctity of third-party contractual obligations and compromising the rights of public financial institutions and creditors outside the resolution process.

35. At this juncture, it becomes relevant to take note of scheme of the Code. The Insolvency and Bankruptcy Code, 2016 was crafted with the intent of facilitating resolution and revival of the Corporate Debtor as a going concern, with the objective of maximising the value of its assets, ensuring equitable treatment of stakeholders, and promoting credit discipline. The resolution of the Corporate Debtor under the Code lies at the heart of the insolvency framework and the legislative intent behind the IBC is to rescue the Corporate Debtor from financial distress by formulating a viable plan. The Code was never intended to be a tool in the arsenal of the suspended management for discharging or extinguishing the liabilities of persons who do not have any relation to the operation Corporate Debtor and that too at the expense of public sector banks. Furthermore, permitting SRAs to extinguish and revoke guarantees provided by individuals who are neither directors nor key

managerial personnel of the Corporate Debtor would severely disrupt the nation's economy and financial system, leading to a potential financial catastrophe and will severely undermine the purpose of the Code which is to resolve the Corporate Debtor and not unrelated individuals.

36. In view of the observations made above we are of the opinion that the instant case is distinguishable from the Judgments of the Hon'ble NCLAT in the cases of *SVA Family Welfare Trust & Anr. (Supra)* and *Puro Naturals JV (Supra)*. Further, the extinguishment of securities and guarantees of unrelated parties to the Corporate Debtor in the Resolution Plan is in violation of Section 30(2) of the Code and the Indian Contract Act, 1872.

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37. Proceeding further, besides the requirements prescribed in Section 30 (2) of the Code, the Resolution Plan shall also comply with Regulation 38 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') which deals with mandatory contents of the Resolution Plan. For ease of reference, Regulation 38 of CIRP Regulations is reproduced hereunder: -

38. Mandatory contents of the Resolution Plan.

-

(3). A resolution plan shall demonstrate that –
(a) it addresses the cause of default;
(b) it is feasible and viable;
(c) it has provisions for its effective implementation;

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- (d) *it has provisions for approvals required and the timeline for the same; and*
- (e) *the resolution applicant has the capability to implement the resolution plan.*

38. Hence, the instant Resolution Plan has to be tested on the touchstone of the mandatory requirements prescribed under Section 30(2) of the Code and Regulation 38 of the CIRP Regulations.

39. Regulation 38(3)(a) of the CIRP Regulations makes it mandatory for a Resolution Plan to address the **cause of default**. In the instant Plan, Chapter 3 of the Resolution Plan deals with causes of default by the CD and their addressal by the SRA. In the said Chapter, the SRA has identified the following causes of default: -

- I. Reduction in Sales Turnover
- II. Operational Losses
- III. Non-Realization of Export Dues
- IV. Non-Fulfilment of Credit Terms
- V. Initiation of IBC Proceedings

40. The aforementioned causes of default have been addressed by the SRA in Chapter 3 of the Plan in the following manner:

"I, as the Resolution Applicant, recognize that the Corporate Debtor (CD) is facing challenges, primarily due to existing debt structures. To address the Cause of Default, I propose a revitalization plan that involves restructuring the current debt setup and injecting fresh capital. Our goal is to rectify the underlying "Cause of Default" by implementing these strategies. I firmly believe that with these steps, the CD's turnaround is not only feasible but also

financially viable. We are committed to fostering the revival of the CD and creating a sustainable path forward."

41. A bare reading of aforementioned para makes it clear that the Resolution Plan does not thoroughly deals with the '**Cause of Default**' as envisaged in Regulation 38(3)(a) of the IBBI, rather the SRA has made open ended statements without going into the specifics. The SRA cannot bypass the mandatory requirements prescribed under the CIRP regulations by making vague and abstract statements without precisely dealing with causes of default. The statements provided in the Resolution Plan submitted by the SRA cannot be considered to be in compliance of Regulation 38(3)(a) of CIRP Regulations as there is no demonstration provided by SRA dealing with cause of default and hence, the Resolution Plan fails to deal with the causes of default which is a mandatory requirement under Regulation 38(3)(a) of CIRP Regulations.
42. Further, as per Regulation 38(3)(b), and 38(3)(e), the Resolution Plan must demonstrate that it is feasible and viable and the SRA has the capability to implement the Resolution Plan, respectively. Moreover, as per Section 30 (4) of the Code, the CoC is required to assess the feasibility and viability of the Resolution Plan before approving the same.
43. In the instant case, the Resolution Plan was approved by the CoC in its 18th CoC meeting dated 15.02.2025. Item no. 7 of the said CoC meeting mentions

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that 'the CoC discussed amongst themselves the feasibility and viability of the plan'. Besides, the aforementioned statement there is not a single whisper about the feasibility and viability of the plan in the said CoC meeting. The said meeting does not encapsulate exercise of commercial wisdom by the CoC apropos the feasibility and viability of the instant Resolution Plan.

44. At this juncture, it is pertinent to refer to the relevant clause of the Resolution Plan which deals with feasibility and viability and the same is reproduced hereunder:

*"Looking at the current financial status of the corporate debtor and its future viability going forward, a business plan has been drawn including treatment of discharging liabilities of various class of creditors including the statutory dues and CIRP cost. It has taken into consideration all the provisions for its effective implementation which have been explained in the transaction structure, business plan, terms, and schedule to Resolution Plan. **The terms of plans are feasible and viable, and its implementation is possible.**"*

45. A bare perusal of the para makes it clear that the SRA has failed to properly elucidate upon the feasibility and viability of the Resolution Plan and has made a feeble attempt to bypass the mandatory requirement of the Regulation.
46. Besides, the aforementioned concern, it is relevant to take note of the fact that the SRA has proposed the Resolution Plan for a sum of Rs. 50.71 Crore and in relation to means of finance of the Resolution Plan, the Plan provides that:

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Means of Finance

Issue of equity shares to RA / its nominees	2,200.00
Issue of Equity shares / Unsecured debt / Quasi Equity / OCD / CD *	2,871.90
Total	5,071.90

Amount in Lakhs

- That RA / or its nominees shall further infuse **Rs. 2200.00 Lakh** as fresh equity towards 22,00,00,000 equity shares of Rs. 1.00 each within a period of 90 days from the effective date and such funds shall partially be used for upfront payment obligations and partially for working capital of the company.
 - Further the RA / or its nominees shall bring in an amount of **Rs. 2871.90 Lakh** as per the provisions of this Resolution Plan in form of Equity / Unsecured Interest Free debt / Quasi Equity / Optionally Convertible Debentures / Convertible Debentures / or any other instruments, RA / its nominees seems fit. The terms of such debt/quasi equity/OCD/Cd / or any other instruments shall not be prejudicial to the interests of the Corporate Debtor. Further, the RA shall ensure the public shareholding and lock in requirements as applicable under the provisions of applicable laws are adhered to.
47. In relation to the source of funds for the amount proposed in the Resolution Plan i.e., Rs. 50.71 crore, the SRA has submitted a comfort letter dated 08.07.2025 issued by *JFC Finance (India) Limited* for a loan amount of Rs. 30 crores. Besides the comfort letter given by *JFC*, the SRA has nowhere disclosed the source of funding for the remaining amount of the Resolution Plan i.e., Rs. 20.71 Crores. Here, it is pertinent to note that the net worth of the SRA is only Rs. 5.93 Crore as per the Net worth Certificate dated

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29.05.2023 and the SRA has failed to elucidate any details about meeting the gap in the funding apropos the amount proposed in the Resolution Plan.

48. At this point, it is also relevant to take note of the undertaking given by the SRA to substantiate funding concerning the Resolution Plan provided in Additional Affidavit filed *vide* Diary No. 1280/2025 dated 02.06.2025 in response to the RFRP. The relevant portion of the Undertaking is reproduced hereunder:

NAVNEET GOENKA

FLAT NO.4, 1ST FLOOR, MOUNT UNIQUE, 62-A, PEDDAR ROAD, MUMBAI-400026

Subject: Evidence of funding / monies available to fund the Resolution Plan for Goenka Diamond & Jewels Limited

Dear Sir

I would like to mention that with reference to the plan submitted dated 03/01/2024, I am enclosing herewith the Net worth statement for your consideration.

Regarding the source of fund, we would like to mention that I will be disposing one of the land parcels owned by me and my wife which is not mortgaged to mobilize the initial fund for investment to implement the submitted resolution plan.

On becoming SRA, I will be disposing of the non-core assets of the company and will be utilizing the proceeds of sale of non-core assets for payment to secured creditors. Further I will be generating the cash flows by reviving the core business of the company.

During the implementation of plan, I will be raising funds through promoter equity / Unsecured loan and secondary finance for smooth operation of company so as to enable us to implement the submitted plan completely.

In case I am SRA, I will be providing the list of non-core assets we intend to dispose which will provide cash inflow to pay to stake holders and revive the business.



Mr. Navneet Nandlal Goenka

Enclosed -

- 1) Net Worth Certificate
- 2) Offer of buyer for purchasing the property dated 20/12/2023

Place: Mumbai
Date: 03/01/2024

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A perusal of the aforementioned document makes it conspicuous that as per the SRA himself the funding of the Resolution plan by the SRA is contingent upon disposing off the land owned by the SRA and his wife. Further, the SRA has not produced any affidavit or undertaking from his wife concerning the sale of such land. Thus, the success of whole Resolution Plan hinges on sale of property and availability of the buyer at the relevant time.

49. Further, for fully appreciating the lacunas in the instant Resolution Plan, it is relevant to refer to the Request for Resolution Plan ('RFRP') that entails the following conditions which the SRA must comply with while submitting a Resolution Plan: -

"1.7.13 A Resolution Plan submitted by Resolution Applicant(s) shall be unconditional in nature. It is hereby clarified that any conditionality in the Resolution Plan shall lead to rendering of that Resolution Plan as non-responsive, and accordingly the CoC shall have the right to reject such Resolution Plan."

...

1.11.4 The Resolution Applicant(s) shall represent to the COC that they have the necessary financial resources available for supporting the Resolution Plan that will be submitted by them and for any further infusion/contribution for additional funds into the Corporate Debtor as may be indicated in the Resolution Plan."

50. Thus, the Resolution Plan submitted by the SRA is in violation of the terms and conditions of the RFRP as the investment proposed in the Resolution Plan is contingent upon sale of property belonging to the SRA and his wife.

Further, the SRA has also failed to disclose the source of funds beyond the loan comfort letter dated 08.07.2025 issued by *JFC Finance (India) Limited* for a loan amount of Rs. 30 crores. Thus, there remains ambiguity and uncertainty concerning the 20 Crores additional amount provided in the Resolution Plan.

51. Furthermore, upon scrutiny of the minutes of the CoC meeting wherein the Resolution Plan was approved and the relevant clauses of the Resolution Plan, we are of the opinion that only general statements of compliance devoid of any detailed assessment or credible supporting analysis regarding the feasibility and viability of the Resolution Plan have been made. Thus, the plan fails to demonstrate it is feasible and viable as mandated under Regulation 38 (3) (b) of CIRP Regulations.
52. At this juncture, it is relevant to refer to proviso of Section 31 of the Code which pertains to approval of Resolution Plan. For ease of reference, the same is reproduced hereunder: -

“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.”

53. Thus, prior to approving a Resolution Plan, this Adjudicating Authority has to ensure that the Resolution Plan has provisions for its effective implementation. In the instant case, there exists ambiguity regarding the source of funds in the Resolution Plan and as per the affidavit of the SRA, the

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funding is contingent upon sale of property of the SRA and his wife. Further, the said issue was never considered by the COC and the Plan is also silent about the same. Hence, we are of the opinion that the SRA has failed to demonstrate that he has the capability to implement the Resolution Plan. Thus, the instant Resolution Plan is in contravention of Regulation 38 (3) (e) of the CIRP Regulations and the proviso to Section 31 of the Code.

54. Moving further, it is relevant to take note of chapter 10 of the Resolution Plan which provides for legal immunities to SRA and the relevant extract of the same is reproduced hereunder:

- *“The RA, CD, and their Directors, Officers, and Employees will not be held responsible for any CD liability or obligations prior to the effective date. They are immune from prosecution, and no legal or coercive action will be taken against the CD or its property for any offences committed or funds diversion before the CIRP commencement by the former promoters, ultimate beneficial owners, or CD's management.*
- *Starting from the Effective Date, all inquiries, investigations, and proceedings by various agencies (CBI, ED, DRI, EOW, Police, SEBI, MCA, SFIO, PMO, etc.), whether civil or criminal, related to the CD or its affairs, prior to the Effective Date, will be closed, withdrawn, cancelled, settled, and dismissed. New inquiries or legal proceedings arising from actions before the Effective Date will be barred.”*

55. A bare perusal of the aforementioned legal immunities to SRA represents that the SRA under the same is attempting to get waiver of the civil and criminal liabilities apropos SRA, CD, and its Directors, Officers, and Employees. It is

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a settled law that the reliefs and waivers sought for inquiries, litigations, investigations and proceedings can only be granted in strict adherence to section 32A of the Code and the provisions of the law as may be applicable.

56. In this context, it is relevant to mention that the immunities mentioned in Section 32A of the Code becomes applicable only if the Resolution Plan results in change in the management or control of the Corporate Debtor. However, in the instant case the Resolution Plan has been submitted by *Shri Navneet Goenka* who is also the Managing Director and Promoter of the Corporate Debtor. Hence, the said provision will not have any application in the instant case.

57. At this juncture, we would like to rely upon the judgment rendered by the Hon'ble Apex Court in *AjayKumar Radheyshyam Goenka vs. Tourism Finance Corporation of India Ltd. reported in MANU/SC/0244/2023: (2023) 10SCC545* 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

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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 its 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."

58. Thus, in view of the judgement of the Hon'ble Apex Court and Section 32A of the Code, the portion of the plan dealing with legal immunities to SRA and the Corporate Debtor is violative of Section 32A of the Code.
59. At this point, it is pertinent to take note of Section 30(2)(e) of the Code which provides that the Resolution Plan shall not contravene any of the provisions of law for time being in force. Hence, as elucidated above, the reliefs and concessions sought by the SRA are violative of Section 32A of the Code and consequently, the Resolution Plan fails to meet the mandatory requirement prescribed under Section 30 (2)(e) of the Code.
60. Before proceeding further, it is incumbent upon us to take note of the conduct of the CoC in the instant case and the manner in which they passed the Resolution Plan without taking into account the feasibility and viability of the plan, without appreciating the causes of default, the source of funds for the amount proposed in the Resolution Plan, extinguishing the securities of

unrelated parties, and grant of reliefs and concessions against the mandate of law under Section 32A.

61. It goes without saying that we are conscious of the well-settled principle that the scope of judicial intervention in matters falling within the domain of the commercial wisdom of the Committee of Creditors is limited and restricted. Nevertheless, this Adjudicating Authority cannot remain a mere mute spectator when the CoC fails to discharge their responsibility as envisaged under the Code. While the commercial wisdom of the Committee of Creditors is respected and generally not subject to judicial interference, such deference is not absolute. As the statutory pivot of the insolvency framework, the decisions of the Committee of Creditors must be in consonance of the legal provisions.
62. In respect to the judicial scrutiny in the decisions taken by CoC, it is pertinent to refer to the Judgment of Hon'ble Supreme Court in the case of *M.K. Rajagopalan v. Dr. Periasamy Palani Gounder & Anr.*, (2023)ibclaw.in60SC wherein it was observed that: -

"44.4. Although, the aspects aforesaid did not form the part of consideration of CoC but, they cannot be ignored merely with reference to the status assigned to the commercial wisdom of CoC. The principles underlying the decisions of this Court respecting the commercial wisdom of CoC cannot be over-expanded to brush aside a significant shortcoming in the decision making of CoC when it had not duly taken note of the operation of any provision of law for the time being in force."

Thus, the decisions of the CoC have to be in compliance of the provisions of the Code and the relevant laws.

63. In the instant case, the CoC approved the plan without deliberating upon the feasibility and viability, source of funds, concessions and waiver, extinguishment of securities of the unrelated parties and the provisions of the Contract Act, 1872. Thus, **the Resolution Plan is rejected** being in violation of Section 30 (2), Section 32A of the Code and Regulation 38 of CIRP Regulations 2016 and also being against the mandate and spirit of Code as the Resolution Plan envisages extinguishment of securities of unrelated parties at the expense of public financial institutions.
64. Moving further, it is relevant to take note of Judgment of the Hon'ble Apex Court in the case of *Ebix Singapore Pvt. Ltd. v/s CoC of Educomp Solutions Ltd. and Anr.* (2021) ibclaw.in 153 SC wherein it was observed that: -
"157. Based on the plain terms of the statute, the Adjudicating Authority lacks the authority to allow the withdrawal or modification of the Resolution Plan by a successful Resolution Applicant or to give effect to any such clauses in the Resolution Plan. Unlike Section 18(3)(b) of the erstwhile SICA which vested the Board for Industrial and Financial Reconstruction with the power to make modifications to a draft scheme for sick industrial companies, the Adjudicating Authority under Section 31(2) of the IBC can only examine the validity of the plan on the anvil of the grounds stipulated in Section 30(2) and either approve or reject the plan. The Adjudicating Authority cannot compel a CoC to negotiate further with a successful Resolution Applicant. A rejection by the Adjudicating Authority is followed by a direction of mandatory liquidation under Section 33. Section 30(2) does not envisage setting aside of

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the Resolution Plan because the Resolution Applicant is unwilling to execute it, based on terms of its own Resolution Plan.”

65. Further, the Hon’ble NCLAT in the Judgment of *Exclusive Motors Pvt. Ltd. v/s Sapan Mohan Garg (RP) and Anr.* (2025) ibclaw.in 803 NCLAT observed that: -

“35. Since the Tribunal had some reservations on some issues, therefore, it remanded the case back to the CoC, following the decision of the Hon’ble Supreme Court in the case of Ebix Singapore (Supra) and Prabhjit Singh (Supra) in which it has been categorically held that the AA can only direct the CoC to reconsider certain elements of the resolution plan to ensure compliance under Section 30(2) before exercising its powers of approval or rejection as the case may be but in essence, the Tribunal has no jurisdiction to remand or remit the plan for a total reconsideration as it goes against the law laid down by the Hon’ble Supreme Court in the case of Ebix Singapore (Supra) because the Tribunal has the jurisdiction either to approve the plan or reject the same and call for a fresh plan but the entire plan cannot be sent back for reconsideration.”

66. Thus, it transpires that a Resolution Plan cannot be remitted back to CoC for a total reconsideration. In the instant case, since the Resolution Plan suffers from various shortcomings and illegalities as highlighted in earlier paragraphs, remitting back the Resolution Plan to the CoC will tantamount to total reconsideration of the Resolution Plan and submission of a new Resolution Plan by the SRA. Thus, guided by the Judgment of the Hon’ble Apex Court and Hon’ble NCLAT and in view of Section (1)(b) of the Code,

we deem it appropriate to initiate liquidation proceedings of the Corporate Debtor to maximize creditor value and conclude the insolvency process.

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

- a) The Corporate Debtor *Goenka Diamond and Jewels Ltd.* is admitted into liquidation in terms of the Section 33(1)(b) of the Insolvency and Bankruptcy Code, 2016, to be conducted in accordance with Chapter III of the Code and the IBBI (Liquidation Process) Regulations, from the date of this Order.
- b) In terms of Section 34 (4)(a) we deem it appropriate to appoint *Mr. Vijendra Bangar* having registration no. IBBI/IPA-002/IP-N00688/2018-2019/12205 (email: bangarv@gmail.com) as the Liquidator of the Corporate Debtor i.e., *Goenka Diamond and Jewels Ltd.*
- c) The Moratorium declared under Section 14 of the Code shall cease to have effect from the date of the order of liquidation.
- d) A fresh moratorium under Section 33(5) of the Code is declared, prohibiting the institution of suits or proceedings against the Corporate Debtor, except as provided under the Code, effective from the date of this Order until the completion of the liquidation process.
- e) The Liquidator shall make every endeavour to take charge of the Corporate Debtor's assets, books, and records forthwith and perform all duties as

prescribed under Section 35 to 50 of the Code and the IBBI (Liquidation Process) Regulations, 2016.

- f) The Liquidator is directed to file a preliminary report within 75 days of this Order, as per Regulation 13 of the IBBI (Liquidation Process) Regulations, 2016 and submit periodical progress reports to this Tribunal in terms of the Liquidation Regulations, 2016.
- g) The Liquidator so appointed shall complete the liquidation process as per the provisions of the Code r/w the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- h) All the powers of the Board of Directors, Key Managerial Persons, and the partner of the Corporate Debtor, as the case may be, hereafter cease to exist. All these powers henceforth vest with the Liquidator.
- i) The Creditor, as well as the Personnel of the Corporate Debtor, including the suspended management, are directed to extend all cooperation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor in terms of Section 19 of the Code.
- j) The Liquidator will charge fees for the conduct of the liquidation proceedings in proportion to the value of the liquidation estate assets as specified by IBBI and same shall be paid to the Liquidator from the proceeds of the liquidation estate in terms of Section 53 of the Code.

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- k) This Liquidation order shall be deemed to be notice of discharge to the officers, employees, and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor to be continued during the liquidation process by the Liquidator.
- l) This Adjudicating Authority directs the Liquidator to issue a public announcement stating that the Corporate Debtor is in liquidation. The Liquidator will also serve a copy of this order to the various Government Departments such as Income Tax, GST, VAT, EPFO, and all financial and other creditors etc., who are likely to have any claim upon the Corporate Debtor so that the authorities concerned are informed of the liquidation order timely.
- m) The present Resolution Professional is directed to hand over the relevant documents and control of the Corporate Debtor to the newly appointed liquidator within a period of 3 days from the date of passing of this Order.
- n) The Registry is directed to communicate this order to the concerned parties in all the Interlocutory Application, Registrar of the Companies, IBBI, the Resolution Professional, the SRA, and the Liquidator within 3 days of passing of the order.
- o) Liberty is granted to the Liquidator to approach this Tribunal for any further directions or clarifications as may be required during the liquidation process.

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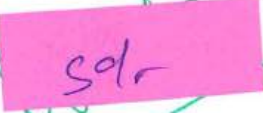
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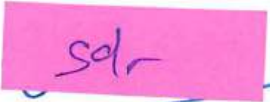
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68. Accordingly, *IA (IBC) Plan No. 04/JPR/2024* stands dismissed and disposed of. Further, *IA (IBC) No. 277/JPR/2024* and *IA (IBC) No. 289/JPR/2025* stands partly allowed and disposed of.
69. The Registry is also directed to send e-mail copies of the order forthwith to all the parties/ their Learned Counsel for information and for taking necessary steps.
70. **Further, the Assistant Registrar, Jaipur shall ensure compliance to the directions given to the Registry in Para 67 (n) and Para 69 of the Order failing which necessary action will be taken against the Assistant Registrar, Jaipur.**


**REETA KOHLI,
JUDICIAL MEMBER**


**KAVITA BHATNAGAR,
TECHNICAL MEMBER**