IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-II

KOLKATA

C.P.(IBPP) No. 2(KB) of 2025

An application under Section 54C of the Insolvency and Bankruptcy Code, 2016 read with Regulation 4 of the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021 and also read with Rule 11 of the National Company Law Tribunal Rules, 2016;

IN THE MATTER OF:

Solex Chemicals Private Limited bearing CIN: U24100WB2008PTC127053 having its registered address at Poonam Building, 2nd Floor, Flat No. 2D, 5/2, Russell Street, Kolkata, West Bengal, India 700071

… Applicant

Coram:

Shri Labh Singh	**:**	**Member (Judicial)**
Ms. Rekha Kantilal Shah	**:**	**Member (Technical)**

Appearances (via physical mode/virtual mode)-:

For petitioner

i. Mr. Shaunak Mitra, Adv.
ii. Ms. Zeba Khan, Adv.
iii. Mr. Piyush Agarwal, Adv.
iv. Ms. Shrivalli Kajaria, Adv.
v. Mr. Vaibhav Kashyap, Adv.

Date of Pronouncement-: 22.06.2026

ORDER

Per: Rekha Kantilal Shah, Member (Technical)

1. This Company Petition is filed under Section 54C of the Insolvency and Bankruptcy Code, 2016 (“Code") for seeking initiation of Pre Packed Insolvency Resolution Process (“PPIRP”) in respect of Solex Chemicals Private Limited (“Corporate Debtor”).
2. The Corporate Debtor is a private limited company incorporated under the provisions of the Companies Act, 1956 on 01st July, 2008 and is registered with the Registrar of Companies, Kolkata, West Bengal, bearing Corporate Identification Number (CIN) U24100WB2008PTC127053. The principal business activities of the Corporate Debtor comprise the manufacture, export and import of insecticides and allied chemical products.
3. It has been stated in the application that the applicant/Corporate Debtor has been compelled to initiate PPIRP by a combination of internal inefficiencies and external macroeconomic challenges, which have cumulatively impaired the Company’s financial

stability and operational viability including market volatility and lag in technological adaptation, competitive pressure from low-cost producers, global economic disruptions and supply chain issues, operational inefficiencies and high cost overheads leading to deterioration of its financial position.

4. The debt owed by the Applicant/Corporate Debtor is as follows:-

List of Financial Creditors (Unrelated)			
I	II	III	IV
List of Financial Creditors (Related)			
I	II	III	IV
Sr. No.	Name of the Creditor	Amount of Claim (INR)	% of Claim
1	Endura SPA	12,47,06,396	100%
List of Operational Creditors (Unrelated)			
I	II	III	IV
Sr.	Name of the	Amount of	% of Claim

No.	Creditor	Claim (INR)	
1	HKG & Associates	11,25,000	75.0
2	D.C. Dholkaia & Co.	1,87,200	12.5
3	Janak C Pandya	1,09,980	7.3
4	Surma Trading Pvt. Ltd.	64,170	4.3
5	Poonam Servicing Company Pvt. Ltd.	8,705	0.6
6	Sanjana Mullick	4,000	0.3
	TOTAL	**14,99,055**	**100**

List of Operational Creditors (Related)

Sr. No.	Name of the Creditor	Amount of Claim (INR)	% of Claim
1	Endura SPA	5,45,53,983	100.0

5. The total amount in default, as stated in the Application, is **Rs. 14,99,055/- (Rupees Fourteen Lakhs Ninety-Nine Thousand and**

Fifty-Five only). Distinct dates of default have been specified in respect of the various creditors. The respective dates of default, as disclosed in the Application, are set out hereinbelow::-

Sl. No.	Name of Creditor	Date of default
1	HKG & Associates	03.03.2025
2	D.C. Dholakia & Co.	25.07.2025
3	Janak C Pandya	05.07.2025
4	Surma Trading Pvt. Ltd.	01.10.2025
5	Poonam Servicing Company Pvt. Ltd.	03.10.2025
6	Sanjana Mullick	30.09.2025

6. The Applicant/Corporate Debtor has annexed copies of various invoices raised by the aforesaid creditors. The Applicant has further placed on record email communications issued by HKG Associates demanding payment of the outstanding amounts due under the invoices raised by it. Additionally, the Financial Statements annexed to the Supplementary Affidavit 02nd April, 2026, demonstrate that the Applicant/Corporate Debtor has been incurring losses thereby indicating its inability to discharge the outstanding liabilities owed to its creditors.

7. The Corporate Debtor is a duly registered MSME (Micro, Small & Medium Enterprise) under the MSME Development Act, 2006 in the category **"Small Enterprise"** having registration no. UDYAM-WB-07-0002666 and the copy of the UDYAM (Udyog Aadhar Memorandum) Registration Certificate dated 12th March, 2021 is annexed as Annexure B (page 30) with the Petition. The Corporate Debtor is eligible to file this Petition as per Section 54A (1) of the Code.

8. The Applicant/Corporate Debtor has placed a Base Resolution Plan, submitted by Aditya Auto Industries Overseas Limited, on record, which is annexed to the Supplementary Affidavit dated 25th February, 2026.

9. In the context of Base Resolution Plan, it is important to consider a few provisions of the IBC. Section 54A sub-section (2),(3) & (4) state as follows:-

"(2) Without prejudice to sub-section (1), an application for initiating pre-packaged insolvency resolution process may be made in respect of a corporate debtor, who commits a default referred to in section 4, subject to the following conditions, that--

(a) it has not undergone pre-packaged insolvency resolution process or completed corporate insolvency resolution process, as the case may be, during the period of three years preceding the initiation date;

(b) it is not undergoing a corporate insolvency resolution process;

(c) no order requiring it to be liquidated is passed under section 33;

(d) it is eligible to submit a resolution plan under section 29A;

(e) the financial creditors of the corporate debtor, not being its related parties, representing such number and in such manner as may be specified, have proposed the name of the insolvency professional to be appointed as resolution professional for conducting the pre-packaged insolvency resolution process of the corporate debtor, and the financial creditors of the corporate debtor, not being its related parties, representing not less than sixty-six per cent. in value of the financial debt due to such creditors, have approved such proposal in such form as may be specified:

Provided that where a corporate debtor does not have any financial creditors, not being its related parties, the proposal and approval under this clause shall be provided by such persons as may be specified;

(f) the majority of the directors or partners of the corporate debtor, as the case may be, have made a declaration, in such form as may be specified, stating, inter alia, that—

(i) the corporate debtor shall file an application for initiating pre-packaged insolvency resolution process within a definite time period not exceeding ninety days;

(ii) the pre-packaged insolvency resolution process is not being initiated to defraud any person; and

(iIi) the name of the insolvency professional proposed and approved to be appointed as resolution professional under clause (e);

(g)the members of the corporate debtor have passed a special resolution, or at least three-fourth of the total number of partners, as the case may be, of the corporate debtor have passed a resolution, approving the filing of an application for initiating prepackaged insolvency resolution process.

(3) The corporate debtor shall obtain an approval from its financial creditors, not being its related parties, representing not less than sixty-six per cent. in value of the financial debt due to such creditors, for the filing of an application for initiating pre-packaged insolvency resolution process, in such form as may be specified:

Provided that where a corporate debtor does not have any financial creditors, not being its related parties, the approval under this sub-section shall be provided by such persons as may be specified.

(4) Prior to seeking approval from financial creditors under sub-section (3), the corporate debtor shall provide such financial creditors with –

(a) the declaration referred to in clause (f) of sub-section (2);

(b) the special resolution or resolution referred to in clause (g) of subsection (2);

(c) a base resolution plan which conforms to the requirements referred to in section 54K, and such other conditions as may be specified; and

(d) such other information and documents as may be specified."

10. Thus, prior to seeking approval from financial creditors, in order to file an application for PPIRP, the CD is required to furnish to such financial creditors a base resolution plan which conforms to the requirements prescribed in Section 54K.

11. Explanation I to Section 54K provides as follows:-

"Explanation I.––For the removal of doubts, it is hereby clarified that, the corporate debtor being a resolution applicant under clause (25) of section 5, may submit the base resolution plan either individually or jointly with any other person."

12. Accordingly, it is evident that a Base Resolution Plan may be submitted either by the Corporate Debtor in its individual

capacity or jointly with any other person. However, in the present case, the Base Resolution Plan has neither been submitted by the Corporate Debtor independently nor jointly with any third party. Rather, the Plan has been submitted solely by a third party, entirely independent of the Corporate Debtor, which is contrary to the statutory scheme governing the submission of a Base Resolution Plan under the Code.

13. The Report of the Insolvency Law Committee on Pre-Packaged Insolvency Resolution Process, July 2021, further makes it abundantly clear that the legislative intent was for the Base Resolution Plan to be prepared and submitted by the Corporate Debtor itself. The Committee expressly observed that it should be mandatory for the Corporate Debtor to prepare a Base Resolution Plan prior to filing an application for initiation of the PPIRP. As such, in our view, the framework for the PPIRP process, does not envisage a Base Resolution Plan being submitted independently by a third party. The relevant portion of the aforesaid Insolvency Committee Report is reproduced hereinbelow:-

"Submission of Base Resolution Plan by the Corporate Debtor

As discussed above the pre-pack process can only be initiated by the corporate debtor. The corporate debtor is required to prepare a base resolution plan before filing an application for initiating the pre-pack process. The Committee noted the recommendations of the Sub-committee regarding the process of consideration and approval of the resolution plan during

the pre-pack process. The Sub-committee had suggested that the corporate debtor should have the option to initiate the prepack process, whether or not, it intends to submit a base resolution plan. It envisaged that in case the base resolution plan is not submitted by the corporate debtors, it will be sourced by the CoC. The Committee felt that for the pre-pack process to be successful, willingness of the original management to participate in the resolution process is of paramount importance.

6.11 The pre-pack process provides an opportunity to the corporate debtor for resolving its financial stress, while competing with the market to regain its control, thereby ensuring value maximisation. Unlike the CIRP, during the pre-pack process the management continues to manage the affairs of the corporate debtor. The management may initiate the pre-pack process and not submit a resolution plan, where it intends to exit the corporate debtor and transfer its control to a third-party resolution applicant. In such a scenario, it will not be incentivised to preserve the value of the corporate debtor's assets and run it as a going concern during the process. This may result in value destruction siphoning of assets, undermining the primary objectives of the Code. The Committee noted that the sourcing of a base resolution plan by the CoC from a third party after commencement of the

formal process may be time-consuming and thus not suitable for inclusion in a time-bound process.

6.12 In the light of the above, ***the Committee recommended that a base resolution plan may be submitted only by the corporate debtor. It should be mandatory for the*** *corporate debtor* ***to prepare a base resolution plan prior to filing of an application for initiation of the pre-pack process****. As recommended above, the base resolution plan shall be shared with the financial creditors before seeking their approval to an application for initiating the pre-pack process. The proposed resolution professional shall in its report confirm whether the base resolution plan conforms to the mandatory requirements.* ***The Committee recommended that after this, the base plan shall be submitted to the resolution professional on commencement of the pre-pack process."***

14. As discussed hereinabove, as per the Code, the Base Resolution Plan must originate from the Corporate Debtor, either in its individual capacity or jointly with another person. In the present case, the Base Resolution Plan has been prepared and submitted by an third party, a circumstance which is not contemplated under the scheme of the IBC. It is important to note that this Adjudicating Authority has not examined the merits or appropriateness of the Base Resolution Plan. The scope of the present adjudication is confined to determining whether the

submission of the Base Resolution Plan is in conformity with Section 54A read with Section 54K of the IBC.

15. In our view, an application for PPIRP, initiated on the basis of a Base Resolution Plan, which is prepared and submitted by an third party, is not maintainable and ought not be admitted, as the same would be in contravention of Section 54A sub-section (4) of the IBC. Thus, in the light of the above the present Company Petition being **C.P. (IBPP) No. 2(KB) of 2025** is hereby **dismissed** without there being any order as to costs.

16. Certified copy of the orders, if applied for with the registry of this Adjudicating Authority, be supplied to the Applicant upon compliance with all requisite formalities.

Rekha Kantilal Shah **Labh Singh**

Member (Technical) **Member (Judicial)**

Order signed on the day of 22nd day of June, 2026

H.T (L.R.A)