



NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

Item No. 04

IA(IBC)(LIQ.)/ 50(MB)2025 and IA(L.B.C)/3333(MB)2025 IN C.P.
(IB)/757(MB)2023

CORAM:

SH. PRABHAT KUMAR SH. SUSHIL MAHADEORAO KOCHEY
HON'BLE MEMBER (TECHNICAL) HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF THE HEARING ON **29.07.2025**

NAME OF THE PARTIES: **BANK OF BARODA VS C. MAHENDRA**
 EXPORTS LIMITED

Section 7, 33(1) (b) (i) to (iii) r/w 33(3), 60(5) and 14 of the Insolvency and
Bankruptcy Code, 2016

ORDER

Adv. Aniruth Pursothaman for the Applicant present.

IA(IBC)(LIQ.)/ 50(MB)2025

- 1) This is an Interlocutory Application filed by the Resolution Professional (Deemed) **Jayanti Lal Jain** under Section 33 of the Insolvency and Bankruptcy Code, 2016 (the Code) for initiating Liquidation Process against **M/s C. Mahendra Exports Limited** (Corporate Debtor).
- 2) The facts leading to the case in hand are as follows:
 - a. Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated by this Tribunal vide order dated **04.10.2024**, upon admission of a Company Petition under Section 7 of the Insolvency and



Bankruptcy Code, 2016 (the Code) and the Applicant herein was appointed as the Interim Resolution Professional (IRP) of the Corporate Debtor.

- b. The IRP/Applicant issued a Public Announcement dated 09.10.2024 in Form A [Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulation, 2016] (“CIRP Regulations”) with respect to appointment of Applicant for conducting the CIRP of the Corporate Debtor and inviting claims from the Creditor of the Corporate Debtors.
- c. The 1st meeting of the Committee of Creditors for the Corporate Debtor was held on 06.11.2024, where the Erstwhile Resolution Professional detailed creditors actions taken since his appointment, including the constitution of the CoC and claim verifications from key like UBI, PNB, BoB, and the Income Tax Department. It was highlighted that the Corporate Debtor had previously been ordered for liquidation by the Bombay High Court in 2017, with BoB having taken and then returned possession of some assets, which are now held only symbolically. Due to non-cooperation from promoters and lack of records, the erstwhile RP planned legal action under Section 19(2) of the IBC and other criminal provisions, while also engaging with former auditors for pending documents. Given the long non-operational status of the CD, restarting operations was deemed unfeasible, but the erstwhile RP



proposed leasing premises to generate funds though lenders expressed concerns. The erstwhile RP assured lease terms would protect the resolution process and agreed to consider e-voting on the matter. Lastly, the CoC voted with a 76.38% majority to appoint the erstwhile IRP as the erstwhile RP and approve his proposed fee.

- d. The 2nd meeting of the Committee of Creditors for the Corporate Debtor was held on 07.12.2024, during which the Erstwhile Resolution Professional updated the CoC on key developments, including the appointment of registered valuers, physical possession of Mumbai assets obtained from promoter Mahendra Shah, and ongoing efforts to take over assets in Sangli and Kutch from Bank of Baroda. The erstwhile RP informed the CoC of two pending Bombay High Court cases involving ESIC and United India Insurance, the latter potentially yielding a Rs. 12 crore recovery. Updates were also provided regarding the forfeiture of SEZ units and a Rs.60 lakh deposit by Surat SEZ. Due to limited information, the erstwhile RP reiterated requests for crucial records from lenders and Mahendra Shah, warning of Section 19(2) action for non-cooperation. Discussions were held on inviting Expressions of Interest (EOIs) proceeding with liquidation, with mixed views among CoC members. Ultimately, e-voting outcomes included approval of valuer fees (84.45%), rejection of EOI commencement



(only 17.81% in favor), and inconclusive voting on liquidation (47.84% in favor, 49.79% abstained), leaving the next steps undecided.

- e. The 3rd to CoC meeting held on 08.01.2025 discussed the developments including the dismissal of an application filed by ex-Director challenging the CIRP, pending asset handovers and documentation from Bank of Baroda, and delays in valuation due missing title documents. The Erstwhile Resolution Professional noted that prior resolutions on EOI and liquidation could not be approved due to lack of mandates, prompting a proposal for fresh e-voting on liquidation. While some members favored an EOI process, most supported liquidation given the Corporate Debtor's non-operational status since 2014 and substantial statutory liabilities. Ultimately, the resolution for liquidation was passed with 72.12% majority approval.
- f. The 4th CoC meeting held on 24.02.2025 members of the CoC passed the resolutions following the approval of liquidation, including the proposal to appoint Mr. Krishna Chamadia as Liquidator, which - initially prompting also e-voting. The Erstwhile Resolution Professional outlined estimated liquidation costs and the need for proportional contributions by CoC members if liquid assets were insufficient. Ultimately, the Resolutions approving liquidation cost, exploration of compromise or arrangement, sale as a going concern and



the Liquidator's appointment and fee were passed by 70.95%, 56.17%, 58.38%, and 68.58% vote share respectively.

g. The Applicant was appointed as Resolution Professional on being informed by the Applicant Bank about the demise of the earlier Resolution Professional vide order dated 29.04.2025 (available on 27.05.2025) as the new Resolution Professional of the Corporate Debtor.

- 3) It is submitted that the Applicant has complied with Regulations 39B, 39BA, 39C & 39D of the IBBI (Insolvency Resolution Process for the Corporate Debtor) Regulations, 2016.
- 4) Hence, the Applicant is filing the instant Application pursuant to Section 33 of the Code for the initiation of liquidation in the matter of the Corporate Debtor.
- 5) We have considered the submission of the learned Counsel and the matter place on record. Section 33 (2) of the Code provides that *“Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors approved by not less than sixty-six per cent. of the voting share to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of*



sub-section (1)”. In the present case CoC has passed a Resolution by 72.12% vote to liquidate the Corporate Debtor and necessary Resolutions in compliance to Regulations 39B, 39BA, 39C & 39D of the IBBI (Insolvency Resolution Process for the Corporate Debtor) Regulations, 2016 have also been passed. Accordingly this Tribunal considers it appropriate to liquidate the Corporate Debtor by passing following orders:-

ORDER

- a) The Application be and the same is allowed. The Corporate Debtor, **M/s C. Mahendra Exports Limited**, shall be liquidated in the manner as laid down in Chapter-III of the Code.
- b) **Mr. Krishna Chamadia**, having Registration No. **IBBI/IPA-001/I P-P00694/2017-18/11220** is appointed as Liquidator of **M/s C. Mahendra Exports Limited**.
- c) That the Liquidator for conduct of the Liquidation proceedings would be entitled to the fees as provided in Regulation 4(2)(b) of the IBBI (Liquidation Process Regulations), 2016.
- d) The Moratorium declared under Section 14 of the IBC 2016 shall cease to operate here from.
- e) Liquidator shall issue public announcement stating that Corporate Debtor is in liquidation.
- f) The Liquidator shall endeavour to sale the Company as a going concern during the liquidation in terms of Regulation 32A of the Liquidation



Process Regulations. In case he is not able to do so within a period of 90 days from this date, he shall proceed in accordance with clauses (a) to (d) of Regulation 32 of the Liquidation Process Regulations.

- g) Subject to Section 52 of the Code no suit or other legal proceedings shall be instituted by or against the Corporate Debtor. This shall however not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- h) All powers of the Board of Directors, Key Managerial Personnel and partners of the Corporate Debtor shall cease to have effect and shall be vested in the Liquidator.
- i) The Liquidator shall exercise the powers and perform duties as envisaged under Sections 35 to 50 and 52 to 54 of the Code read with the Liquidation Process Regulations.
- j) Personnel connected with the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as will be required for managing its affairs.
- k) This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.



- l) The Liquidator shall submit progress reports as per Regulation 15 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
 - m) The Liquidator is hereby Authorized to represent the Corporate Debtor before the Government Authorities, if need be.
 - n) Registry shall furnish a copy of this Order to the **Insolvency and Bankruptcy Board of India, New Delhi; Regional Director (Western Region), Ministry of Corporate Affairs; Registrar of Companies & Official Liquidator, Maharashtra; the Registered Office of the Corporate Debtor; and the Liquidator, Mr. Krishna Chamadia,** having E-mail ID krishna@sphereadvisory.com.
- 6) With the aforesaid observations and directions, the Interlocutory Application bearing **IA(IBC)(LIQ.)/ 50(MB)2025**, stands disposed of as Allowed.

IA(I.B.C)/3333(MB)2025

- 1) The **Court Officer is directed** to issue notice to the Respondent intimating the next date of hearing and requiring the Respondent to file reply. The Court Officer shall place track consignment report on record at least two days before the next date of hearing.
- 2) In addition to the Court Notice, the Applicant is also directed to issue notice, along with the present Application if such Application is not served earlier, to the Respondent(s) intimating the next date of hearing by all possible means (i.e. Speed Post, Email, etc.) and file an affidavit of service enclosing therewith notice along with proof of service of notice at least two days before



the next date of hearing. The Applicant is also directed to serve the copy of this order to the Respondent.

- 3) Further the Respondent may take note that the Corporate Debtor has been admitted in the liquidation and they may consider filing their claim in the liquidation process in accordance with the provisions of IB Code.
- 4) Further the Respondent is directed to file the Reply within two (2) weeks by serving an advance copy to the Counsel for the Applicant.
- 5) List the matter on **21.08.2025** for further consideration.

Sd/-
PRABHAT KUMAR
MEMBER (TECHNICAL)

Nitesh Puri

Sd/-
SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)