



**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-II), CHANDIGARH**

**IA(I.B.C.)/2453(CH)2023
IN
CP(IB) No.62/Chd/Pb/2019
(Admitted Matter)**

(An Application under Section 33 of the Insolvency and Bankruptcy Code, 2016, read with applicable regulations of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

IN THE MATTER OF:

IA(I.B.C.)/2453(CH)2023

Mr. Parvinder Singh,

Resolution Professional for

M/s Aabha Industries Limited

(Regd. No. IBBI/IPA-001/IP-P-01603/2019 -2020/12468)

Address: 10 Jandu Tower, Miller Ganj,

Ludhiana-141003, Punjab.

Email for Correspondence: caparvinder03@gmail.com

...Resolution Professional/Applicant

IN THE MAIN MATTER OF:

CP(IB) No.62/Chd/Pb/2019

(An application under Section 7 of the Insolvency and Bankruptcy Code, 2016)

Punjab National Bank

(Erstwhile Oriental Bank of Commerce)

...Financial Creditor

Versus

M/s Aabha Industries Limited

...Corporate Debtor

Order delivered on: 21.04.2026

**Coram: SHRI KHETRABASI BISWAL, MEMBER (JUDICIAL)
SHRI KAUSHALENDRA KUMAR SINGH, MEMBER (TECHNICAL)**



Present:

For the Applicant

: Ms. Swati Saluja, Advocate

ORDER

1. The present Application bearing No. **IA(I.B.C.)/2453(CH)2023** has been filed by **Mr. Parvinder Singh, Resolution Professional** (hereinafter referred to as “RP”/ “Applicant”) for **Aabha Industries Limited, Corporate Debtor**, under Section 33(2) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**Code**”) to liquidate the Corporate Debtor.

2. The submissions made by the Applicant in its Application are summarized hereunder:

(i) The Financial Creditor, i.e., Punjab National Bank, had filed an Application bearing CP (IB) No.62/CHD/PB/2019 under Section 7 of the Code read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “**CIRP**”) in respect of M/s Aabha Industries Ltd, Corporate Debtor. This Tribunal, while initiating CIRP against the Corporate Debtor inter alia, appointed Mr. Krishan Vrind Jain, as the Interim Resolution Professional (hereinafter referred to as “**IRP**”). A copy of the Order dated 23.12.2022 has been annexed as Annexure A-1 to the Application.

(ii) The IRP constituted the Committee of Creditors (CoC) on 13.01.2023, based on the claims received from the Creditors, i.e., 2



(Two) Financial Creditor namely Punjab National Bank & Union Bank of India and 1 Operational Creditor other than workmen and employees, namely from Custom department (Bond and License Section), till the last date of submission of claim (Cut-off date, i.e., 07.01.2023). Report of the constitution of the CoC was filed with the Adjudicating Authority on 14.01.2023. The IRP, again, reconstituted the CoC on 23.01.2023, based on the additional claim received from the Creditors after the cut-off date. Report of the re-constitution of the CoC was filed with the Adjudicating Authority on 23.01.2023

(iii) Several Registered Valuers, i.e., Mr. Nitin Garg, Yatendra Paliwal, Nikkaram, Chander Sheikher Saini, Vasu Aggarwal and SSS Valuation were appointed by the IRP on 07.02.2023 within the 46th day of the commencement of CIRP for conducting valuation for each class of assets i.e. Securities and Financial assets, land and building & plant and machinery of the Corporate Debtor, whose appointments were ratified by the CoC. The appointment of M/s Kansal Singh & Associates as the Transaction Auditors for the period 01.04.2018 to 23.12.2022 was also approved by CoC.

(iv) In the 2nd CoC Meeting held on 17.02.2023, the Chairman of the meeting put the agenda for publication of Invitation of Expression of Interest (hereinafter referred to as "EoI"), in Form G. The CoC approved to proceed with the publication of the Form-G. The invitation of EoI in Form G was published in two newspapers i.e., 'Financial Express'



(English Language) and 'Punjabi Jagran' (Regional Language) on 21.02.2023. The last date for submission of the EoI was 08.03.2023.

(v) In 3rd CoC meeting held on 03.03.2023, the agenda for replacing the IRP, Krishan Vrind Jain, and appointing Mr. Parvinder Singh as the Resolution Professional in the matter of M/s Aabha Industries Limited, i.e., Corporate Debtor (under CIRP) was placed before the CoC and the same was approved by the CoC with requisite voting.

(vi) Pursuant to the publication of Form-G dated 21.02.2023, various interests were received from the Interested Prospective Resolution Applicants (PRAs). The eligibility criteria and other necessary documents was shared with the Interested PRA's so that they can submit their Expression of Interest within the due timeline i.e. on or before 08.03.2023. Three Expression of Interest (EOI) were received within the due timeline. One of the Interested PRA namely-Sunrise Industries has submitted their EOI on 09.03.2023. Further, one more interested Applicant namely-B & B Global Enterprises has also expressed his interest to submit the Expression of Interest. Keeping in view the interest of the stakeholders and to maximize the value of the Corporate Debtor, IRP requested the Committee to extend the timeline for submission of Expression of Interest and to publish Corrigendum in this regard. The CoC in the 4th meeting held on 14.03.2023, decided to extend the last date for Submission of EoI and the CoC approved to extend the last date of submission of EoI by 7 days to 22.03.2023.



(vii) This Tribunal vide order dated 27.03.2023 allowed the Application bearing I.A. No. 776/2023 filed u/s 22(3)(b) of IBC, 2016 for appointment of Sh. Parvinder Singh as Resolution Professional by replacing Sh. Krishan Vrind Jain, IRP as confirmed by the COC. This Tribunal appointed Sh. Parvinder Singh as the Resolution Professional of the Corporate Debtor, M/s Aabha Industries Limited (undergoing CIRP) and directed the erstwhile IRP to handover the charge to the new Resolution Professional.

(viii) The last date of submission of Resolution Plan was 21st May, 2023 but no Resolution Plan has been received from any PRA. However, one of the PRA M/s Greyline Knitwears requested from the Extension of timeline for submission of the Resolution Plan. Therefore, the Applicant called and convened 6th meeting of the COC on 26.05.2023 wherein, the CoC Members after due deliberations approved to extend the period of Submission of Resolution Plan by three weeks i.e. till 10.06.2023, with no further extensions.

(ix) The Resolution Professional, in the 7th CoC meeting held on 19.06.2023, opened the Resolution Plan submitted by M/s Greyline Knitwears and was directed by the CoC to verify the PRA's eligibility and submit a compliance certificate.

(x) Since, the time period of 180 days completed on 21.06.2023, an Application for extension of time by 90 days of the CIRP was filed under Section 12(2) of the Code bearing I.A. No. 1825 of 2023 on 05.07.202 which was allowed by the Tribunal on 11.08.2023. A copy



of the Order dated 11.08.2023 has been attached as Annexure A-15 to the Application.

(xi) In the 9th meeting of the CoC held on 17.08.2023, the Resolution Plan received from PRA, M/s Greyline Knitweaves was put before the CoC for voting as required under the Code and resolved that the voting on the said plan will remain open from 29.08.2023 to 31.08.2023. The resolution plan was not passed as members of the CoC did not vote for approval of the Resolution plan.

(xii) On 18.09.2023, the Applicant convened the 10th meeting of the CoC, where it was informed that the Resolution Plan had not been approved by the CoC. The members of the COC decided not to consider any other Resolution Plan and finally decided for the liquidation of the Corporate Debtor and accordingly passed the following Resolution.

"RESOLVED THAT, the only resolution plan received from Resolution Applicant (Mr. Manik Jain & Mr. Nitin Jain), in response to Form G published on 21.02.2023 by the resolution professional, has not been found acceptable and hence rejected. The CIRP period is ending on 19.09.2023. Hence COC hereby resolves that the Corporate Debtor M/s Abha Industries Limited be liquidated, and the application be filed by the Resolution Professional before Hon'ble Adjudicating Authority."

The members of the CoC have approved the best estimate of the amount required to meet the Liquidation Cost of the Corporate Debtor under Regulation 39B (1) of the IBBI Liquidation Process Regulations, 2016 and passed the following agenda:

"RESOLVED THAT, the estimated liquidation cost of Rs. 10.35 Lakhs be and is hereby approved by the CoC."



Further, in the meeting, the CoC observed that the Corporate Debtor does not possess any liquid assets, however, no plan has been provided outlining how contributions towards liquidation costs shall be made. CoC also agreed to assess a compromise agreement during the period the application to liquidate the corporate debtor is pending before the Adjudicating Authority under Regulation 39BA. The CoC decided that during the period the application to liquidate the corporate debtor is pending before the Adjudicating Authority, the resolution professional and the CoC shall keep exploring the possibilities of compromise or arrangement as referred to under sub-regulation (1) of Regulation 2B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

(xiii) In 11th meeting convened on 03.10.2023, the CoC approved the fee of the Liquidator at 50% of the rates specified in Regulation 4(2) and 4(3) of the IBBI (Liquidation Process) Regulations, 2016 and had thus resolved the agenda in view of regulation 39D of the CIRP regulations.

3. We have heard the learned counsel appearing on behalf of the Interim Resolution Professional and have perused the relevant material available on record.

4. It is observed that the present Application has been filed under section 33 of the Code for the initiation of the liquidation process of the Corporate Debtor. The CoC consists of two members, i.e., Punjab National Bank (71.88%), and Union Bank of India (28.12%). The Interim Resolution



Professional has published Form G on 21.02.2023 and re-published on 15.03.2023, and thereafter, one resolution plan was received; however, in the 10th CoC meeting held on 18.09.2023, the Resolution Plan was not passed with the requisite votes and the CoC approved for Liquidation of the Corporate Debtor.

5. The CoC, in accordance with Regulation 39B of the CIRP Regulations, resolved and approved the liquidation cost of Rs 10,35,000/-. Furthermore, since the only Resolution Plan was not approved by the CoC in its 10th meeting, as such, the Application deserves to be allowed.

6. In 11th CoC meeting held on 03.10.2023, the CoC resolved to recommend the name of Mr. Rajesh Mehru, having Registration Number - IBBI/IPA-001/IP-P-02663/2022-2023/14082, Mobile number: 94170-02428, email: rajesh mehru@yahoo.co.in, for appointment as liquidator. Subsequently, he has filed his consent for being appointed as liquidator which is annexed as Annexure A-18 to the Application.

7. In view of the circumstances on record, it is concluded that the requirements prescribed under Section 33 of the Code have been duly fulfilled. Accordingly, the Corporate Debtor, **Aabha Industries Limited**, is hereby ordered to undergo liquidation in accordance with the procedure set out in Chapter III of the Code.

8. Accordingly, this Tribunal by exercising its powers under Section 33(2) of the Code pass the following Orders:-

- (i) The Corporate Debtor shall be liquidated with immediate effect as on the date of this Order in the manner provided under Chapter III,



Part II of the Code and other relevant Rules and Regulations, including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017, as amended up to date, enjoined upon him. Accordingly, we allow IA(I.B.C.)/2453(CH)2023.

(ii) The Moratorium declared under section 14 of the Code shall cease to have effect from the date of the Order of liquidation.

(iii) We appoint Mr. Rajesh Mehru, having Registration Number - IBBI/IPA-001/IP-P-02663/2022-2023/14082, Mobile number: 94170-02428, email: rajesh mehru@yahoo.co.in, as a liquidator of the Corporate Debtor, i.e., **Aabha Industries Limited**. The liquidator so appointed shall complete the liquidation process as per the provisions of the Code read with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

(iv) All the powers of the Board of Directors, key managerial persons, and the members /partners of the Corporate Debtor, as the case may be, hereafter cease to exist. All these powers henceforth vest with the liquidator.

(v) The personnel of the Corporate Debtor are directed to extend all cooperation to the liquidator as required by him in managing the liquidation process of the Corporate Debtor.

(vi) The liquidator's fees shall be in accordance with Regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. The same shall be paid to the liquidator from the proceeds of the liquidation estate under section 53 of the Code.



(vii) Once the liquidation process is initiated, subject to section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor. The liquidator has the liberty to institute a suit and other legal proceedings on behalf of the Corporate Debtor with the prior approval of this Adjudicating Authority, as provided in sub-section (5) of section 33 of the Code.

(vii) 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 that the business of the Corporate Debtor continued during the liquidation process by the liquidator.

(viii) The liquidator is directed to issue a public announcement stating that the Corporate Debtor is in liquidation. The liquidator shall also serve a copy of this Order to the various Government Departments, namely Income Tax Department, GST, VAT, etc., who are likely to have any claim upon the Corporate Debtor so that the departments concerned are informed of the liquidation Order timely manner. The liquidator shall also provide a copy of this Order to the trade unions/employee associations of the Corporate Debtor so that the workmen/employees shall also be informed of this liquidation Order through their association.

(ix) The Registry is directed to communicate this Order to the concerned Registrar of the Companies, the registered office of the Corporate Debtor, the Resolution Professional, and the liquidator by



speed post as well as e-mail within one week from the date of this Order, after completion of all the formalities.

(x) The present Resolution Professional is directed to hand over the relevant documents and control of the Corporate Debtor to the newly appointed Liquidator forthwith.

9. Accordingly, **IA(I.B.C.)/2453(CH)2023** in CP(IB)No. 62/CHD/PB/2019 is allowed and disposed of.

Sd/-
Kaushalendra Kumar Singh
Member (Technical)
INDERJEET

Sd/-
Khetrabasi Biswal
Member (Judicial)