



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH (COURT – II)**

**Item No. 219**  
**IB-811/ND/2022**  
**IA-3422/2023, IA-5535/2023**

**IN THE MATTER OF:**

**Union Bank of India**

... **Applicant/Petitioner**

**Versus**

**Sheen India Pvt. Ltd.**

... **Respondent**

**Under Section: 7 of IBC, 2016**

**Order delivered on 11.09.2024**

**CORAM:**

**SH. ASHOK KUMAR BHARDWAJ**  
**HON'BLE MEMBER (J)**

**SH. SUBRATA KUMAR DASH**  
**HON'BLE MEMBER (T)**

**PRESENT:**

**For the Applicant** :

**For the RP**

: Advocate Rajiv Malik, Advocate Ms Pratiksha Singh and Advocate Ms Mansi Aggarwal for RP Tapan Chakrabarthy

**Hearing Through: VC and Physical (Hybrid) Mode**

**ORDER**

**IA-3422/2023:** Ld. Counsel for the RP could draw our attention to the resolution dated 16.03.2024 passed by the CoC to the effect that the Corporate Debtor should be liquidated. Clause-h of the resolution reads thus:

h. The RP requested the representatives from Union Bank of India to take a decision of the future of the CIRP in either continuing the insolvency process by publication of the EOI or by granting initiation of liquidation. The corresponding resolution is as follows:

RESOLUTION	Union Bank of India	Total
Voting Share	100%	100%
"RESOLVED THAT the CoC approves the publication of the invitation for EOI u/s 25(2)(h) of the Code r/w regulation 36A(4)(a) of the CIRP Regulations in accordance with the documents tabled by the RP."		
"RESOLVED THAT the CoC approves the decision to liquidate the Corporate Debtor u/s 33(2) of the Code."		

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**4. Liquidation Proceedings of the Corporate Debtor**

- a. In accordance with section 34(1) of the Code, the Resolution Professional being eligible offers himself as the Liquidator of the Corporate Debtor. The consent form is attached herewith as Annexure F. The corresponding resolution is as follows:

RESOLUTION	Union Bank of Inida	Total
Voting Share	100%	100%
"RESOLVED THAT in accordance with section 34(1) of the Code, the RP appointed for the CIRP shall act as the Liquidator for the Corporate Debtor."		

- b. As per regulation 39B(1) of the CIRP Regulations, the CoC may make the best estimate of the amount required to meet liquidation costs. The Resolution Professional has made his estimate of the liquidation costs u/r 39B(2) of the CIRP Regulations attached herewith as Annexure E.
- c. As per regulation 39BA(1) of the CIRP Regulations, the CoC shall examine whether to explore compromise or arrangement as referred to u/r 2B(1) of the Liquidation Regulations and the Resolution Professional shall submit the CoC's recommendation to the Adjudicating Authority while filing the liquidation application.
- d. As per regulation 39C(1) and 39C(2) of the CIRP Regulations, the CoC may recommend that the Liquidator may first explore sale of the Corporate Debtor as a going concern while identifying groups of assets and liabilities, which according to commercial considerations, ought to be sold as a Piecemeal Distribution.
- e. As per regulation 39D of the CIRP Regulations, the CoC may fix the fee payable to the Liquidator.
- f. The corresponding resolutions are as follows:

RESOLUTION	Union Bank of Inida	Total
Voting Share	100%	100%
"RESOLVED THAT the CoC hereby agrees to contribute the excess liquidation costs over the liquid assets of the Corporate Debtor u/r 39B(3) of the CIRP Regulations in the manner as set in regulation 2A(1) of the Liquidation Regulations wherein Union Bank of India being the only Financial Institution and Financial Creditor will bear the entire Liquidation costs payable within 7 days of the liquidation commencement date in accordance with regulation 2A(2) of the Liquidation Regulations."		
"RESOLVED THAT the CoC hereby instructs the Resolution Professional to explore compromise or arrangement as referred to u/r 2B(1) of the Liquidation Regulations."		



<p>"RESOLVED THAT the CoC hereby recommends the Liquidator to first explore sale of the Corporate Debtor as a going concern u/r 32(e) and 32(f) of the Liquidation Regulations.</p> <p>FURTHER RESOLVED THAT for the purpose of sale as a going concern, the CoC identifies the Corporate Debtor as a whole to be sold as a going concern u/r 32(e) and 32(f) of the Liquidation Regulations."</p>		
<p>"RESOLVED THAT the CoC hereby recommends fee payable to the Liquidator in accordance with regulation 4(2) of the Liquidation Regulations."</p>		

As can be seen from the provisions of Section 33(2) of IBC, 2016, if a decision is taken by the CoC to liquidate the Corporate Debtor, this Adjudicating Authority would pass consequential order. The Section 33(1) & (2) of the Code reads thus:

**"33. Initiation of liquidation. –**

- (1) *Where the Adjudicating Authority, -*
- (a) *before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or*
  - (b) *rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall*
    - (i) *pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;*
    - (ii) *issue a public announcement stating that the corporate debtor is in liquidation; and*
    - (iii) *require such order to be sent to the authority with which the corporate debtor is registered.*
- (2) *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).*

*[Explanation. – For the purpose of this sub-section, it is hereby declared that the committee of creditors may take the decision to*



*liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.]”*

In the present case, the CoC has passed resolution with 100% vote shares to dissolve the Corporate Debtor. The decision has been informed to us by way of the captioned application. In view of the aforementioned Resolution passed by CoC, the Corporate Debtor is order to be liquidated.

Accordingly, **Mr. Ankit Goel** with **Reg. No: [IBBI/IPA-001/IP-P02671/2022-2023/14088]** (**e-mail ID: [ankitgoel@aaainsolvency.in](mailto:ankitgoel@aaainsolvency.in)**) is appointed as the Liquidator of the Corporate Debtor to carry out the liquidation process subject to the terms of following directions inter alia:

- a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 (viz. Sections 35, 36, 37, 38, 39 and 41 thereof) and other relevant rules and Regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended up to date enjoined upon him.
- b) The Liquidator shall issue the public announcement that the Corporate Debtor is in liquidation. In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.
- c) In terms of the provisions of Section 178 of the Income Tax Act, 1961, the Liquidator shall give necessary intimation to the Income Tax Department. In relation to other fiscal and regulatory authorities which govern the Corporate Debtor, the Liquidator shall also duly intimate about the order of liquidation.
- d) The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and a fresh Moratorium under section 33(5) of the Insolvency and Bankruptcy Code shall commence.



e) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section - 35(1) of IBC, 2016 read with relevant rules and regulations and also file its response for disposal of any pending Company applications during the process of liquidation.

f) The Liquidator shall submit a Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further reports as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.

g) Copy of this order be sent to the financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary cooperation in relation to the Liquidation process of the Corporate Debtor, viz., company-in-liquidation.

h) The Registry is directed to communicate this order to the Registrar of Companies, having jurisdiction over the Corporate Debtor and the Insolvency and Bankruptcy Board of India.

It goes without saying that fee of the Liquidator would be payable in terms of the provisions of Section 34 (7) of the IBC, 2016 read with Regulation 4 of IBBI (Liquidation Process) Regulation 2016. **The IA stands allowed.**

**IA-5535/2023:** Issue notice to the Respondent returnable on 21.11.2024. The Applicant undertakes to serve notice upon the Respondent through all modes viz. registered post, speed post, courier service and E-mail. Affidavit of service be filed within one week. Reply, if any, may be filed by the Respondent within one week from the date of receipt of the notice. Rejoinder, if any, may be filed before the next date of hearing. List the matter on 21.11.2024.

**Sd/-**

**(SUBRATA KUMAR DASH)  
MEMBER (T)**

**Sd/-**

**(ASHOK KUMAR BHARDWAJ)  
MEMBER**