



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH -I**

IA 1414/2022

Under Section 54(1) read with section 9 of
Insolvency and Bankruptcy Code, 2016

Interlocutory Application of:

Modilal Dhanraj Pamecha

... Applicant/Liquidator

&

IA 897/2025

Under Section 60(5) of Insolvency and
Bankruptcy Code, 2016 r/w Rule 11 of NCLT
Rules, 2016 r/w Regulation 4 of the
Liquidation (Process) Regulations, 2016

Interlocutory Application of:

Modilal Dhanraj Pamecha

... Applicant/Liquidator

Versus

IDBI Bank Limited

.... Respondent

In the matter of

CP (IB) No. 3419/MB/2019

Esszee Manufacturing Private Limited

CIN: U11200MH2010PTC200158

... Operational Creditor

Versus

SPG Multi Trade Private Limited

CIN: U45200MH2006PTC160006



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IA 1414/2022 & IA 897/2025 in CP (IB)

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... Corporate Debtor

Order pronounced on : 06.05.2025

Coram:

Mr. Prabhat Kumar

Justice V.G. Bisht (Retd.)

Hon'ble Member (Technical)

Hon'ble Member (Judicial)

Appearances:

For the Applicant

: Mr. Modilal Pamecha, Ld.

Counsel

For the Erstwhile Directors

: Mr. Abhishek Salian, Ld.

Counsel

For Serious Fraud Investigation

Office, UOI

: Mr. M.S. Bharadwaj,

Ld. Counsel

ORDER

Per: Coram

1. This Interlocutory Application is filed for “**Dissolution**” of SPG Multi Trade Private Limited (“**Corporate Debtor**”) under Section 54 (1) of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) read with Regulation 45(3) of the IBBI (Liquidation process) Regulations, 2016 (“**Liquidation Process Regulations**”) by the Applicant/Liquidator, viz. **Modilal Dhanraj Pamecha** bearing IP registration no. IBBI/IPA-001/IP-P01231/2018-19/12127 having his address at C-802,



Padmarag, J.B. Nagar Andheri East, Mumbai - 400059 of the Corporate Debtor in the original application CP (IB) 3419/2019, wherein Esszee Manufacturing Private Limited (**“Operational Creditor”**) had sought to initiate Corporate Insolvency Resolution Process (**“CIRP”**) of the Corporate Debtor under Section 9 of the Code.

2. Vide order dated 04.12.2020, Liquidation process against the Corporate Debtor was approved by this Tribunal and the Applicant was appointed as the Liquidator of the Corporate Debtor on the same date. Consequently, Public Announcement in Form-B under Regulation 12 of the IBBI (Liquidation Process) was made on 14.12.2020 in two newspapers one in English and one in Marathi namely Free Press Journal – English edition and Navshakti – Marathi edition respectively.
3. The new bank account opened on 15.12.2020 having Account No.0386103000005913 with IDBI Bank, Andheri, Mumbai. The Liquidator was directed to close the said Liquidation account and is reported to have since been closed.
4. The Applicant has submitted that the assets of the company consisted of mostly debtors which has been lying in the books of accounts for long. However, the funds from the debtors could not be recovered despite multiple letters. During his tenure as Resolution Professional, the Liquidator had appointed the Transaction based auditor and the revised audit report highlighted a fraudulent transaction for which an



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application was filed under Section 66 of the Insolvency and Bankruptcy Code, 2016 for an amount of Rs. 364,59,98,438/- (Rupees Three Hundred Sixty Four Crore Fifty Nine Lakhs Ninety Eight Thousands and Four Hundred Thirty Eight Only). This amount was categorized as Not Readily Realisable Assets (NRRA) of the Corporate Debtor.

5. Since, the liquidation process needs to be completed within a year, the Liquidator sought an Exclusion Application for 145 days because the application for avoidance of Fraudulent Transaction was pending before this Tribunal. This exclusion was granted by this Tribunal and consequently, the Liquidator invited Expression of Interests (Eoi) for the assignment of such not readily realizable assets. No person/entity came ahead with the EOI for the assignment of the NRRA and there was no amount available for distribution. The period of 145 days expired on 27.04.2022 but the application for the avoidance of Fraudulent Transaction remained pending. As further continuance of this process will be futile, hence this application.
6. The Applicant/Liquidator has placed on record the minutes of 4th meeting of SCC held on 28.10.2024 and has stated in his affidavit dated 07.01.2025 that the agenda of the said meeting specifically included discussion on the business item of issuance of Fresh Invitation for Expression of Interest (“EOI”) for assignment or transfer of not readily realizable assets (“NRA”) in the form trade receivable once again in the light of



order dated 8th August 2024 passed by this Tribunal partly allowing the avoidance application. The stakeholder committee in the said meeting also took note of the fact that previous Invitation for EoI issued by the Liquidator for the aforesaid purposes on 14th April 2022 had already failed as no response was received against the publication of the said EoI.

7. It has been submitted by the liquidator that SCC Members in the 4th SCC Meeting did not approve issuance of the fresh EoI for assignment or transfer of the said asset. The GST Department, Maharashtra through Mr. Gajendra S Raut, Dy. Commissioner, GST stated that if there is no recovery from the Corporate Debtor, the GST Department would pursue the recovery against the suspended directors/promoters of the Corporate Debtor as per the provisions of the GST Laws and/or MVAT Laws and specifically rejected the decisions for issuance of fresh EoI. It has further been submitted by the liquidator that IDBI Bank Limited has already pursued their remedy against the suspended directors/guarantors by filing application for personal insolvency against all the directors and enforce security interest created in its favour. Further, the original petitioner/operational creditor Esszee Manufacturing Private Limited which had initiated CIRP process against the Corporate Debtor was a party to the avoidance application and this Tribunal vide its order dated 8th August 2024 passed in I.A. No. 1373 of 2021 has observed that the said Original Petitioner



was not a creditor but in fact a debtor of the Corporate Debtor and had initiated the CIRP against the Corporate Debtor in a fraudulent manner. It has further been submitted by the liquidator that both IDBI Bank and GST Department were addressed emails dated 16th December 2024 and 20th December 2024 in compliance with order dated 16th December 2024 specifically asking the said stakeholders as to whether they have any objection against the Dissolution of the Corporate Debtor. IDBI Bank has not replied or reverted to the said mail and GST Department, Maharashtra vide letter dated 30th December 2024 have stated that they have already initiated investigation and will proceed against the suspended directors/promoters of the Corporate Debtor to recover its due in accordance with law applicable to them and IDBI Bank have already taken steps for recovery of dues as it has deemed fit.

8. The SFIO vide its Affidavit dated 21.01.2025 has stated that it is conducting investigation against SPG Multi Trade Pvt Ltd and once the investigation is completed then appropriate proceedings will be initiated against the erring persons/entities as per finding the investigation as per directions of the MCA. It has further been submitted that a Disgorgement petition bearing No. 274 of 2022 filed by the SFIO is pending before this Tribunal, wherein vide order dated 14.12.2022, this tribunal has restrained the respondents from alienating their assets. It has further been submitted by SFIO that this Tribunal



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may not order dissolution of the company during the period of continuation of the investigation by the SFIO. In course of last date of hearing, the Ld. Counsel for SFIO submitted that the investigation in the affairs of Corporate Debtor is complete and this Tribunal may proceed to decide the present application in terms of law.

9. It is relevant to note that Section 226 of the Companies Act, 2013 clearly provides that SFIO investigation under Chapter XIV shall not be stopped or suspended even if this Tribunal passes an order winding up a company and the said winding up order shall not absolve any director or the employee of the company from participating in the proceeding before the Inspector or any liability as a result of findings by such inspector.
10. The Liquidator has filed the preliminary report on 16.02.2021 and final report dated 27.04.2022, i.e. in relation to liquidation of the Corporate Debtor with the Adjudicating Authority along with Compliance Certificate in Form – H in terms of Regulation 45 of the Liquidation Process Regulation.
11. The Liquidator has placed on record additional affidavit dated 9th January 2025 in compliance of order dated 16th December 2024 passed by this Tribunal wherein it was directed to the Applicant/Liquidator to place on record minutes of the 4th SCC meeting held on 28th October 2024 after obtaining approval of Tribunal vide order dated 8th October 2024.



12. Since, the Corporate Debtor does not have any other assets to be liquidated, hence the liquidator filed present Application for the “Dissolution of the Corporate Debtor” u/s 54 of IBC which provides as under:

“54. (1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under subsection (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered.

13. In view of the above, we are of considered view that nothing remains in the Corporate Debtor and the liquidation process is complete. Accordingly, the Corporate Debtor may be dissolved, however the said dissolution of Corporate Debtor shall not deter the creditors of the Corporate Debtor in pursuing realization of receivables and recoveries under Avoidance Applications I.A. No. 1373 of 2021, as has been decided by SCC and the persons who owes such amounts shall continue to remain liable to pay irrespective of dissolution of Corporate Debtor. As regards,



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SFIO's proceedings in terms of Section 241 and 242 read with Section 339 and 447 of the Companies Act, 2013 pending before this Tribunal, those proceedings shall continue against the persons other than Corporate Debtor for determination and recovery of amounts, if determined recoverable therefrom, from them in terms of Section 339 of the Companies Act, 2013. It is made clear that those proceedings shall not abate for reason of dissolution of Corporate Debtor, who is being dissolved without prejudice to rights of SFIO and Creditors to proceed against persons from whom the amounts are recoverable or determined recoverable.

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14. The Applicant Liquidator has filed this application for determination of his fixed remuneration and has sought the following reliefs:

- i. *To approve liquidator fee for the period from 27/04/2022 (Closure of Extended Liquidation Period) till date for an amount of Rs. 5,00,000/- (Rupees Five Lakhs only) plus applicable GST as well as other liquidation cost at actuals and to direct the Respondent to contribute and pay the said Liquidator Fees.*
- ii. *To approve the budget of liquidation cost to the tune of Rs. 2,00,000/- (Rupees Two Lakhs only) and be pleased to direct the Respondent to contribute the actual liquidation cost till the date of passing of order for dissolution of the Corporate Debtor under Section 54 of the Code.*



15. It is case of the Applicant that he, being liquidator of the Corporate Debtor, has been undertaking various steps not only for liquidation and completing the liquidation process with respect to the Corporate Debtor but also taken various steps for pursuing avoidance application against the suspended directors and other concerned persons and cooperating with various statutory and investigating authorities since 04/12/2020. It is further submitted that the Liquidation order dated 04/12/2020 passed by this Tribunal stipulated fees payable to the Applicant as Liquidator for undertaking duties and functions bestowed upon the Liquidator for the first year only. However, the Liquidator has been undertaking and discharging various function and duties till date as well as incurring liquidation cost in the form of legal fees and expenses.
16. Application bearing I.A. No. 1414 was filed by the Liquidator for dissolution of the Corporate Debtor after completing the entire liquidator exercise on 24.5.2022, however, the said application remained pending on account of IA 1373 of 2021 seeking avoidance and declaration of certain transaction as being fraudulent/preferential/under-valued and IA 1373/2021 was disposed on 08.08.2024 allowing it partially by this Tribunal.
17. We note that the applicant liquidator, since filing of dissolution application on 24.5.2022, have been prosecuting IA 1373 of 2021 and proceedings initiated by SFIO pursuant to its petition



u/s 241 & 242 of Companies Act, 2013 and may have spent considerable time in its prosecution and holding SCC meetings or briefing counsels for the purpose. Accordingly, we consider it appropriate to direct Financial Creditor to pay a sum of Rs. 2,00,000/- plus GST as applicable towards his remuneration as liquidator for services performed after filing of dissolution application. Apart from this, the liquidator shall also be reimbursed actual costs incurred during this period towards his functions as liquidator on submission of necessary bills/vouchers and evidence of payment. However, the reimbursement of out of pocket expenses shall not exceed Rs. 1,00,000/-. Needless to say, the said amounts shall be paid upon receipt of invoice and necessary bills/vouchers & evidence of payment within 30 days.

18. In view of aforesaid directions at Para 17, IA 897 of 2025 is disposed of as partly allowed.

ORDER

19. In view of facts stated above, this is a fit case for dissolution of the Corporate Debtor under Section 54 of The Insolvency and Bankruptcy Code, 2016. Ordered accordingly subject to directions and liberties provided in Para 13 of this Order. The Corporate Debtor stands '**Dissolved**' from the date of this Order.
20. Further, this Bench is of the considered view that the Liquidator is entitled to receive Rs. 2,00,000/- as liquidator fees from 27/04/2022 (Closure of Extended Liquidation



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Period) till date alongwith Rs. 1,00,000/- (Rupees One Lakhs only) towards expenses incurred during this period subject to furnishing of proof as contemplated in Para 17.

21. Copy of this Order shall be forwarded within 7 (seven) days to the concerned authorities and the Registrar of Companies having jurisdiction, for further necessary action as prescribed under Law.
22. Accordingly, IA 1414/2022 is hereby **allowed in terms of directions/liberties** and **disposed** of. IA 897/2025 is partly allowed and disposed of.

Sd/-

Prabhat Kumar
Member (Technical)

MK

Sd/-

Justice V.G. Bisht
Member (Judicial)