



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

**IA (I.B.C)/1724(CH)2023
In
CP (IB) No.50/CHD/PB/2020
(Admitted Matter)**

(An Application under Sub Section (2) of Section 33 of the Insolvency & Bankruptcy Code, 2016)

IN THE MATTER OF :

**IA (I.B.C)/1724(CH)2023
Mr. Mohit Chawla,
Resolution Professional of
M/s Sahil Spintex Pvt. Ltd**

...Applicant/Resolution Professional

IN THE MAIN MATTER OF :

CP (IB) No. 50/CHD/PB/2020

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

State Bank of India

...Financial Creditor

Versus

M/s Sahil Spintex Private Limited

...Respondent/Corporate Debtor

Order delivered on: 05.06.2025

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

Present:

For the Applicant : Mr. Pulkit Goyal, Advocate, and Mr. Mohit Chawla, RP, through
-Resolution Professional video-conferencing mode.



ORDER

IA (I.B.C)/1724(CH)2023


1. The present Application has been filed by **Mr. Mohit Chawla, Resolution Professional** (hereinafter referred to as “RP”/ “Applicant”) of **Sahil Spintex Private Limited, Corporate Debtor**, under section 33(2) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “Code”) for initiating the liquidation process of the Corporate Debtor.

2. It is prayed by the Applicant to pass an Order for the liquidation of the Corporate Debtor, i.e., Sahil Spintex Private Limited, and to appoint him (Mr. Mohit Chawla) being the Resolution Professional, having IBBI Registration No. IBBI/IPA-001/IP-P00524/2017-2018/10949 as a liquidator of the Corporate Debtor.

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

(i) The Financial Creditor, i.e., State Bank of India, had filed an Application bearing CP (IB) NO.50/CHD/PB/2020 under Section 7 of the Code for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) against the Corporate Debtor. This Tribunal had admitted the same vide Order dated 01.11.2022, and Mr. Mohit Chawla was appointed as Interim Resolution Professional (hereinafter referred to as “IRP”) vide the same Order. A copy of the Order dated 01.11.2022 has been annexed as Annexure A-1 to the Application.

(ii) The IRP made a public announcement of the CIRP of the Corporate Debtor on 03.11.2022, inviting submissions of claims by



the creditors. The IRP then constituted the Committee of Creditors (hereinafter referred to as “CoC”) consisting of two financial creditors, i.e., the State Bank of India and the Punjab National Bank.

(iii) In the 1st CoC meeting dated 28.11.2022, a proposal for the appointment of the IRP as RP was approved. The IRP apprised the CoC that he had observed certain issues at the land site, as there was no clear demarcation and a temporary, unauthorized wall had been constructed by the owners of the premises adjacent to the Corporate Debtor. A copy of the minutes of the first CoC meeting dated 28.11.2022 has been annexed as Annexure A-2 to the Application.

(iv) The 2nd CoC meeting was convened on 27.12.2022 to discuss the non-cooperation by the suspended board of directors. Further, the CoC ratified the appointment of valuers by the RP as per Regulation 27 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and approved for publication of Form G. Pursuant to the publication of Form G dated 30.12.2022, the RP received the EOI from 5 Prospective Resolution Applicants, but no resolution plans were received from them. A copy of the minutes of the 2nd CoC meeting dated 27.12.2022 has been annexed as Annexure A-3 to the Application.

(v) The RP convened the 3rd CoC meeting on 18.01.2023, wherein the RP informed the members regarding the filing of an Application bearing IA No. 295/2023 u/s 19(2) before the Adjudicating Authority



against the suspended directors on account of continuous non-cooperation. Further, CoC voted upon the appointment of an Independent Transaction Auditor, i.e., M/s Kansal Singla & Associates, for undertaking the Transaction Audit of the Corporate Debtor under Section 66 of the Code. Subsequently, the RP, after receiving the report of the Transaction Auditor, filed an Application bearing IA No. 1337/2023 against the erstwhile directors under Section 66 of the Code. A copy of the minutes of the 3rd CoC meeting dated 18.01.2023 has been annexed as Annexure A-4 to the Application.

(vi) Thereafter, the CoC in the 4th meeting held on 16.03.2023 again decided to re-publish the Form G. The RP had received 4 EOIs pursuant to the re-publication of Form G dated 17.03.2023. The provisional and final lists of Prospective Resolution Applicants were issued on 05.04.2023 and 15.04.2023, respectively. Further, as per Regulation 36B, the Applicant RP had issued RFRP, Information Memorandum, and Evaluation Matrix to the Prospective Resolution Applicants on 11.04.2023, and the last date for submission of the Resolution plan was 10.05.2023, which was extended upto 20.05.2023. A copy of the minutes 4th CoC meeting dated 16.03.2023 has been annexed as Annexure A-5 to the Application.

(vii) The 5th meeting of the CoC was convened on 05.04.2023 to take note of the report on the demarcation of land by revenue authorities. A copy of minutes 5th CoC meeting dated 05.04.2023 has been annexed as Annexure A-6 to the Application.



(viii) In the meantime, the CIRP period of the Corporate Debtor was going to expire on 30.04.2023. Accordingly, in the 6th meeting of CoC dated 26.04.2023, the RP, as per Section 12(2) of the Code, sought consent from the CoC for extension of CIRP period by 90 days, and the CoC resolved to apply to the Adjudicating Authority for extension of the CIRP period by 90 days. Accordingly, the RP had filed an Application bearing IA No. 1330/2023 seeking an extension of 90 days of the CIRP period beyond 180 days, i.e., 30.04.2023 onwards till 29.07.2023. The same was allowed by the Adjudicating Authority vide order dated 02.06.2023. A copy of the minutes 6th CoC meeting dated 26.04.2023 has been annexed as Annexure A-7 to the Application. A copy of the Order dated 02.06.2023 has been annexed as Annexure A-8 to the Application.

(ix) The RP convened the 7th CoC meeting on 19.06.2023, wherein the RP apprised the members that the last date for submission of the resolution plan was 10.05.2023, which was extended to 20.05.2023, however, no resolution plans were received even after such extension. A copy of minutes 7th CoC meeting dated 19.06.2023 has been annexed as Annexure A-9 to the Application.

(x) The Applicant/RP in the 8th CoC meeting dated 18.07.2023 informed the members of the CoC that no resolution plan for the Corporate Debtor had been received till date, despite the extension. After deliberation, the CoC resolved with 100% voting that the Corporate Debtor should be liquidated. The CoC also resolved that Mr. Mohit Chawla shall be the liquidator in terms of Section 34(1) of



the Code, read with Regulation 3(1) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, for the purposes of liquidation of the Corporate Debtor. A copy of the minutes of the 8th meeting, the voting results have been annexed as Annexure A-10 to the Application. A copy of the consent form of Mr. Mohit Chawla has been annexed as Annexure A-11 to the Application.

(xi) Further, the CoC in its 8th meeting dated 18.07.2023, in accordance with Regulations 39B, 39BA, 39C, and 39D of the IBBI (Insolvency Resolution Process for Corporate Person) Regulations, 2016, passed the following resolutions:

(a) Resolved to approve the best estimate of the Liquidation cost at Rs. 9,10,000/-. Further resolved that the Financial Creditors shall deposit the estimated amount in the liquidation account. (Regulation 39B)

(b) Resolved that the liquidator shall not explore a compromise or arrangement as referred to under sub-regulation (1) of regulation 2B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016. (Regulation 39BA)

(c) Resolved that the liquidator shall not try to sell the Corporate Debtor as a going concern. (Regulation 39C)

(d) Resolved to pay the Liquidator's fees in accordance with Regulation 4(2) (a) & (b) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, to conduct



the liquidation proceeding of the Corporate Debtor. (Regulation 39D)

4. It is submitted by the Applicant vide Diary No. 02471/2 dated 01.04.2025, that the Applicant had approached the Hon'ble NCLAT, New Delhi by way of Company Appeal (AT) (INS) No. 213 of 2025 titled as Mohit Chawla, RP of Sahil Spintex vs State Bank of India. The said appeal was disposed of with the Orders that the Application bearing IA No. 1724 of 2023 may be decided as early as possible.

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

6. It is observed that the present Application has been filed under section 33(2) of the Code for the initiation of the liquidation process of the Corporate Debtor. The CoC consists of two members, i.e., the State Bank of India and the Punjab National Bank. The Resolution Professional has published Form-G twice, i.e, on 30.12.2022 & 17.03.2023, but no resolution plan was received, and thereafter, in the 8th CoC meeting held on 18.07.2023, the resolution with the 100% voting share for the Liquidation was passed.

7. Further, the CoC, in accordance with Regulation 39B, resolved and approved the liquidation cost of Rs 9,10,000/-. The CoC further resolved not to explore for compromise and arrangement, not to try to sell the Corporate Debtor as a going concern, and that the liquidator's fees decision will be in accordance to Regulation 4(2) (a) & (b) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.



Furthermore, there are no liquid assets available with the Corporate Debtor, and no Resolution Plan was received even after publication of Form G twice. As such, the Application deserves to be allowed.

8 It is noted that subsection (4) of Section 34 provides that where the Adjudicating Authority passes an order for liquidation of the Corporate Debtor, the Resolution Professional appointed for the CIRP shall act as the liquidator unless replaced by the Adjudicating Authority under the following three circumstances:

- (a) The resolution plan submitted by the RP under section 30 was rejected for failure to meet the requirements mentioned in subsection (2) of section 30; or
- (b) The Board recommends the replacement of RP to the Adjudicating Authority for reasons to be recorded in writing; or
- (c) The RP fails to submit written consent.

Thus, section 34(4)(b) of the Code inter alia provides that the Adjudicating Authority shall replace the RP if the IBBI recommends the replacement for reasons to be recorded. The IBBI has, in its letter dated 18.07.2023 (Liq-12011/214/2023-IIBI/840), recommended that an Insolvency Professional other than the RP/IRP may be appointed as liquidator in all the cases where a liquidation order is to be passed henceforth, the liquidator can be appointed from the panel list of IBBI.

9. Considering the above facts and circumstances of the case and taking into account the guidelines of IBBI dated 18.07.2023 that IP other than the IRP/RP may be appointed as liquidator in all the cases where a liquidation order is to be passed henceforth, we considered the name of Mr.



Gurbinder Singh having Registration Number IBBI/IP A-001/IP-P01747/2019-2020/12705, email gurbinderca@gmail.com from the panel of the IBBI list is considered for appointment as liquidator. He will file his consent for being appointed as liquidator.


10. In view of the satisfaction of the conditions provided under section 33 of the Code, the Corporate Debtor, i.e., **Sahil Spintex Private Limited**, is directed to be liquidated in the manner as laid down in Chapter III of the Code.

11. Accordingly, by exercising our power under section 33(2) of the Code we pass the following Orders:-

(i) The Corporate Debtor shall be liquidated with immediate effect 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)/1724(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) According to section 34(4)(b) of the Code and the letter dated 18.07.2023 of IBBI, we hereby appoint Mr. Gurbinder Singh, having Registration No. IBBI/IPA-001/IP-P01747/2019-2020/12705 as a liquidator of the Corporate Debtor, i.e., Sahil Spintex Private 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.

(viii) 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.



(ix) This Adjudicating Authority directs the liquidator to issue a public announcement stating that the Corporate Debtor is in liquidation. The liquidator will also serve a copy of this order to the various Government Departments, such as Income Tax, GST, VAT, etc., who are likely to have any claim upon the Corporate Debtor, so that the authorities concerned are informed of the liquidation Order in a timely manner. The liquidator will also provide a copy of this order to the trade unions/employee associations of the Corporate Debtor so that the workmen/employees can also be informed of this liquidation Order through their association.

(x) 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.

(xi) 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)/1724(CH)2023 in CP(IB) No.50/CHD/PB/2020 is allowed and disposed of.

Sd/-
Kaushalendra Kumar Singh
Member (Technical)

Gitesh

Sd/-
Khetrabasi Biswal
Member (Judicial)