



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

**Item No. 317**  
**IB-1024/ND/2020**  
**New IA-3/2025**

**IN THE MATTER OF:**

**Concept Group**

... **Applicant/Petitioner**

**Versus**

**Cns Fashions Retail Pvt Ltd**

... **Respondent**

**Under Section: 9 of IBC, 2016**

**Order delivered on 15.01.2025**

**CORAM:**

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

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

**PRESENT:**

**For the Applicant** :

**For the Liquidator** : Ms. Pooja Bahry - Liquidator in person with  
advocate Savar Mahajan, Adv. Srivastava Reddy

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

**ORDER**

**IA-3/2025:** Issue notice to the ex-directors/suspended Board of Directors qua the Corporate Debtor as also to Members of SCC returnable on 19.03.2025.

In the meantime, it is made clear that if no funds are available with Corporate Debtor, it is the liability of the Creditors to meet the cost of liquidation. The Regulation 2A of IBBI (Liquidation Process), Regulations, 2016 reads thus:

***“Regulation 2A: Contributions to liquidation costs.***

***2A. (1) Where the committee of creditors did not approve a plan under sub-regulations (3) of regulation 39B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidator shall call upon the financial creditors, being financial institutions, to contribute the excess of the liquidation costs over the liquid assets of the corporate debtor, as estimated by him, in proportion to the financial debts owed to them by the corporate debtor.***

*Illustration*



Assume that the excess of liquidation costs over liquid assets is Rs. 10, as estimated by the liquidator. Financial creditors will be called upon to contribute, as under:

<b>Sl. No.</b>	<b>Financial creditors</b>	<b>Amount of debt due to financial creditors (Rs.)</b>	<b>Amount to be contributed towards liquidation cost (Rs.)</b>
(1)	(2)	(3)	(4)
1	Financial institution A	40	04
2	Financial institution B	60	06
3	Non-financial institution A	50	00
4	Non-financial institution B	50	00
<b>TOTAL</b>		<b>200</b>	<b>10</b>

(2) The contributions made under the plan approved under sub-regulation (3) of regulation 39B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 or contributions made under sub-regulation (1), as the case may be, shall be deposited in a designated escrow account to be opened and maintained in a scheduled bank, within seven days of the passing of the liquidation order.

(3) The amount contributed under sub-regulation (2) shall be repayable with interest at bank rate referred to in section 49 of the Reserve Bank of India Act, 1934 (2 of 1934) as part of liquidation cost.] [Explanation - It is hereby clarified that the requirements of this regulation shall apply to the liquidation processes commencing on or after the date of the commencement of the Insolvency and Bankruptcy



*Board of India (Liquidation Process) (Amendment) Regulations,  
2019.]”*

In the wake, let the Creditors irrespective of being related party bear the cost of liquidation to be determined as per law.

List on 19.03.2025.

**Sd/-**  
**(SUBRATA KUMAR DASH)**  
**MEMBER (T)**

**Sd/-**  
**(ASHOK KUMAR BHARDWAJ)**  
**MEMBER (J)**