

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

Item No. 214
(IB)-197(PB)/2017
IA-5263/ND/2023, IA-4269/ND/2024, IA-5254/ND/2024
IA-5798/ND/2024, Contt. Pett-32/ND/2025, IA-4584/ND/2025
IA-4589/ND/2025, IA-5455/ND/2025, CA-18/ND/2025

IN THE MATTER OF:

Edelweiss Asset Reconstruction Company Ltd. ... Applicant/Petitioner

Versus

Tecpro Systems Ltd. ... Respondent

Under Section: 7 of IBC, 2016 (Liq.).

Order delivered on 09.01.2026

CORAM:

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

MS. REENA SINHA PURI
HON'BLE MEMBER (T)

PRESENT:

- For the Petitioner/ Applicant** : Sr. Adv. Arvind Nayar, Adv. Misha, Adv. Charu Bansal, Adv. Sanyukta Fauzdar, Adv. Diksha Dadu, Adv. Kunal Godhwani, Adv. Kinjal Chadha in IA-5263/23
Adv. Hasti Bhanushali in IA 4584 & IA 4589
Joby P Varghese, Rashi, Aby P Varghese, Advocates in 3 IA No.5254/2024
- For the Respondent** : Adv. Sarthak Gupta in IA-4584/25, IA-4589/25
S. NO. 6, 15, 16, 17, 18
Adv. Khyati Jain, Adv. Diwaker L., Adv. Md. Hussain, Adv. Pratibha Mishra for R-8 in 4589/25
Rishi Dewan And Kapila Dewan Advocates for Respondent No.2 And 5 In IA/4589/2025 And IA/4584/2025
Adv. Suruchi Mittal and Adv Naman Pandey in I.A. No. 4584/2025 and I.A. No. 4589/2025
- For the Liquidator** : Mr. Vijay Kumar, Mr. Ramachandran Subramanian, Liquidator
- For the CSPGCL** : Adv. Pushpanjali Singh & Adv Kaustubh Shukla in IA No. 2802
- For the HSIIDC** : Mr. Arijit Prasad, Sr Adv with Mr. Shekhar Raj Sharma, AAG, State of Haryana with Ms. Nidhi Narwal, Adv, Ms. Ankita Singh, Adv and Mr. Deepak Kumar, Adv and Ms. Srishti Jain in IA 5263/2023



Mr. Shekhar Raj Sharma, AAG, State of Haryana
with Ms. Nidhi Narwal, Adv and Ms. Srishti Jain
in IA 5254/2024

Hearing Through: VC and Physical (Hybrid) Mode

ORDER

IA-4269/ND/2024: The prayer made in the captioned application reads thus:-

- a. Allow the present Application under Section 35(1)(n) of IBC, 2016 read with Regulation 31(3) of the Liquidation Process Regulations, 2016 read with section 60 (5) of IBC 2016 and*
- b. Restrain the Respondent No.1 from voting in the SCC during the pendency of the present Application;*
- c. Declare that the Respondent No.1 is a related party to the Corporate Debtor;*
- d. Denude the Respondent No.1 of the voting share accorded to the Respondent No.1 along with the proceeds distributed during the liquidation process in the liquidation Process of Corporate Debtor;*
- e. Allow the Applicant/Liquidator to re-constitute the SCC in terms of the Regulation 31(3) of the Liquidation Process Regulations, 2016;”*

2. Mr. Ramachandran Subramanian, Ld. Liquidator, who appeared in the matter in person, submitted that the creditor Edelweiss Asset Reconstruction Company Limited (EARCL) could write a letter to the Corporate Debtor guiding it regarding the constitution of certain committees. To buttress the plea, he made reference to the email dated 16.12.2015 to espouse that it (EARCL) could command the debtor in the matter of the constitution of certain committees. The email reads thus:-



From: Anil Agarwal
Sent: Friday, December 10, 2015 1:16:35 PM
To: akbishnoi@tecprosystms.com; AMU; AVR
Cc: Venkata S Dhandapani; Dinkar Venkatasubramanian; Ramkumar Siv; Jigar Karania; Parv Gang; Sily Antony; Nitin Jain
Subject: Re: Turnaround Plan - Key Activities

Mr. Bishnoi

Can you please advise the meeting venue at 12 noon on Monday for the core committee meeting?

Also, can all participants confirm availability?

Regards

On: 10 December 2015 20:44, "Anil Agarwal" <Anil.Agarwal@edclwvols.in> wrote:

Dear Mr. Bishnoi,

In the process of revival of Tecpro Systems, it is imperative that we now set in systems and processes which make the company more robust and ensure that we are well prepared for contingencies. The engagement of E&Y and appointment of Mr. Venkat as CRD is a step in the same direction. We would now like to actively formalize the system and ensure that within this month we achieve closure on all process related matters. If Edelweiss gets comfortable with the systems and processes, it will be easier to assist in disbursement of funds/assisting the company on operational matters. My views in this regards are as follows:

1. Establishment of Core Committee, Sub-Committee & Asset Sale Committee

The committee & sub-committee shall critically review the completed & running projects and shall resolve issues on ongoing basis. A reporting format shall be developed for Core Committee by E&Y and will be discussed on Monday in Chennai.

- a. Core Committee of Mr. Bishnoi, Mr. Gabrani, Mr. Venkat (EY), Mr. Ram (EY) and Mr. Anil Agarwal to meet once every month in Chennai. The first meeting to be held at 12.00 AM on Monday 21st Dec 2015, subsequent meetings on 8th January, 8th February & 8th March.
- b. Sub-committee of Mr. Bishnoi, Mr. Venkat (EY) and Mr. Jigar Kataria (Edelweiss) to meet every 15 days in Chennai
- c. Asset Sale Committee shall comprise of Mr. Bishnoi, Mr. Anil Gabrani, Mr. Anil Agarwal & Parv Gang. The committee will decide the dates of the asset sale timing and will discuss issues relating to asset sale. Disposal of some assets before March 31, 2015 shall be finalized and clear roadmap to be decided. The asset sale committee shall meet along with Core Committee on 8th of every month.

2. Board Meetings & Shareholder Meetings

- a. No Board meeting / Shareholder meeting to take place without 7 day prior information to Edelweiss & EY and agenda papers to be circulated by e-mail 7 days before the Board Meeting, Company

3. He further submitted that by invoking the provisions of the SARFAESI Act, 2002, the EARCL disposed of certain properties of the Corporate Debtor, thus, became a related party. In our considered view, any creditor who extends the financial facility to a debtor can be concerned about the security of its debt and can instruct the Corporate Debtor to act in a particular manner, in the interest of the better financial health of the Corporate Debtor. It is a different issue that to what extent the Corporate Debtor could go by the instructions of the creditor, and it is not for us to comment upon such aspect in the present application. The issue which we are concerned with in the present application is that whether merely because the creditor disposed of the property of the debtor under the SARFAESI Act, 2002 or it write letter to the Debtor asking it could be treated as party related to the Corporate Debtor. The writing of letter by creditor to debtor commanding it or disposal of



property of creditor by debtor can be no ground to treat creditor as related party.

4. Our attention is also drawn to the order dated 26.10.2018 passed by this Hon'ble Tribunal. The order reads thus:-

ORDER

During the course of arguments, Mr. A.S Chandiok, learned senior counsel and Mr. K. Datta, learned counsel for the objectors have pointed out from CA Nos. 368, 366, 604 and 610 (PB)/2018 and their respective replies that EARC (Edelweiss) could not have been part of the CoC as it is a related party and that it suffers from disability as indicated in Section 21 (2) (i) of IBC. It has also pointed out that Earnest and Young could not have been assigned any job by the RP like examining the issue of eligibility under Section 29A of the Code to Earnest and Young as the EARC through earnest and young have been in the control of the Corporate Debtor since 2015, during the CIR Process and which has continued even today. Learned counsel for the EARC, Mr. Srinivasan learned Senior Counsel and Mr. Sanjiv Sen, learned Senior Counsel have requested for time to examine the aforesaid issue along with the pleadings in the aforesaid applications. Accordingly, we defer the hearing to 28.11.2018.

CA -1117(PB)/2018

Notice of the application to learned counsel for the RP.

A copy of the application shall be handed over to the counsel for the RP during the course of the day.

Reply to the application be filed before the adjourned date with a copy in advance to the counsel for the applicant.

List on 28.11.2018.

CA 939(PB)/2018

Notice of the application to learned counsel for the RP.

A copy of the application has already been handed over to the counsel for the RP.

5. From the aforementioned order, it is clear that the issue regarding the EARCL being related party was raised long back, but could not find favour.



6. We may also not be oblivious of the fact that the CIRP in present matter commenced on 07.08.2017, and throughout the process, the EARCL remained member of CoC with 85.37% vote shares. It was the CoC with EARCL having the majority vote share, which appointed Mr. Ramachandran Subramanian as Liquidator.

7. Thereafter, till filing of the present application in 2024, when liquidation process commenced on 16.01.2020, Mr. Ramachandran Subramanian, Liquidator, never raised the issue of EARCL being the related party.

8. It was only after filing of IA-4349/ND/2020 and IA-5780/ND/2023 by EARCL for removal of Mr. Ramachandran Subramanian, from his position as liquidator that he has preferred present IA-4269/ND/2024. Thus, it would not be gainsaid that the act of the liquidator for filing the present application is counterblast of filing of application by the EARCL.

9. It can also be seen from IBBI (Liquidation Process) Regulations, 2016, that broadly the SCC has role only to advise the liquidator to discharge his function, and it is hardly at the helm of decision-making process. Once EARCL remained as a member of CoC during CIRP, when the CoC is at the helm of the decision-making process, we are unable to appreciate that how at this stage that, it being only part of an advisory body, its presence in SCC would affect the liquidation process. It may be correct that as per Regulation 31A(11) of the Liquidation Process Regulations, the SCC has the power to take a decision to remove the liquidator. Apparently, it is after the invocation of such power by SCC, that the liquidator has resorted to filing the present application. In the totality of the facts and the circumstances, we are not inclined to grant the relief sought in the application. The application is found **misconceived and is rejected.**

IA-5798/ND/2025: Our attention is drawn to the resolution dated 18.10.2024, in terms of which SCC could decide for the replacement of Mr. Ramachandran Subramanian, Liquidator, with Mr. Anil Kohli, RP. The resolution reads thus:-



Name of the Corporate Debtor in liquidation : Tecpro Systems Ltd
 Process mail ID : liquidator.ts@gmail.com
 Mobile Number : 9025120271
 Name of the Scrutiniser : Mr.Ramachandran Subramanian
 Mail ID of the Scrutiniser : subraman267@yahoo.com

The SCC members are requested to revert if there is any change in the mailid for voting purposes before end of the day today to enable the undersigned to do the needful. Further it is for the information of the SCC members that only the admitted claims at the commencement of the ongoing liquidation process has been considered to determine the voting percentage of the individual SCC members.

As Kotak Mahindra Bank is representing the share holders' interest in the SCC, they have not been given any voting rights in the upcoming voting process.

The following reasons shall be taken up for voting resolution by the SCC:

"RESOLVED THAT the members of the Stakeholders consultation committee hereby approve the replacement of present liquidator i.e., Mr. Ramachandra Subramanian with new liquidator Mr. Anil Kohli having IBBI Registration No. IBBI/IPA-001/IP-P00112/2017-2018/10219, for the reasons as recorded in the minutes of the XXVI SCC meeting."
I VOTE AGAINST THIS RESOLUTION AND PROPOSE MR.RAMACHANDRAN SUBRAMANIAN TO CONTINUE

"Resolved THAT the members of the Stakeholders Consultation Committee resolve to return an amount of INR ___ Crores to VA Tec Wabag, the money held in trust by the Corporate Debtor."
I VOTE AGAINST THIS RESOLUTION AND PROPOSE TO WITHHOLD THE MONEY AND NOT RETURN TO VA TECH WABAG TILL NCLT/ NCLAT ORDERS TO RETURN THE MONEY

"RESOLVED THAT the Liquidator is authorized to revive the earlier Section 66 application (being CA No. 366/2018) filed by the erstwhile Resolution Professional against the erstwhile promoters of the CD"
I SUPPORT THIS RESOLUTION AND LIQUIDATOR MUST PURSUE THE REVIVAL AGGRESSIEVELY AT NCLT / NCLAT / SC WHERE EVER THIS SECTION 66 APPLICATION IS PENDING

[Quoted text hidden]

2. The vote share in respect of the resolution has been placed on record at Page 37 of the application. The result of voting shares reads thus:-

Sub.: Results of voting on the three issues - reg.

We are enclosing the voting results as received from the e-voting vendor at close on date at 5.00 PM. According to the report, the following members have cast their vote 'online':

| Name of the SCC member | voting percentage | Que1 | Que2 | Que3 |
|------------------------|-------------------|-----------|-----------|---------|
| Edelweiss ARC | 84.82% | Favour | Abstain | Abstain |
| ACRE ARC | 7.43% | Favour | Abstain | Abstain |
| Pegasus ARC | 1.46% | Abstain | Abstain | Abstain |
| Bank of Baroda | 2.13% | Disfavour | Disfavour | Favour |
| Mr.Murali Venkatesan | 0.47% | Disfavour | Disfavour | Favour |

Incidentally, Mr. Murali Venkatesan, representing the interests of the employees, though had not voted in the e-voting arrangement made available since yesterday and today, however, due to technical issues has chosen to go on a common mail addressed to the SCC members at 4.40 PM on date, which is well within the time to be reckoned and has made his views clear on the three agenda items that were taken up for voting by the SCC members. Therefore as it is relevant to the issue and also consistent with the views expressed by the concerned SCC member during the recently held SCC meeting on 4th October 2024 and which was minuted and made available with the SCC, we are including his written statement as part of the voting exercise.

The GST representative did not vote today. The Operational Creditors' representative Mr.Partha Banik also did not vote today nor did Mr.Nitin Parmar of DBS Bank. However, as the Hon'ble NCLT had observed in its Order dated 26th September 2024, that irrespective of the outcome of this voting, the hearing on the IA 4269 application filed by the undersigned and on which the arguments have commenced, alleging the EARC, though being a major stakeholder, is also a related party to the Corporate Debtor shall determine the final outcome.

With this information, we are declaring the results of the voting held yesterday and today as stated above and shall be filing the same as Status Report to the Hon'ble Adjudicating Authority of the NCLT for information and records.

Sincerely
 For **TECPRO SYSTEMS LIMITED (IN LIQUIDATION)**

RAMACHANDRAN SUBRAMANIAN
 LIQUIDATOR FOR TECPRO SYSTEMS LIMITED
 Ramachandran Subramanian
 (IBBI Registration No. IBBI/IPA-001/IP-P01440/2018-2019/12136)
Tecpro Systems Ltd
 As per Order of Hon'ble NCLT, Principal Bench, New Delhi
 IBBI/IPA-001/IP/P-01440/2018-19/12136

Date : 18th October 2024
 Place : Chennai



3. As can be seen from Regulation 31A(11), the SCC can file an application before Tribunal to replace the liquidator with 66% vote share. In the present case, 92.35% vote share is in favour of the replacement of Mr. Ramachandran Subramanian as Liquidator. In view of such resolution and the provisions of Regulation 31A(11), we dispose of the application with direction that Mr Ramachandran Subramanian, Liquidator will be replaced with Mr. Anil Kohli having IBBI Registration No. IBBI/IPA-001/IP-P00112/2017-2018/10219 who has been proposed in the resolution passed by the SCC held on 17.10.2024-18.10.2024. The written consent of Mr. Anil Kohli is on record at Annexure A-4 of the application.

4. It is made clear that nothing averted in the application or observed hereinabove would be pursued as an adverse remark against Mr. Ramachandran Subramanian in any manner. Mr. Ramachandran Subramanian is directed to remain associated with the present liquidation process and extend all cooperation and assistance to the newly appointed liquidator. It goes without saying that whatever fee of Mr. Ramachandran Subramanian, Liquidator, would be paid in accordance with rules and regulations. The application **stands disposed of.**

IA-5263/ND/2023, IA-5254/ND/2024:- List on **12.01.2026.**

IA-4269/ND/2024 IA-5798/ND/2024, Contt. Pett-32/ND/2025, IA-4584/ND/2025, IA-4589/ND/2025, IA-5455/ND/2025, CA-18/ND/2025:- List on **16.02.2026.**

-Sd/-
(REENA SINHA PURI)
MEMBER (T)

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