



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

IA No.13/2024

In

CP (IB) No.150/Chd/Pb/2023

(Admitted Matter)

(An application under sub-section (2) of section 33 of the Insolvency and Bankruptcy Code, 2016)

In the matter of:

IA No.13/2024

Mr. Mahesh Bansal, Resolution Professional

For M/S Josan Foods Pvt. Ltd.

Office At: SCF 24, First Floor

Bhadaur House, Ludhiana – 141008

...Applicant/Resolution Professional

In the main matter of:

CP (IB) No.150/Chd/Pb/2023

(An application under section 9 of the Insolvency and Bankruptcy Code, 2016)

Sandeep Kaur, Sole Prop. Of M/S Josan Enterprises

.....Petitioner/ Operational Creditor

Vs.

M/s Josan Foods Pvt. Ltd.

.....Respondent/Corporate Debtor

Order delivered on: 18.07.2025

CORAM: KHETRABASI BISWAL, MEMBER (JUDICIAL)

KAUSHALENDRA KUMAR SINGH, MEMBER (TECHNICAL)



Present:-

For the Applicant-RP

: Mr. Viren Sharma, Advocate along with Mr. Mahesh Bansal, RP in person present through online mode

ORDER

IA No. 13/2024

The present Application is being filed by Mr. Mahesh Bansal, Resolution Professional (hereinafter referred to as “RP”/ “Applicant”) for Josan Foods Private Limited (hereinafter referred to as “Corporate Debtor”) under sub-section (2) of Section 33 of the Insolvency And Bankruptcy Code, 2016 (hereinafter referred to as “Code”). It is prayed by the applicant that an order for liquidation of the Corporate Debtor in terms of sub-section (2) of Section 33 of the Code be passed and the Applicant be appointed as the liquidator.

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

- i. An insolvency Petition was filed under Section 9 of the Code by the Operational Creditor for initiating the Corporate Insolvency Resolution Process (for short hereinafter referred to as “CIRP”) in the case of the Corporate Debtor. The Petition was duly admitted vide order dated 20.07.2023, and Mr. Harsh Garg was appointed as Interim Resolution Professional (hereinafter referred to as “IRP”). A copy of the order dated 20.07.2023 has been annexed as Annexure A-1 to the Application.



ii. Pursuant to the aforementioned order, the Applicant collated all the claims submitted by the creditors and constituted a Committee of Creditors (hereinafter referred as to CoC), comprising of sole financial creditors of the Corporate Debtor i.e. State Bank Of India. The details of financial creditor of the Corporate Debtor being member of the Committee of Creditors is provided hereinunder:

S. No.	Name of Financial Creditor	Amount Claimed (Rs.)	Amount Admitted (Rs.)	Voting Share
1.	State Bank of India	142,34,09,815.54	142,34,09,815.54	100%
	TOTAL	142,34,09,815.54	142,34,09,815.54	100%

iii. The IRP in the second meeting of the CoC on 05.09.2023, placed the agenda for appointment of IRP as the Resolution Professional. However, the sole CoC member proposed the name of Mr. Mahesh Bansal, Insolvency Professional bearing IBBI Registration No. -IBBI/IPA-001/IP-P00785/2017-2018/11341. Therefore, the agenda item for the appointment of the IRP as the Resolution Professional was declined with a voting share of 100% and the Applicant was appointed as RP. The same was confirmed by the Adjudicating Authority vide Order dated 31.10.2023.

iv. Pursuant to the 2nd CoC meeting, Form G was published in The Tribune (English) and The Punjabi Tribune (Punjabi) on 19.09.2023



specifying the last date to submit the Expression of Interest('EOI') as 03.10.2023. However, no Expression of Interest was received in the matter of the Corporate Debtor.

v. Pursuant to the above, the Applicant issued revised Form G dated 01.01.2024 in accordance with the decision of the CoC and in terms of Regulation 36A of the CIRP Regulations in The Tribune (English) and The Punjabi Tribune (Punjabi). The last date for submission of expression of interest in the matter of the Corporate Debtor was stipulated as 22.01.2024. The last date for submission of resolution plans in the matter of the Corporate Debtor was stipulated as 18.03.2024.

vi. In the 8th meeting of CoC on 13.02.2024, Applicant further informed the CoC that the Applicant received queries and enquiries from more than 25 Prospective Resolution Applicants ("PRA") in response to the Form G issued on 01.01.2024 and finally nine PRA's have submitted their expression of interest in the matter of the Corporate Debtor with the Applicant. Thereafter, the final list of PRA's was circulated on 10.02.2024 by the Applicant.

vii. The Applicant then convened the 10th meeting of the Committee of Creditors on 04.04.2024, wherein the Applicant informed the CoC members that no Resolution Plan was received from the PRA's before the last date for filing of the receipt of Resolution Plan which expired on



18.03.2024. The Applicant then sought views and directions from the CoC members on future course of action in the CIRP process of Corporate Debtor. The CoC members deliberated and discussed upon two possibilities, either to republish Form G for inviting Resolution Plans or the Corporate Debtor be liquidated under Section 33 of the Code. Accordingly, the Applicant placed these two separate resolutions before the CoC for voting. The resolution for liquidation of the Corporate Debtor under Section 33 of the Code was approved by the Committee of Creditors unanimously.

viii. The Applicant then convened the 11th meeting of the Committee of Creditors on 20.05.2024, wherein the Applicant placed the relevant agenda under Regulations 39B, 39BA, 39C and 39D of the IBBI (CIRP) Regulations, 2016 before the CoC for voting and the same were duly approved with 100% voting share by the CoC.

ix. The IRP in terms of Regulation 35 of the CIRP Regulations appointed IBBI registered valuers for carrying out valuation of assets of the Corporate Debtor. In view of the aforesaid, the total Average Fair Value and total Average Liquidation Value of the Plant & Machinery of the Corporate Debtor is as follows:

a. *Average Fair Value:* **Rs. 21,55,025/-**

b. *Average Liquidation Value:* **Rs. 18,34,795/-**



The total Average Fair Value and total Average Liquidation Value of the Land & Building of the Corporate Debtor is as follows:

- a. *Average Fair Value: **Rs. 6,18,91,180/-***
- b. *Average Liquidation Value: **Rs. 4,64,18,260/-***

The valuation of the Security and Financial Assets of the Corporate Debtor could not be prepared since the Suspended Directors have deliberately failed to provide the balance sheet as on the date of commencement of the CIRP in the matter of the Corporate Debtor and in lieu of the same an Application bearing I.A No. 2183 of 2023, under Section 19(2) of the Code is pending before this Adjudicating Authority.

x. A copy of the minutes of the 11th meeting of the CoC is annexed as Annexure A-16. The relevant resolutions passed are as follows:

a. Regulation 39B: "RESOLVED THAT, the COC hereby approves the plan providing for contribution for meeting the difference between the amount required to meet liquidation cost and value of liquid asset of Corporate Debtor and the same shall be submitted by the resolution professional to the Adjudicating Authority while filing the approval or decision of the committee under section 30 or 33, as the case may be and the Plan approved is that CoC shall make 100% contribution of Liquidation expenses incurred by Liquidator on actual basis."

RESOLVED THAT Resolution Professional be and is hereby authorised to explore 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

b. Regulation 39C: "RESOLVED THAT the liquidator will not first explore sale of the corporate debtor as a going concern under clause (e) of regulation 32 of the Insolvency and Bankruptcy Board of India



(Liquidation Process) Regulations, 2016 or sale of the business of the corporate debtor as a going concern under clause (f) thereof, if an order for liquidation is passed under section 33.”

c. Regulation 39D: "RESOLVED THAT fee payable to the liquidator for the liquidation period shall be as per Regulation 4 of IBBI (Liquidation Process) Regulation, 2016

xi. The consent Form A and the form for authorization for assignment of the Applicant along with valid IBBI Registration certification is annexed as Annexure A-17.

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

4. It is noted that the corporate debtor was admitted into CIRP vide order dated 20.07.2023. The CoC consists of sole member, i.e., State Bank Of India. It is observed that the present Application has been filed under sub-section (2) of the section 33 of the Code for the initiation of the liquidation process of the Corporate Debtor. The Resolution Professional has published Form-G twice. Consequently, nine PRA's submitted their expression of interest. However, no Resolution plan was received by the Resolution Professional. Thereafter, the CoC in its 10th CoC meeting dated 04.04.2024 passed a resolution for liquidation of the corporate debtor.

5. The CoC resolved to explore for compromise and arrangement and not to try for sale of the corporate debtor as a going concern. Further, the CoC also passed a resolution that the difference between the estimated value of liquid assets and the



estimated liquidation costs shall be borne by the Committee of Creditors. As such, the application deserves to be allowed.

6. 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. Amarjeet Singh having Registration Number IBBI/IPA-002/IP-N01287/2023-2024/14392 email: amarjeetsingh5400@gmail.com from the panel of the IBBI list for appointment as liquidator. He will file his consent for being appointed as liquidator.

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

8. Accordingly, by exercising our power under sub-section (1) of section 33 of the Code we pass the following Order:

(i) The Corporate Debtor Josan Foods Private Limited 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(Liq.) 13 of 2024.

(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 clause (b) of sub-section (4) of section 34 of the Code and in view of guidelines of IBBI letter dated 18.07.2023 of IBBI, we hereby appoint Mr. Amarjeet Singh having Registration No. IBBI/IPA-002/IP-N01287/2023-2024/14392 **as a liquidator** of the corporate debtor i.e. Josan Foods Private Limited. The liquidator so appointed shall complete the liquidation process as per the provisions of the Code r.w. 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 partner of the corporate debtor, as the case may be, hereafter cease to exist and shall 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) 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.

(vii) This Order shall be deemed to be notice of discharge to the officers, employees, and workmen of the corporate debtor except to the extent of the business of the corporate debtor continued during the liquidation process by the liquidator.

(viii) 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, RPFC etc., who are likely to have any claim upon the corporate debtor so that the authorities concerned are informed of the liquidation order timely. The liquidator will also provide a copy of this order to the trade unions/employee associations of the corporate debtor so that the workman/employees could also be informed of this liquidation order through their association.

(ix) 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 by email within one week from the date of this order.

(x) The present Resolution Professional is directed to hand over the relevant documents and control of the Corporate Debtor to the newly appointed liquidator namely, forthwith.

9. Accordingly, IA(Liq.) 13 of 2024 in CP(IB) 150 of 2023 is disposed of.

Sd/-

(Kaushalendra Kumar Singh)
Member (Technical)

Reet

Sd/-

(Khetrabasi Biswal)
Member (Judicial)