



**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

**IA No.549/2024 IN
CP No. (IB) 04/ALD/2019**

(An application filed under Section 14(1)(b) read with Section 68(1)(b) and Section 74 of the Insolvency and Bankruptcy Code, 2016).

IN THE MATTER OF:

Paramjeet Singh Bhatia

Resolution Professional-Hind Agro Industries Ltd.

IBBI Regn No.: IBBI/IPA-001/IP-P00961/2017-2018/11582

Email: hindagroinsolvency2023@gmail.com

Address: C-39, Surya Nagar, Ghaziabad, Uttar Pradesh-201011

..... Resolution Professional

VERSUS

Sirajuddin Qureshi

Suspended Director of Hind Agro Industries Ltd.

B-3, Friends Colony (West),

Main Mathura Road

New Delhi-110065

E-mail Id: sirajuddinq@yahoo.com

.....Respondent No. 1 / Director & Management of CD

Samar Qureshi

Suspended Director of Hind Agro Industries Ltd.

B-3, Friends Colony (West),

Main Mathura Road

New Delhi-110065

Email Id: samarqureshi300@gmail.com

.....Respondent No. 2 / Director & Management of CD

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Kiran Qureshi

Suspended Director of Hind Agro Industries Ltd.

B-3, Friends Colony (West),

Main Mathura Road

New Delhi-110065

.....Respondent No. 3 / Director & Management of CD

M/s. Eatcco Foods Private Limited

B-3, Friends Colony (West),

Main Mathura Road

New Delhi-110065

E-mail Id: Info@hind.in

.....Respondent No. 4

Tata Capital Financial Services Limited (TCFSL)

11th Floor, Tower A, Peninsula Business Park,

Ganapatrao Kadam Marg, Lower Parel,

Mumbai-400 013

Email Id: romila.joshi@tatacapital.com

.....Respondent No. 5

Regional Transport Officer,

Mahatma Gandhi Marg,

ISBT Sarai Kale Khan,

Delhi- 110013

E-mail Id: mloz3.delhi@gov.in

.....Respondent No. 6

IN THE DECIDED MATTER OF:

Bank of Baroda

.....Financial Creditor

VERSUS

Hind Agro Industries Ltd.

.....Corporate Debtor

Order pronounced on: 15.10.2025

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IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

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Coram:

Sh. Praveen Gupta : Member (Judicial)
Sh. Ashish Verma : Member (Technical)

Appearances:

Sh. Shubham Agarwal, Adv. : *For the Resolution Professional, Mr. Paramjeet Singh Bhatia, present in person*
Sh. Sameer Kumar with : *For the Respondent, Mr. Sirajuddin*
Sh. Vaibhav Pachauri, Adv. : *Qureshi*

ORDER

1. The present Application has been filed by the Resolution Professional Sri Paramjeet Singh Bhatia (**hereinafter referred as ‘Applicant/RP’**) in the capacity of Resolution Professional (RP) of Hind Agro Industries Limited, under Section 14(1)(b) read with 68(1)(b) and Section 74 of the Insolvency and Bankruptcy Code, 2016 (**hereinafter referred as ‘IBC, 2016’**) to restore the ownership of vehicles which have been illegally transferred by suspended board of Corporate Debtor after the commencement of the Corporate Insolvency Resolution Process of the Corporate Debtor, and also handover the possession of two vehicles of the Corporate Debtor to the Applicant Resolution Professional.

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2. The Applicant has made the following prayers in the application:

- i. To allow the present application;*
- ii. Pass an order directing the Respondents to restore the ownership of vehicle (vehicle DL3C CC 0450, Model- Porsche Cayenne) in the name of Corporate Debtor;*
- iii. Pass an order directing the Respondents to hand over the possession of vehicles (DL3C CC 0450, Model- Porsche Cayenne and DL3C BD 3308 Model- Toyota Corolla Altis) to the applicant.*
- iv. Consequentially, reference be made to Central Government or IBBI against Respondent Nos. 1,2 and 3 being the Directors (powers suspended) of the Corporate Debtor under Section 68(1)(b) and 74 of the Code to take appropriate action under Section 236(2) of the I & B Code, 2016.*
- v. Pass any other appropriate order as this Hon'ble Tribunal deem fit in the interest of justice.*

3. The Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor was initiated on the basis of a petition filed by Bank of Baroda under Section 7 IBC before this Tribunal, vide CP (IB) 04/ALD/2019. Vide order dated 03.03.2023, this Tribunal admitted the said petition and appointed the present Applicant as the Interim Resolution Professional (IRP). The appointment order was communicated on 10.03.2023, whereupon the IRP made a public announcement on 11.03.2023 in compliance with Sections 13–15 of the

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Code and Regulation 6 of the CIRP Regulations, inviting claims up to 24.03.2023.

4. Pursuant to the public announcement, several financial creditors filed their claims, including Tata Capital Financial Services Limited (**hereinafter referred to as 'TCFSL'**) for an amount of Rs. 1,84,545, being the balance outstanding towards a vehicle loan extended to the Corporate Debtor for purchase of a Porsche Cayenne (Reg. No. DL3C CC 0450). Accordingly, the Committee of Creditors (CoC) was constituted, comprising Bank of Baroda, Punjab National Bank, IFCI Ltd., Indian Bank, Central Bank of India and TCFSL.
5. Loan of TCFSL for purchase of the said vehicle has been settled by the Corporate Debtor during the pendency of CIRP and TCFSL expressed its intent to withdraw from CoC proceedings and furnished copies of the OTS Letter and related documents to the RP.
6. Thereafter, the RP sought details of all vehicles owned by the Corporate Debtor and requested the suspended board to hand over their possession and relevant papers. In reply, Mr. Sirajuddin Qureshi (Respondent No. 1), vide email dated 09.09.2024, claimed that the Porsche Cayenne (DL3C CC 0450) did not belong to the Corporate Debtor.

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7. As submitted by the Applicant, upon verification of records on the official portal (vahan.parivahan.gov.in), it was revealed that the said vehicle had indeed been transferred on 27.04.2023, after commencement of CIRP by the suspended board of directors of the Corporate Debtor to M/s Eatcco Foods Private Limited (Respondent No. 4), a group company of the Corporate Debtor's promoters pursuant to sale agreement dated 01.02.2023 entered into between the Corporate Debtor and M/s Eatcco Foods Private Limited.
8. As submitted by the Applicant, the Respondents have relied on the alleged agreement dated 01.02.2023, claiming that the transfer was executed before the CIRP commencement. However, the document is neither stamped nor notarised/registered, and was never produced before the RP at any earlier stage.
9. It is further submitted that the vehicle was hypothecated with TCFSL and that such hypothecation was terminated upon OTS payment of Rs. 1,50,000 on 31.03.2023, when TCFSL issued its No-Objection Certificate (NOC) and removed its charge on the said vehicle. Thus, on the date of the alleged Sale Agreement dated 01.02.2023, the vehicle continued to remain under hypothecation and the Corporate Debtor had no absolute ownership rights, and hence was not competent to sell. The

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subsequent transfer of registration on 27.04.2023 therefore took place during the subsistence of moratorium under Section 14 IBC, rendering the transaction void ab initio.

- 10.** As per the submission made by the Respondents, the transfer was necessitated because the vehicle had crossed ten years of age and diesel vehicles are barred from plying thereafter in Delhi. The RP has rebutted this argument, clarifying that such restriction applies only within NCT of Delhi, whereas the present vehicle could legally operate in other States for up to fifteen years, especially when the Corporate Debtor is situated in Aligarh, Uttar Pradesh.
- 11.** The RP further pointed out that the alleged consideration of Rs. 34,00,000 stated in the purported sale agreement raises serious doubts, as no disclosure or accounting of this amount has been made to the RP, nor reflected in the Corporate Debtor's records. This establishes concealment, diversion, and misappropriation of assets of the Corporate Debtor by its suspended management.
- 12.** In order to verify the vehicle details, the Applicant on 07.09.2024 also wrote to the suspended directors of the Corporate Debtor seeking information, possession, and original documents of the vehicles registered in the name of the Corporate Debtor. In response, the

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Respondent No. 1, Mr. Sirajuddin Qureshi, vide email dated 09.09.2024, denied that the vehicle DL3C CC 0450 (Porsche Cayenne) belonged to the Corporate Debtor.

13. Upon discovering the illegal transfer, the RP addressed a letter to the Regional Transport Officer, Sarai Kale Khan, requesting cancellation of the transfer entry and restoration of ownership in the Corporate Debtor's name. Consequently, the Transport Department marked the vehicle "NOT TO BE TRANSACTED" on the Vahan portal. The RP also lodged a complaint dated 24.09.2024 with the Station House Officer, Sunlight Colony Police Station, New Delhi, seeking registration of an FIR against Respondents Nos. 1 to 3 for illegal transfer and for securing possession of the said vehicle.

14. The Applicant has asserted that the transfer of the Porsche Cayenne during the moratorium is in direct contravention of Section 14(1)(b) of the IBC, which prohibits alienation or disposal of any asset of the Corporate Debtor once CIRP commences. Such acts also attract penal consequences under Sections 68(1)(b) and 74(1) of the Code, as the suspended directors knowingly and willfully violated the moratorium and fraudulently removed asset of the Corporate Debtor.

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- 15.** It is the RP's consistent stand that, upon admission of the insolvency application on 03.03.2023, the powers of the Board of Directors stood suspended under Sections 17 and 23 IBC, and all control of the Corporate Debtor's affairs vested in the RP. No dues of the Corporate Debtor could have been settled nor any asset could be transferred without his prior approval.
- 16.** As submitted, the said transfer was made without the knowledge or consent of the Resolution Professional, and no intimation or approval was sought from him, thereby amounting to an alienation of assets during the moratorium period, in violation of Section 14(1)(b) of the Code.
- 17.** Moreover, such fraudulent removal or alienation of property of the Corporate Debtor after commencement of CIRP attracts penal consequences under Section 68(1)(b) of the Code, and knowing or willful violation of the moratorium also invites punishment under Section 74(1) of the Code.
- 18.** The Applicant further submits that, in addition to the Porsche Cayenne, another vehicle, Toyota Corolla Altis (DL3C BD 3308), also registered in the name of the Corporate Debtor, has not been handed over to the Resolution Professional.

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- 19.** The Applicant asserts that the conduct of the suspended Board in transferring the asset and withholding possession of the vehicles demonstrates deliberate and willful disobedience of the moratorium order and the directions of the Adjudicating Authority, warranting reference to the Central Government or IBBI for action under Section 236(2) of the Code.

Reply filed by the Respondent No. 1 to 3

- 20.** The Respondent No. 1 to 3 filed their reply vide filing no. 0902109001362019/18 dated 09.09.2025 and submitted as follows:

- i.** At the outset, the Respondents have contended that the present application is misconceived and not maintainable, as it proceeds on an erroneous assumption that the Respondents, including Respondent No. 1, Mr. Sirajuddin Qureshi, in their personal capacity, transferred or alienated assets of the Corporate Debtor after commencement of the CIRP.
- ii.** It is submitted that prior to the commencement of the insolvency proceedings on 03.03.2023, a valid agreement dated 01.02.2023 was executed between the erstwhile Hind Agro Industries Ltd. (Corporate Debtor) and M/s Eatcco Foods Pvt. Ltd., under which the Corporate Debtor agreed to sell and transfer the vehicle (Porsche Cayenne) to Eatcco Foods Pvt. Ltd. in consideration of payment of a substantial loan amount earlier advanced by the latter. The Respondents state that original registration papers,

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keys, and RTO forms were handed over in pursuance of this agreement.

- iii. The Respondents have relied upon the statement of account and the One-Time Settlement (OTS) concluded with Tata Capital Financial Services Ltd. (TCFSL) on 31.03.2023, to contend that the transaction was lawful and bona fide, and that the subsequent registration of the vehicle on 27.04.2023 merely reflected the conclusion of that settlement. It is claimed that the transaction was free of any mala fide or criminal intent under Section 14(1)(b) of the IBC.
- iv. The Respondents further contend that the moratorium under Section 14 operates only against the assets of the Corporate Debtor and does not impose personal liability on the suspended directors. They argue that, in absence of any evidence establishing fraudulent conduct or dishonest intent under Sections 68 or 74 of the Code, no personal culpability can be fastened. On the contrary, their continued payment of instalments under the OTS proposal shows bona fide conduct and cooperation with creditors.
- v. It is stated that the Porsche vehicle was financed by TCFSL under a loan-cum-hypothecation agreement, and that TCFSL, being the legal owner under hypothecation, had the right to repossess, settle dues, and release its charge. The Respondents assert that only the last instalment was paid after commencement of CIRP, and that too by Eatcco Foods Pvt. Ltd., pursuant to the pre-existing agreement. Hence, the change in Registration Certificate was a natural outcome of the loan settlement.

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- vi. The Respondents claim that Eatcco Foods Pvt. Ltd. had already been in possession and use of the vehicle since 01.02.2023, and therefore, there was no transfer of ownership effected after the CIRP commencement. They also argue that Section 14 does not bar secured creditors from realizing their security interest in assets that are not part of the Corporate Debtor's freehold estate, relying upon the decision of the Hon'ble Supreme Court in *Indian Overseas Bank v. RCM Infrastructure Ltd.* [(2020) 11 SCC 538].
 - vii. It is further submitted that the transfer of ownership on the same date was a natural consequence of termination of hypothecation and issuance of NOC by TCFSL, and not a deliberate act by the Respondents. Hence, the allegation that the suspended directors engineered such transfer is false and contrary to Applicant's own evidence.
 - viii. The Respondents conclude that the application is frivolous, vexatious, and devoid of merit, alleging that the Applicant has suppressed material facts and mischaracterized its own annexures. They therefore pray that the application be dismissed in limine, with a finding that no contravention of Sections 14, 68, or 74 of the IBC is made out against them, and for such further reliefs as this Tribunal may deem fit.
- 21.** In compliance with order dated 26.09.2025, the Applicant/RP also filed written submissions vide filing no. 0902109011012024/2 dated 03.10.2025. Further, the Respondents No. 1 to 3 also filed written submissions vide diary no. 2013 dated 07.10.2025 which have been

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taken on record and not repeated herein for the sake of brevity.

- 22.** Despite having been granted several opportunities, only Respondent Nos. 1 to 3 have filed their reply and written submissions. We have, therefore, proceeded to consider the present application based on the material available on record, and the submissions advanced by the learned counsel for the respective parties.
- 23.** The primary issue for determination in the present application is whether the transfer of ownership of the vehicle bearing Registration No. DL3C CC 0450 (Model - Porsche Cayenne) from the Corporate Debtor, Hind Agro Industries Ltd., to its group company M/s Eatcco Foods Pvt. Ltd. after the commencement of the Corporate Insolvency Resolution Process (CIRP) is valid in law, and further, whether the alleged Agreement dated 01.02.2023 relied upon by the suspended Board of Directors is genuine and lawful.
- 24.** The admitted position is that the CIRP of the Corporate Debtor commenced on 03.03.2023, and the moratorium under Section 14 of the IBC, 2016 came into immediate effect from that date. It is also undisputed that the registration of the vehicle was transferred to M/s Eatcco Foods Pvt. Ltd. only on 27.04.2023, i.e., after the commencement of CIRP. Consequently, any transfer or alienation of

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assets of the Corporate Debtor after 03.03.2023 is expressly barred under Section 14(1)(b) of the Code and is, therefore, void ab initio.

25. The Respondents have attempted to justify the transfer on the basis of the agreement dated 01.02.2023, purportedly executed prior to the initiation of CIRP. However, a careful examination of the said document reveals multiple irregularities which cast serious doubt upon its authenticity and legal efficacy. The document is neither stamped nor notarised, and not registered. It was also never furnished to the Resolution Professional at any stage even after initiation of CIRP, and seems to have been produced for the first time as an annexure with reply to the present Application, thereby suggesting that it is a fabricated and afterthought document created to falsely portray the post-moratorium transfer as lawful.

26. The contents of the alleged agreement further belie its genuineness. The agreement records that the Corporate Debtor “*has absolute ownership with all rights of ownership and possession without any liability on the vehicle.*” This statement is demonstrably false, since the vehicle was under hypothecation with Tata Capital Financial Services Limited (TCFSL) as on that date. The charge was released only upon the settlement through One-Time Settlement (OTS) on 31.03.2023 that too

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after initiation of CIRP. The No Objection Certificate (NOC) was issued thereafter.

- 27.** Thus, on 01.02.2023, the Corporate Debtor was not the absolute owner of the vehicle and could not have lawfully sold/transferred it to its group company or any other party, and hence could not have entered into any valid sale agreement. The agreement, therefore, stands vitiated by misrepresentation of material facts and is void in law.
- 28.** Further, the OTS payment was made by Eatcco Foods Pvt. Ltd. on 31.03.2023, nearly one month after commencement of CIRP and moratorium and the registration transfer occurred on 27.04.2023. These steps, taken sequentially after CIRP began, reveal a deliberate attempt by the suspended Board of the Corporate Debtor to circumvent the moratorium and divert the asset of the Corporate Debtor to its related entity, in clear contravention of Section 14(1)(b).
- 29.** And also, the Respondents have failed to produce any evidence of actual payment of Rs. 34,00,000/- as mentioned in the said agreement, such as bank records, invoices etc. The absence of such evidence, coupled with non-disclosure of the alleged transaction to the Resolution Professional or the Committee of Creditors, leads to the inference that no genuine transfer of ownership or consideration ever took place. The

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transaction was sham and merely designed to fraudulently remove the property of the Corporate Debtor in violation of Sections 14(1)(b) and 68(1)(b).

30. Hence, the transfer of the vehicle in favour of M/s Eatcco Foods Pvt. Ltd. occurred after the commencement of the CRIP, when the powers of the Board of Directors stood suspended under Section 17 of the Code. Any act of transferring or facilitating the change in registration in the name of a third party, even if subsequent to the issuance of a No Objection Certificate by the secured creditor, cannot be treated as a “procedural” consequence but constitutes an act of alienation in violation of Section 14 of the Code.

31. The plea that the transfer was necessitated as the vehicle had completed 10 years of use is also untenable, since the restriction on plying diesel vehicles beyond 10 years applies only within the NCT of Delhi, whereas such vehicles are permitted to operate for up to 15 years in other States. Thus, the said contention does not justify the transfer, nor does it absolve the Respondents from their statutory obligation to maintain the assets of the Corporate Debtor. It is also noticed that the Company M/s Eatcco Foods Pvt. Ltd. to whom vehicle is shown to have been sold is situated in Delhi, while the Corporate Debtor is situated in

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Aligarh, Uttar Pradesh. Therefore, the plea taken by the Corporate Debtor, for selling of vehicle is not justified.

- 32.** Such disposal of assets could only have been undertaken by the Resolution Professional in accordance with the provisions of the Code. The Respondents, being suspended directors, were legally restrained from dealing with or disposing of any assets of the Corporate Debtor. Hence, the purported reliance on bona fide conduct or creditor-driven action is misplaced. The transfer of ownership post-admission of CIRP is therefore held to be contrary to the moratorium provisions.
- 33.** The Applicant RP also brought to our notice that the Respondents failed to hand over another vehicle, namely Toyota Corolla Altis bearing registration no. DL3C BD 3308, which continues to stand in the name of the Corporate Debtor as evident in the Registration Certificate attached as Annexure-10 (at page no. 127) with the Application. Their omission to deliver possession of the said vehicle, despite repeated efforts by the RP, reinforces the inference of non-cooperation and intent of suspended Board of the Corporate Debtor to obstruct the CIRP. Therefore, this vehicle is to be immediately handed over to the RP by the suspended Board of the Corporate Debtor.

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- 34.** In light of the above discussion, we are of the view that the transfer of the vehicle DL3C CC 0450 (Porsche Cayenne) to Respondent No. 4, M/s. Eatcco Foods Pvt. Ltd., is in clear violation of Section 14(1)(b) of the IBC, being effected after the commencement of CIRP without approval of the Resolution Professional or Adjudicating Authority. The purported agreement dated 01.02.2023 is held to be invalid, unenforceable, and a sham arrangement devised to defeat the provisions of the Code.
- 35.** Further, the conduct of Respondent Nos. 1 to 3, being members of the suspended Board, in concealing and diverting the assets of the Corporate Debtor post-commencement of CIRP, amounts to violation of Section 14, attracting penal consequences under Sections 68(1)(b) and 74(1) of the IBC.
- 36.** In view of our above findings, we order as follows:
- i.** In view of the reasons recorded in the foregoing paragraphs, the IA No. 549/2024 stands allowed.
 - ii.** With respect to Prayer (ii), it is hereby ordered that the transfer and registration of the vehicle bearing Registration No. DL3C CC 0450, Model – Porsche Cayenne, in favour of Respondent No. 4 (M/s Eatcco Foods Pvt. Ltd.) is declared null and void, having been effected in contravention of Section 14(1)(b) of the

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Insolvency and Bankruptcy Code, 2016. Consequently, the ownership of the said vehicle shall stand restored in the name of the Corporate Debtor.

- iii. With respect to Prayer (iii), the Respondent Nos. 1, 2, and 3 (suspended directors of the Corporate Debtor) are directed to hand over the possession of both vehicles, i.e., Vehicle bearing Registration No. DL3C CC 0450 (Model – Porsche Cayenne), and Vehicle bearing Registration No. DL3C BD 3308 (Model – Toyota Corolla Altis), to the Applicant/Resolution Professional forthwith, but not later than seven (7) days from the date of this Order.
- iv. The Applicant/Resolution Professional shall file a memo of compliance before this Adjudicating Authority within one week from the date of execution of this order.
- v. A certified copy of this order be issued, if applied for, upon compliance with requisite formalities.

37. I.A. No. 549 of 2024 stands allowed accordingly in the aforesaid terms.

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(Ashish Verma)

Member (Technical)

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(Praveen Gupta)

Member (Judicial)

Date: 15.10.2025