

**NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH (COURT-II)**

**IA. NO. 2527/ND/2023**

**IN**

**Company Petition No. (IB)-1031(ND)/2018**

**IN THE MATTER OF:**

**Sonu Trading Company**

**... Applicant/  
Operational Creditor**

**Versus**

**M/s. Noslar International Limited**

**... Respondent/  
Corporate Debtor**

**AND IN THE MATTER OF IA. NO. 2527/ND/2023:**

**Sajeve Bhushan Deora**

Liquidator of Nolsar Int. Ltd.

Address at :

606, New Delhi House,  
27, Barakhamba Road,  
New Delhi – 110001

**... Applicant**

**VERSUS**

**1. Vee Stones Tyres Pvt. Ltd.**

F-8, Industrial Area,  
Govindpura, Bhopal-462023

**2. Mr. Chand Thapar,**

(Director of Vee Stones Tyres Pvt. Ltd.)  
36, Sant Nagar, Civil Lines,  
Ludhiana-141001 Punjab

**3. Mr. Bhupinder Singh**

(Director of Vee Stones Tyres Pvt. Ltd.)  
228, Near Darwaja Kohara,  
Ludhiana-141112 Punjab

**4. Mr. Daksh Pahwa**

(Ex-Director, Noslar Int. Ltd.)  
E-4/11, Area Colony,  
Bhopal-462016 (M.P.)

**5. Mr. Umesh Kumar Singh**  
(Ex-Director, Noslar Int. Ltd.)  
H-715, H.B. Colony,  
Arvind Vihar, Baghmugalia,  
Bhopal-462043 (M.P.)

**6. Mr. Jayesh Sudhir Nemawarkar**  
(Ex-Director, Noslar Int. Ltd.)  
305-9B, Saket Nagar,  
Bhopal-462024 (M.P.)

**... Respondents**

**Order Delivered on: 11.01.2024**

**SECTION: Section 45 of IBC 2016**

**CORAM:**

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

**SH. L. N. GUPTA, HON'BLE MEMBER (T)**

**PRESENT:**

**For the Applicant** : Adv. Rakesh Kumar, Adv. Preeti Kashyap, Adv. Ankit Sharma, Adv. Aman Agarwal, Adv. Rishabh Arora  
**For the Respondent** : Adv. Sunil Singh Parihar for R-1 to 3, Adv. Aniruddh Singh for R-4  
**For Liquidator** : Adv. Sajave Bhushan Deora, Adv. Abhishek Bose

**ORDER**

**PER SHRI. ASHOK KUMAR BHARADWAJ, MEMBER (J)**

The present IA No. 2527 of 2023 has been filed by Mr. Sajeve Bhushan Deora, (hereinafter referred to as the '**Applicant/Liquidator**') Liquidator of Nolsar International Limited (hereinafter referred to as '**Corporate Debtor**') under Section 45 of IBC, 2016 seeking the following relief:

1. *“Direct the Respondent Nos. 1 to 6, to jointly and severally, contribute, the amount of Rs. 13,39,200 which has been calculated as the amount of undervaluation in sale of two Cars, and the amount be paid with upto date interest at the rate of 12% pa from the date of sale of vehicles to the date of realisation of amount in the bank account of liquidation estate of the CD;*
2. *Report the undervalued transactions to the Insolvency and Bankruptcy Board of India for making a complaint to the Special Court under Section 236 of the Code, and/or*
3. *Issue any other direction/s and / or order/s as this Hon'ble Tribunal may consider fit and proper in the facts and circumstances of the case and in the interest of justice.”*

2. To put succinctly, facts of the case are that the Liquidation Process qua the Corporate Debtor was initiated vide order dated 28.02.2020 and vide the same order the Applicant was appointed as Liquidator of the Corporate Debtor.

3. It is stated by the Applicant that the Respondents had entered into Undervalued Transactions in respect of Sale of two cars of the CD. The details of which reads thus:

(i) Audi Car, Make 2010, sold vide Invoice No. MISC-09 dated 25.03.2018 for an amount of Rs. 3,25,000 (exclusive of GST); and

(ii). Honda Civic Car, Make 2010, sold vide Invoice No. MISC- 10 dated 25.03.2018 for an amount of Rs. 1,50,000 (exclusive of GST).

4. To buttress the plea that the transactions are undervalued the Applicant has espoused thus: -

4.1 The Liquidator, after examination of the Financial Statements of CD for the year ending 31.03.2018, observed that the vehicles owned by CD and having capitalized value of Rs. 44,13,450/- were sold to Vee Stone Tyres Pvt. Ltd. (Respondent No.1). The breakup of the Purchase of the vehicles in question reads thus:

Sl. No.	Date of purchase/put to use	Particulars of Vehicle	Original Cost (Rs.)
1	19.02.2010	Audi car	30,10,000
2	30.10.2010	Honda Civic car	14,03,45
		Total	44,13,450

4.2 The Audi car, was sold vide Invoice No. MISC-09 dated 25.03.2018 for an amount of Rs. 3,25,000/- and Honda Civic car, make 2010, was sold vide Invoice No. MISC-10 dated 25.03.2018 for an amount of Rs. 1,50,000/-.

4.3 The Liquidator vide email dated 28.06.2021 and 01.07.2021 had sought the following details from the Suspended Directors of CD ("Respondent Nos. 4 to 6"). The details espoused in the Application reads thus:

- a. Vehicle make, model and registration no.,*
- b. Original value of each of the vehicles sold,*
- c. Name of the buyers to whom these vehicles were sold,*
- d. Sale note and relevant documents for sale of vehicles,*
- e. Basis of ascertaining sale price of the vehicles, and*
- f. Copies of insurance cover note of vehicles sold”*

4.4 United India Insurance had insured the Honda Civic car for the period from 25.06.2017 to 24.06.2018 for Rs. 6,15,400/-, and Audi car for the period from 19.02.2018 to 18.02.2019 for Rs. 11,98,800/-.

4.5 The sale had been carried out on the same day, i.e., 25.03.2018, which is within look back period i.e., one year preceding the commencement of CIRP of CD, thus the transaction is covered by Section 45(2)(b) of IBC, 2016.

4.6 The Liquidator vide email dated 16.03.2023, addressed to Respondent Nos. 1 to 3 sought payment of amount of Rs. 13,39,200/- from Respondent Nos. 1 to 3.

4.7 The sale of the two vehicles at a meagre sum of Rs. 1,50,000/- and Rs. 3,25,000/- was carried out to the detriment of interests of CD thus caused a loss of Rs. 13,39,200/- to the Stakeholders of CD.

4.8 Vee Stone Tyres Private Limited is a related party of the CD and the ex-directors of the CD are related to directors of Vee Stone Tyres Private Limited. The amount recoverable is an amount recoverable jointly and severally from Vee Stone Tyres Private Limited, its Directors and ex-Directors of the CD.

5. The Respondent No.1 to 3 have filed their joint reply and have stated the following:

5.1 Liquidator has deliberately suppressed the Written Down Value (WDV) of the assets and thereby made an attempt to show that the assets were realised at a price significantly lower than the value of the assets. The WDV of the two vehicles as per calculation reads thus:

Sl. No.	Vehicle	Year of purchase	Cost	Written Down Value (Approx.)
1.	Audi Car Make 2010 (Diesel Model)	19.02.2010	30,10,000	1,65,000 <i>(Actual written down value to be verified from RP now liquidator)</i>
2.	Honda Civic Car	30.10.2010	14,03,450	75,000 <i>(Actual written down value to be verified from RP now liquidator)</i>

5.2 As per Section 133 of the Companies Act, 2013, all the Companies have to comply with the Accounting Standards. Further, AS-16 was applicable with respect to the Depreciation. The relevant excerpts of AS-16 as relied by the Respondents reads thus:

*“Depreciable amount” is the cost of an asset, or other amount substituted for cost, less its residual value.”*

*“Depreciation” is the systematic allocation of the depreciable amount of an asset over its useful life.”*

*Useful life is:*

*(a) the period over which an asset is expected to be available for use by an entity”*

5.3 The useful life of a vehicle in India is considered as 15 years and therefore systematic allocation of depreciable amount is charged to arrive at Written Down Value (Realisable Value) of the Vehicle.

5.4 It is pertinent to note here that the Audi Car purchased by the respondent on 25.03.2018 was more than 8 years old vehicle and due to strict norms in Delhi NCR Region regarding diesel vehicles, the life of the vehicle is reduced

to 10 years and such old vehicles needs to be discarded after the completion of 10 years. Therefore, the vehicle i.e. Audi Car 2010 make purchased by the answering respondent was having residual life of just 2 years and therefore the alleged valuation of Rs. 11,98,800/- is just hypothetical and is based on the value assessed for Insurance Premium, which may not be relied upon for the purpose of assessing the value under IBC, 2016.

5.5 The premium payable for insuring a vehicle have very little amount of variation for higher IDV (Insured Value), it is a practice to pay little more money and insure the vehicle for higher IDV to safeguard against the eventuality of total loss to the vehicle. Hence, while making a declaration for insuring a vehicle, as a normal practice a self-assessed valuation is made at the time of taking an insurance policy and neither any assessment nor any valuation is made by insurance company.

5.6 After getting the assessment of vehicles by competent motor mechanics and considering the cost of repairs and maintenances and also residual life of the vehicles, the vehicles were purchased by the respondent at a fair value which was higher than the depreciated value of the vehicles and therefore terming them as undervalued transactions are totally baseless.

6. The Respondent No.4 has filed its Reply and Written Submissions and has adopted the same submissions of Respondent No.1 to 3 except the following:

6.1 Schedule II of the Companies Act, 2013 read with section 123 of the Companies Act, 2013 prescribes that the depreciation to be charged to arrive at true and fair view of the profit and loss account.

6.2 Insured Value (IDV) is not the market value and it is merely representation of insurance in the event of the eventuality of total loss of vehicle and not in the event of any mechanical or other defects.

6.3 The Respondent NO.4 has also obtained value of the cars from third party vendors. The copy of valuation of cars reproduced by Respondent No.4 reads thus:

JABBER SINGH RATHOD  
(MUNNA)

J.S. AUTOMOBILES  
REPAIRS OF ALL IMPORTED & INDIAN CARS  
MANS PARISAR, 191B, NEAR MILAN SWEETS,  
BEHIND AVN TOWER, ZONE-1, M.P. NAGAR,  
BHOPAL -462 011 (M.P.) PH: 0755-270263

Ref. No. Pahwa Shaab

Date: 24.01.2018

HONDA CIVIC-MP04CFSS08

1.	Door Living Pannel From Left	13800
2.	Door Living Pannel From Reigh Right	13800
3.	Door Living Pannel Rewa Right	11675
4.	Door Living Pannel Rewa Left	11675
5.	Sleeing Assembly Tie Rodh---	25000
6.	Sleeing Gud Complete Sub	65690
7.	Sleeing Pump	45000
8.	Sleeing Oil	1500
9.	Sahab Complete Set (4ps)	35900
10.	Suspens Damped Front Assembly set	35000
11.	Suspension Damper Rear Assembly set	39000
12.	Wheel Aliment	2500
13.	Front Break Dish Set	5600
14.	Rear Break Dish set	6800
15.	Break Pad Change	13000
16.	Services Oil & Fitter Change	7500
17.	Labours	18000

Total

351440

Approx. Sale Value 1.25 to 1.50 lacs

  
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VAHANA (INDIA) AUTOMOTIVE SOLUTIONS

F-47 Narayan Nagar Service Lane, Behind Country Liquor Shop,  
Near Flyover, Hoshangabad Road, Bhopal-26  
Contact :- 0755 4911587, 9827042444

ESTIMATE

Job Card No. : 23/2018  
Vehicle Model : Honda Civic  
Reg. No. : MP04CF5508  
VIN : MAKFD163EAN400025  
ODO Reading : Kms  
Date & Time : 24/01/2018 1035 HRS  
Owner's Name : M/S Noslar International Ltd. Mandideep  
Contact : ~~XXXXXXXXXX~~ 9869959920

Parts -

S.No	PART NUMBER	QTY	DESCRIPTION	AMOUNT
1	516015N1P17	1	DAMPER ASSY.R FR	11663
2	516025N1P17	1	DAMPER ASSY.L FR	10783
3	51608SNA000	2	CAP.DAMPER MT FR	106
4	90304510024	6	NUT.FLANGE 10MM	810
5	52610SNJP03	2	DAMPER ASSY.RR	10400
6	526315NAA22	2	RUBBER.DAMPER MT	174
7	526915NAA01	2	RUBBER.SPG MT RR	2008
8	52748SNA001	2	RUBBER.SPG LWR SEAT	364
9	91560SNA001	2	CLIP.TRIM	136
10	51230SN001	1	LWR BALL JOINT CO	4863
11	51306SN0002	2	BUSH.STABI HOLDER FR	618
12	51308SNA001	2	HOLDER.STABI RR	140
13	51320SNA002	1	LINK COMP.STABI R FR	3705
14	51321SNA002	1	LINK COMP.STABI L FR	4018
15	51350SNA903	1	LWR ARM COMP.R FR	7585
16	51360SNA903	1	LWR ARM COMP.L FR	7585
17	903065E42013	2	NUT SELFLOCK 10MM	348
18	903065E3VA01	2	NUT.CASTLE 14MM	324
19	907015KC003	2	PIN.SPLIT(M14)	138
20	52306SNA001	2	BUSH.STABI HOLDER	558
21	523085R3000	2	HOLDER. RR STABI	290
22	52320SNLT01	1	LINK COMP.STABI RR	1025
23	52321SNLT01	1	LINK COMP.STABI L RR	1025
24	52370SNLT05	1	TRAILING ARM COMP R	14101
25	52371SNLT05	1	TRAILING ARM COMP L	14101
26	52362530003	2	BOOT. LWR ARM B RR	936
27	53010SNA001	2	SET.RACK END COMP	10644
28	53434SNA001	2	CLIP.STRG TIE ROD	478
29	53436SNA001	1	CUSH B.G/BOX	518
30	53438SNA000	1	BRKT B.STRG G/BOX	54
31	53449584A01	2	BAND.BELLOWS	606
32	53534SNA001	1	DUST SEAL.TIE ROD(HS	819
33	53535SNA001	1	DUST SEAL.TIE ROD(CY	728
34	53536SDAA02	2	WASHER.TIE ROD LO	94
35	53537584A01	2	RUBBER STOPPER	524
36	51540SNA002	1	END COMP.TIE ROD	3451
37	51560SNA002	1	END COMP.TIE ROD	3451
38	536015NBT05	1	BOX COMP.. POWER STE	63345
39	903015EP003	2	NUT.HEX 14MM	156
40	934131002508	2	BOLT WASHER 10X25	150
41	9403012280	2	NUT.HEX 12MM	86
42	9420130220	2	PIN COTTER 3.0MM	2
43	44306SNLT10	1	SHAFT ASSY.L DRIVE	23685

44	90305692010	2NUT.SPINDLE	724
45	45235S0KA01	2/PIN A	1372
46	45240SM4003	4 BOLT.FLANGE 10X24	648
47	45250KA01	2 PIN B	1758
48	01463s7AN01	1 SET.CAupper FR (16C)	2179
49	5611ORNAA03	1 PUMP SUB Assy.P/s	44271
50	17220RNAY00	1 ELEMENT ASSY. AIR CLEANER	1129
51	5372BSEPA01	1 CLIP RETURN PIPE	94
52	53731SNAA01	1 TUBE.P/S SUCTION	706
53	91370SV4000	1 O-RING 14.5X1.9	149
54	91405550003	1 CLANIP.021 TUBE	166
55	19513REAZ01	1 CLAMP WATER HOSE	130
56	90304SA5013	2 NUT. WHEELMOUNT	532
57	9011355N005	2 BOLT. WHEEL	366
58	83503SNLTO32B	1 BASE COMP R.FR DOOR	13710
59	83553SNLTO32B	1 BASE COMP L.FR DOOR	1359
60	83703SN1T032C	1 BASE COMP R.RR DOOR	10696
61	83753SNLF032C	1 BASE COMP L.RR DOOR	10696
62	821375DA003	2 CUP.RR SEAT CUSH	194
63	170475NA000	1 METER COMP.	51199
	Lathe Work		3500
	Total		351683
	Labour		25000
	Grand Total		376683

Net payable in Words : Rupees Three Lakh Seventy Six Thousand One Hundred Eighty three Only.

Bank Transfer details in case of Online Payment:-

Beneficiary Name : VAHANA INDIA AUTOMOTIVE SOLUTIONS  
Bank : State Bank of India  
IFSC : SBIN0005855  
Account No. : 35322845637

**XXX**

13

JABBER SINGH RATHOD  
(MUNNA)

J.S. AUTOMOBILES  
REPAIRS OF ALL IMPORTED & INDIAN CARS  
MANS PARISAR, 191B, NEAR MILAN SWEETS,  
BEHIND AVN TOWER, ZONE-1, M.P. NAGAR,  
BHOPAL -462 011 (M.P.) PH: 0755-270263

Ref. No.	Pahwa Shaab	Date:
	Audi HR 26BA0036	17.12.2017
1.	Einsen Oil Charge	9000
2.	ATF Oil/ Gad Oil	13500
3.	Cabel Fitted/ Imported	2500
4.	Air Fitted/ Man Mahe	4100
5.	High Speed FTP	365000
6.	Fuel Injected	182000
7.	Fuel Line Fitted	6500
8.	Over Flow Line	10000
9.	Timing Belt	35000
10.	Labour	20500
	<b>Total</b>	<b>648100</b>

Approx Sale Value 3 to 3.50 lacs

VAHANA (INDIA) AUTOMOTIVE SOLUTIONS

F.47 Narayan Nagar Service Lane, Behind Country Liquor Shop.  
Near Flyover, Hoshangabad Road, Bhopal 26  
Contct: 0755 4911987, 9827042444

ESTIMATE

Job Card No. : 321/2017  
Vehicle Model : Audi A4 2.0 TDI  
Reg. No. : HR26BA0036  
Vin : WAUZBASKKXAY700301  
ODD Reading : kms  
Date & Time : 17.12.2017 10: 55 hrs  
Owner Name : M/s Noslar International LTd. Mandideep  
Contact : 7869959920

Parts

S. No.	Item	Liters	Qty.	Rate	Discount	Amount
1.	High Speed FIP		1	3,80,000.00	..	3,80,000.00
2.	Injector		4	45,000.00	..	1,80,000.00
3.	Timing Belt Kit		1	38,000.00	..	38,000.00
4.	Diesel Filter		1	4,400.00	..	4,400.00
5.	Illegible		1	8,000.00	..	8,000.00

Labour

6.	Mechanical	22,000.00
7.	Interior Cleaning & Washing	1500.00

Total	6,10,400.00
Total	23,500.00
Total	6,33,900.00

Net payable it word: Rupees Six Lakh Thirty Three Thousand Nine Hundred Only.  
Bank Transfer details its illegible Online Payment:

Beneficiary Name : VAHANA INDIA AUTOMOTIVE SOLUTIONS  
BANK : State Bank of India  
Card No. : SBIN0005855  
Account No. : 35322845637

  
TRUE COPY

7. Respondent No. 5 and 6 have not filed their reply. Further they were proceeded against ex-parte video order dated 19.07.2023 therefore, it is presumed that they have nothing to say in the matter.

8. We have heard the submissions of both the parties and have perused the documents placed on record. The Liquidator had alleged that the sale of car whose details given in Para 4.1 to be Undervalued on the ground that the United India Insurance had insured the Honda Civic car for the period from 25.06.2017 to 24.06.2018 for Rs. 6,15,400/-, and Audi car for the period from 19.02.2018 to 18.02.2019 for Rs. 11,98,800/-, whereas the Respondents have sold the cars at a meager amount of Rs 4,75,000. Per contra the Respondents have contended that the Liquidator has not computed the Depreciated value of the cars in accordance with the Accounting Standards and has solely relied upon the Insured value of the vehicle.

9. From perusal of the record it is observed that Liquidator has not conducted the valuation of the cars from the Registered Valuers. We find credence in the submissions made by the Respondent that the Depreciation of vehicle needs to be taken into account while computing Fair Market Value of the vehicles. Further in our considered view, the Insured value of the vehicle cannot be solely relied upon while computing Fair Market value, in absence of valuation computed in accordance with the Accounting Standards.

10. Since no valuation has been conducted by the Liquidator, we direct that the valuation of the vehicles in question be conducted through the 2 Registered Valuers, in accordance with the Accounting Standards prescribed by law.

11. In case the value of the 02 vehicles as on date of sale is found more than the average amount computed by the Registered Valuers, the Respondents would be jointly and severally liable to reimburse the differential amount in the Liquidation Account of the Corporate Debtor.

12. **The Application is disposed of with the aforesaid directions.**

**Sd/-  
(L. N. GUPTA)  
MEMBER (T)**

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