



IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-II
IA No.29 /MB/2025 IN CP (IB) No.196/MB/2024

*[Under Section 54(1) of Insolvency & Bankruptcy Code, 2016 read with Rule 11 of the
National Company Law Tribunal Rules, 2016]*

Ordered On: 02.04.2026

Mr. Mukesh Kumar Jain
[Liquidator of Corporate Debtor]

C-203, Edge Commercial,
Opp. Maruti Suzuki Arena,
Vidhansabha Road, Mova,
Raipur, Chattisgarh, 492007

...Applicant/Liquidator

IN THE MATTER OF

JAYESH LIFESCIENCE INDIA PRIVATE LIMITED

.... Corporate Debtor

CORAM:

HON'BLE SHRI SUSHIL MAHADEORAO KOCHEY, MEMBER (JUDICIAL)

HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant : Adv. Aniket Sharma



ORDER

PER: (CORAM)

1. BACKGROUND

- 1.1 This is an IA (IBC) (Dis.) No.29/MB/2025, filed by Mr. Mukesh Kumar Jain, Liquidator ("Applicant") on 12.04.2025, seeking dissolution of Jayesh Lifescience India Private Limited ("Corporate Debtor"). The present Application is filed under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code") and Rule 11 of the National Company Law Tribunal Rules, 2016 (hereinafter referred to as ("NCLT Rules")).

2. AVERMENTS OF THE APPLICANT

- 2.1 The present Interlocutory Application has been filed under Section 54(1) of the Code, read with Rule 11 of the NCLT Rules, 2016 by the Resolution Professional seeking early dissolution of the Corporate Debtor, Jayesh Lifescience India Private Limited, which is presently undergoing Corporate Insolvency Resolution Process (CIRP).
- 2.2 The Corporate Debtor was admitted into CIRP by this Tribunal vide order dated 05.08.2024 in CP (IB) No. 196/MB/C-II/2024, whereby Mr. Mukesh Kumar Jain was appointed as the Interim Resolution Professional (IRP) to conduct the CIRP of the Corporate Debtor.



- 2.3 Pursuant to the receipt of the admission order on 05.08.2024, the IRP caused a public announcement on the same date in the newspapers “Financial Express (English Edition)” and “Prathakal (Marathi Edition)” inviting claims from the creditors of the Corporate Debtor.
- 2.4 In response to the public announcement, the Applicant received two claims from Secured Financial Creditors, namely Axis Bank Limited and State Bank of India. The total admitted claims amount to Rs. 22,80,28,290/-, with voting shares of 65.25% and 34.75% respectively in the Committee of Creditors. The List of Creditors of the Corporate Debtor was prepared and uploaded on the website of the Insolvency and Bankruptcy Board of India (IBBI) on 26.08.2024.
- 2.5 Thereafter, the Applicant filed IA No. 5544/2024 seeking to take on record the report for constitution of the Committee of Creditors (CoC) and the List of Creditors, which was subsequently taken on record by this Tribunal vide order dated 28.11.2024.
- 2.6 The first meeting of the CoC was convened on 05.09.2024, wherein the IRP was confirmed and regularised as the Resolution Professional (RP). It was also noted during the said meeting that no valuers were appointed, as the Corporate Debtor did not possess any assets.
- 2.7 The Applicant subsequently opened a bank account in the name of the Corporate Debtor under CIRP on 20.01.2025 for the purpose of carrying out CIRP related transactions.

- 2.8 During the second CoC meeting held on 14.10.2024, the RP informed the CoC members about appointing a forensic auditor to examine fraudulent transactions. However, the CoC members informed the RP that they had already conducted a forensic audit prior to initiation of CIRP and, considering that the Corporate Debtor had no assets, they did not wish to incur further CIRP expenses. In view of the same, the Resolution Professional placed a resolution before the CoC proposing early dissolution of the Corporate Debtor.
- 2.9 Since the fourth CoC meeting held on 17.12.2024 regarding the resolution proposing early dissolution of the Corporate Debtor.
- 2.10 Subsequently, the CoC members cast their e-votes on 14.01.2025 with respect to the resolution proposed in the second CoC meeting held on 14.10.2024. Axis Bank Limited voted in favour of the resolution with 65.25% voting share, whereas State Bank of India voted against the resolution with 34.75% voting share. As the votes in favour amounted to 65.25%, which fell short of the minimum requirement of 66% voting share under Section 28(3) of the Code, the resolution for early dissolution of the Corporate Debtor failed.
- 2.11 During the fifth CoC meeting held on 14.01.2025, the representative of State Bank of India requested the Resolution Professional to issue Expression of Interest (Form G) for the Corporate Debtor and also requested that a further meeting be convened to discuss the same. After deliberations, the representative of Axis Bank Limited also consented to the

issuance of Form G. The CoC members also noted that the CIRP period of 180 days would expire on 01.02.2025 and therefore extension of time would be required.

2.12 Subsequently, in the sixth CoC meeting held on 22.01.2025, the CoC members with 100% voting share approved the issuance of Form G for invitation of Expression of Interest and also approved filing an application seeking extension of the CIRP period by 90 days

2.13 Pursuant thereto, the RP issued Form G on 07.02.2025 inviting Expression of Interest. In response, one email was received from Real Value Infotech Projects Private Limited, however the said party did not deposit the Earnest Money Deposit (EMD) required under the process.

2.14 The RP also filed an application seeking extension of the CIRP period by 90 days, which was allowed by this Tribunal vide order dated 11.03.2025, extending the CIRP period till 02.05.2025

2.15 In the seventh CoC meeting held on 04.03.2025, the CoC members, considering that the Corporate Debtor had no assets, rejected the Expression of Interest submitted by Real Value Infotech Projects Private Limited due to non-deposit of EMD and approved the early dissolution of the Corporate Debtor with 100% voting share, authorising the RP to file an application before this Tribunal for dissolution.

2.16 It is submitted that the Corporate Debtor does not possess any assets, funds, infrastructure, employees, or records, and therefore no receipts or payments have taken place during the CIRP period. Consequently, no

distribution has been made to the creditors. The CIRP expenditure incurred amounts to Rs. 8,74,535/-, out of which the Applicant has received Rs. 3,00,000/-, leaving a balance receivable of Rs. 5,74,535/-.

- 2.17 Lastly, it is submitted that the Applicant has complied with the procedure laid down under the provisions of the Code read with Liquidation Process Regulations and that this a fit and proper case to pass dissolution order under the provisions of Section 54 of the Code.

3. FINDINGS

- 3.1 We have heard the submissions of the Ld. Counsel for the Applicant and carefully perused the material available on record. The Corporate Debtor was admitted into the CIRP by this Tribunal vide order dated 05.08.2024 in CP (IB) No. 196/MB/C-II/2024, wherein the Applicant was appointed as the IRP and was subsequently confirmed as the RP in the first meeting of the Committee of Creditors held on 05.08.2024.
- 3.2 At the outset, while considering an application under Section 54 of the Code, this Adjudicating Authority is required to satisfy itself that the affairs of the Corporate Debtor have been completely wound up and that no further investigation, realization or recovery remains to be undertaken. The dissolution of a Corporate Debtor is not to be treated as a mechanical consequence merely on account of absence of readily available assets, but must follow a thorough and satisfactory closure of all aspects of the CIRP,

including proper tracing of assets, examination of financial affairs, and due diligence regarding past transactions.

3.3 In the present case, it is observed from the record that although the Applicant has stated that the Corporate Debtor does not possess any assets, the material placed on record indicates that charges had been created in favour of secured creditors, namely Axis Bank Limited and State Bank of India, over hypothecated current assets including stock and book debts. It is also noted that certain actions were undertaken by these lenders under the SARFAESI Act. However, the Application does not clearly explain how such charged assets, their realization, or the manner in which the claims of secured creditors have been conclusively addressed within the CIRP framework.

3.4 It is further noted that the financial records of the Corporate Debtor are incomplete and inadequate. The Applicant has relied primarily on provisional financial statements from Financial Year 2021 onwards and no audited financial statements for the relevant period have been made available. The absence of reliable and complete financial records raises serious concerns regarding the accuracy of the assertion that no assets exist, particularly when borrowings had been availed in earlier years. The inability of the RP to produce complete books of account or audited financials reflects lack of proper verification of the financial position of the Corporate Debtor.



- 3.5 That no Transaction Auditor was appointed during the CIRP to examine potential avoidance transactions under Chapter III of Part II of the Code. The explanation that the secured creditors were not inclined to appoint such an auditor, or that they had conducted their own forensic audits, cannot be accepted as sufficient compliance. The responsibility to examine such transactions independently lies with the RP under the Code.
- 3.6 Further, although certain bank statements were obtained, the record reflects that meaningful analysis of financial transactions, tracing of fund flow, and identification of any irregularities or recoverable value has not been comprehensively carried out. The mere statement that the last transaction occurred in 2019 does not discharge the responsibility of the RP to investigate the financial conduct of the Corporate Debtor, particularly when the account has been classified as fraudulent by the lenders.
- 3.7 Further, it is noticed that the decision of the Committee of Creditors (CoC) to recommend early dissolution has been primarily with the objective of avoiding further CIRP costs. While the commercial wisdom of the CoC is ordinarily accorded due deference by this Adjudicating Authority, the same cannot be permitted to override the statutory mandate of ensuring that the CIRP has been conducted in a complete and proper manner. The recommendation of the CoC cannot be treated as determinative where the record indicates that essential steps, particularly in relation to investigation of financial affairs and tracing of assets, have not been duly undertaken.



3.8 In view of the aforesaid facts and circumstances, this Bench is of the considered opinion that the Applicant has failed to demonstrate that all necessary steps for tracing assets, examining financial transactions and verifying the affairs of the Corporate Debtor have been duly undertaken. The material on record does not inspire confidence to conclude that the Corporate Debtor is fit for dissolution under Section 54 of the Code at this stage.

ORDER

- I. Accordingly, this Application bearing IA (IBC) (Dis.) No. 29 of 2025 in CP (IB) No. 196/(MB)/2024 filed under Section 54 of Code, seeking dissolution of the Corporate Debtor is hereby **rejected**.
- II. However, the rejection of this Application shall not preclude the Applicant from filing a fresh application, in accordance with law, after ensuring due compliance with the provisions of the Code and the applicable Regulations.

Sd/-
SANJIV DUTT
MEMBER (TECHNICAL)

Sd/-
SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

//LRA-Vaishnavi Shah//