

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**DIVISION BENCH**  
**COURT - 1**



ITEM No.302 – IA(Liq.)5(AHM)2025  
In  
C.P.(IB)/269(AHM)2023

**Order under Section 33 of IBC, 2016**

**IN THE MATTER OF:**

CMA Harshad Deshpande RP M/s Honest Derivatives Pvt. Ltd .....Applicant

**Order delivered on 10/10/2025**

**Coram:**

Mr. Shammi Khan, Hon'ble Member (J)

Mr. Sanjeev Sharma, Hon'ble Member (T)

**ORDER**  
**(Hybrid Mode)**

The case is fixed for the pronouncement of the order. The order is pronounced in open Court, vide separate sheet.

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**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

-sd-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**



**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH COURT-I, AHMEDABAD**

**IA (Liq)/05/AHM/2025 in CP/269/AHM/2023**

*(Filed under Section 33(2) r.w. Section 34 of the Insolvency and  
Bankruptcy Code, 2016).*

In the matter of: **M/s Honest Derivatives Private Limited**

**CMA MR. HARSHAD DESHPANDE,**

Resolution Professional

**M/s Honest Derivatives Private Limited**

403, Kumar Millennium,

Shivatirtha Nagar Kaman, Opp

Krishna Hospital, Paud Road,

Kothrud, Pune, - 411038

**....Applicant**

**Order Pronounced on 10.10.2025**

**C O R A M:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)**

**SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

For Applicant : Mr. Jatin Kumar, Adv.




**ORDER**  
**[PER BENCH]**

1. This Interlocutory Application being **IA(Liq)/05/AHM/2025** has been filed by the Applicant/ Resolution Professional under Section 33(2) r.w. Section 34 of the Insolvency and Bankruptcy Code, 2016 seeking relief as follows; -

- a. *That this Hon'ble Court may be pleased to admit the Corporate Debtor M/s Honest Derivatives Private Limited into Liquidation in the manner as laid down in Chapter III of the Insolvency and Bankruptcy Code, 2016;*
- b. *To appoint the Liquidator in the matter of M/s Honest Derivatives Private Limited for conducting Liquidation of the Corporate Debtor under the Insolvency and Bankruptcy Code, 2016 with the recommendation received from the Insolvency and Bankruptcy Board of India.*
- c. *To issue such other necessary orders as this Hon'ble Court may be deemed fit*

2. In support of the application, it is submitted that:-

- I. This Tribunal, vide its order dated 03.07.2024 admitted the application being CP(IB) No. 269 of 2023 under Section 7 of the Code seeking initiation of the Corporate Insolvency Resolution Process ("**CIRP**") of the Corporate Debtor M/s. Honest Derivatives Private Limited and further appointed Mr. CMA Harshad



Deshpande, the Applicant herein as the Interim Resolution Professional ("IRP") of the Corporate Debtor.

- II. In Compliance with Section 13, Section 15 and other applicable sections of the Code read with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016 (hereinafter called "IRP Regulation"), the Applicant made the Public Announcement in English newspaper i.e. Financial Express (Ahmedabad edition) and in Gujarati Newspaper i.e. Financial Express (Ahmedabad edition) on 14.07.2024, intimating the commencement of CIRP against Corporate Debtor and calling upon the creditors to submit their claims with proof of claims.
- III. The deadline for submission of claim was 26.07.2024. After collating all the claims and in pursuant to Section 21 of the Code, the IRP constituted the Committee of Creditors ("**CoC**") in the following manner:-

Sr no	Name of the Creditor	Amount of Claim	Claim Admitted
1	State Bank of India (secured creditor)	1,127,044,803	1,127,044,803
2	Sun Irrigation Systems Private Limited	8,724,530	2,256,594



- IV. Pursuant to the constitution of CoC, the first meeting of the Committee of Creditors ("CoC") was convened on 05.08.2024, wherein the CoC resolved to confirm the Applicant as the Resolution Professional ("RP"). In the same meeting, the CoC resolved to publish an invitation for Expression of Interest (Form-G) in terms of Section 25(h) of the Code read with Regulation 36A(4) of the CIRP Regulations, 2016.
- V. The Applicant, in pursuance to the CoC's resolution passed in the 1<sup>st</sup> CoC meeting, Published Form G on 18.08.2024. In response to the said Form G, the RP declared 5 (five) entities as prospective resolution applicants ("PRA") and presented the said final list of PRAs before the CoC during the 3<sup>rd</sup> CoC meeting dated 24.10.2024.
- VI. In the 4<sup>th</sup> CoC meeting held on 30.10.2024, the CoC directed the Applicant to issue a fresh Form-G to ensure wider participation and better value maximization. It was further resolved that the bids already submitted by the earlier PRAs would remain valid without requiring re-submission of documents. The Applicant, in pursuance to the CoC's resolution passed in the 4<sup>th</sup> CoC meeting, Published Form G on 06.11.2024.
- VII. In the 5<sup>th</sup> CoC meeting held on 03.12.2024, the applicant informed that in response to the Form-G dated



06.11.2024, two entities had submitted EoIs but failed to deposit the Earnest Money Deposit (“EMD”) and hence were not considered. Further, four other entities, who were earlier ineligible under the first Form-G dated 18.08.2024, became eligible under the revised criteria. Thus, a final list of nine (9) PRAs was placed before the CoC.

- VIII. In the same meeting, in terms of Agenda Item No. (B) (3), the CoC noted that the initial 180-day CIRP period was expiring on 08.01.2025. Considering that the last date for receipt of resolution plans in terms of Form-G dated 06.11.2024 was 21.01.2025, and additional time would be required for evaluation and voting, the CoC, by way of Resolution No. 3, authorized the Applicant to seek an extension of ninety (90) days under Section 12(2) of the Code.
- IX. Accordingly, the Applicant filed I.A. No. 18 of 2025 seeking extension of CIRP by 90 days. This Tribunal, vide order dated 20.01.2025 was pleased to condone the intervening delay of 12 days and extend the CIRP period by 90 days from 08.01.2025.
- X. In the 6<sup>th</sup> COC meeting dated 08.01.2025, the applicant apprised the CoC about the notice dated 19.12.2024 issued by Tahsildar, Jamner, for auction of land belonging to the Corporate Debtor for recovery of property tax dues.



The applicant had replied to the Tahsildar's office citing moratorium under Section 14. Considering urgency, the CoC authorised the applicant to move this Hon'ble Tribunal. The CoC also agreed to extend the deadline for submission of resolution plans by 15 days.

- XI. In the 7<sup>th</sup> COC meeting dated 27.01.2025, the applicant informed that he had filed I.A. No. 61 of 2025 before this Tribunal challenging the proposed auction. Vide order dated 17.01.2025, this Tribunal granted interim stay on the auction. The applicant further apprised the CoC that the deadline for resolution plan submission was extended to 28.01.2025 and sought further extension by one month. The CoC approved extension till 28.02.2025.
- XII. In the 8<sup>th</sup> COC meeting dated 25.02.2025, the applicant informed that this Tribunal, in I.A. No. 61 of 2025, granted a final opportunity to Tahsildar to file reply, and the matter was adjourned to 19.03.2025. He also apprised that one PRA had conducted a site visit and sought additional time. Considering pending litigations and requests of PRAs, the CoC extended the due date for resolution plans to 28.03.2025.
- XIII. In the 9<sup>th</sup> COC meeting dated 26.03.2025, the RP informed that no resolution plan had been received till date. PRAs cited financial year end activities and the pendency of the litigation as reasons for delay. The CoC, however, observed



that title to the property remained with the Corporate Debtor and litigation should not be a deterrent. After deliberations, the CoC resolved that the submission deadline be extended to 30.04.2025, while also extending the CIRP period by 90 days.

XIV. Considering the fact that the extension of 90 days granted vide Tribunal's Order dated 20.01.2025 was to come to an end on 08.04.2025, the CoC, in terms of Resolution No. 2 passed in the 9<sup>th</sup> CoC meeting held on 26.03.2025, authorized the Applicant to file an application before this Tribunal seeking extension of the Corporate Insolvency Resolution Process (CIRP) by a further period of 90 days. In compliance of the said directions of the CoC, the Applicant filed I.A. No. 539 of 2025 seeking extension of CIRP of the Corporate Debtor by 90 days.

XV. At the 10<sup>th</sup> CoC meeting, the Applicant apprised the members that although the deadline to submit Resolution Plans had been extended to 30.04.2025, none of the nine PRAs had submitted any plan. One PRA had even requested a refund of its EMD. On enquiry, the Applicant informed that PRAs were reluctant due to complications faced in the CIRP of a group company, fearing similar legal and implementation challenges if such issues arose here. Accordingly, the COC resolved to grant a final extension for submission of resolution plans until 10.05.2025, beyond which liquidation would be considered.



- XVI. Meanwhile, I.A. No. 539 of 2025 came to be listed before this Tribunal on 28.04.2025. After considering the submissions, this Tribunal partly allowed the said application and excluded a period of 60 days from the CIRP timeline under the second proviso to Section 12(3) of the Code, effective from the date of the said order i.e., 28.04.2025, on account of time taken in legal proceedings.
- XVII. At the 11<sup>th</sup> CoC meeting, the Applicant informed the members that no resolution plans were received even after publishing Form G twice and granting extensions. The CoC, having explored all options for revival, resolved to liquidate the Corporate Debtor. Accordingly, the following resolution was placed for e-voting:  
*Resolution No. 1: "Resolved that, Honest Derivatives Private Limited, the Corporate Debtor, be liquidated."*
- The said resolution, along with other resolutions, was kept for e-voting from 16.05.2025 to 26.05.2025, wherein the CoC voted in favour of liquidation.
- XVIII. During the same meeting, the Applicant confirmed his willingness to act as the Liquidator, and a separate resolution to that effect was also placed for e-voting. The e-voting concluded. The CoC voted in favor of the liquidation of the Corporate Debtor. However, the CoC did not approve the Applicant's appointment as the Liquidator.



- XIX. In compliance of Regulation 39B of the CIRP Regulations, the Applicant had placed before the CoC a best estimate of liquidation cost, which was duly approved by the CoC in terms of Resolution No. 6.
- XX. Further, in compliance with Regulation 39BA(1) of the CIRP Regulations, the Applicant enquired from the CoC about their assessment on compromise or arrangement. The CoC members confirmed that, as no such proposal was placed before them, they would not be considering any compromise or arrangement. Accordingly, the following resolution was put to e-voting and approved:  
*Resolution No. 4: "Resolved that, no proposal of compromise or arrangement as prescribed in Regulation 2B (1) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, be explored."*
- XXI. Further, in terms of Resolution No. 5, the CoC resolved that the Liquidator shall first explore the sale of the Corporate Debtor as a going concern under Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016, in accordance with Regulation 39C of the IBBI (Resolution Process for Corporate Persons), Regulations 2016.
3. The Applicant filed 3<sup>rd</sup> additional affidavit on 22.09.2025 vide inward no. D6311 thereby placing on record the 13<sup>th</sup>



meeting of CoC dated 03.09.2025 wherein the CoC unanimously resolved to appoint Mr. Akhil Ahuja as the Liquidator of the Corporate Debtor.

4. The present application is filed by the Applicant *inter-alia* seeking early liquidation of the Corporate Debtor in light of the various circumstances as mentioned hereinabove. In order to deal with the same, it is pertinent to mention that Section 33(2) of the Code which deals with initiation of liquidation proceedings against the corporate debtor.

*“(2) Where the resolution professional, **at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors approved by not less than sixty-six percent of the voting share to liquidate the corporate debtor,** the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).*

*Explanation- For the purposes of this sub-section, it is hereby declared that the committee of creditors may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.*



5. A bare perusal of section 33(2) demonstrates that any time before the confirmation of resolution plan the COC can resolve to liquidate the Corporate Debtor by not less than 66% voting. Further, the same has been added in the explanation that the COC may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum. Thus the requirement to satisfy shall be:-
- i. Formation of CoC pursuant to section 21(1).
  - ii. No confirmation of Resolution Plan.
  - iii. Minimum voting of 66%
6. The Hon'ble Supreme Court of India in case of **K. Sashidhar** has concluded that the decision of CoC to liquidate the Corporate Debtor without taking any steps for resolution of the Corporate Debtor is covered under explanation to sub-clause (2) of Section 33 of the Code and the same being decision on commercial wisdom, is **non-justiciable**.



7. We have heard the learned counsel for the Applicant and perused the documents attached with the application.
  
8. The CIRP was initiated on 03.07.2024. The CoC was constituted on 31.07.2024. The CoC in its 11<sup>th</sup> meeting held on 16.05.2025 with 100% voting share resolved to liquidate the Corporate Debtor. The effective CIRP period, after the single extension under Section 12(3) and exclusion of time for legal proceedings (including IA No. 61/2025 and adjudication of the liquidation application) under the second proviso to Section 12(3), remains within the mandatory 330-day limit. Before adverting to the Applicant's contention, we consider it appropriate to refer the relevant provisions of the IBC, 2016 deciding upon the issue.
  
9. The provisions of Section 33(2) of the Code are reproduced below: -

*“... (2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors [approved by not less than sixty-six per cent of the voting share] to liquidate the*



corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

<sup>12</sup>[Explanation. – For the purpose of this sub-section, it is hereby declared that the committee of creditors may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.]”.

- 10.** The Form H was filed under inward diary no. D5233 dated 04.08.2025. As per Form H, the Liquidation and Fair Value of the Corporate Debtor are as under:

**Fair Value** : Land and Building: Rs. 43.51 Crores  
 Plant and Machinery: Rs 23.98 Crores  
 Securities and Financial Assets: NIL

**Liquidation Value** : Land and Building Rs.33.44 Crores  
 Plant and Machinery: Rs.15.59 Crores  
 Securities and Financial Assets: Nil

- 11.** As per Form H, the Timeline of the proceedings as under:

<b>Particulars</b>	<b>Description</b>
Date of Initiation of CIRP	03.07.2024
Date of Appointment of IRP	03.07.2024
Date of Publication of Public Announcement	14.07.2024
Date of Constitution of CoC	31.07.2024
Date of First Meeting of CoC	05.08.2024
Date of Appointment of RP	17.08.2024
Date of Appointment of Registered Valuers	13.09.2024
Date of Issue of Invitation for EoI	18.08.2024



	06.11.2024
<i>Date of Final List of Eligible Prospective Resolution Applicants</i>	12.10.2024
<i>Date of Invitation of Resolution Plan</i>	14.12.2024
<i>Last Date of Submission of Resolution Plan</i>	13.01.2025
<i>Date of Expiry of 180 days of CIRP</i>	08.01.2025
<i>Date of each order extending/excluding the period of CIRP on request filed by RP</i>	20.01.2025 and 28.04.2025
<i>Liquidation Application filed on</i>	23.06.2025
<i>Date of Expiry of Extended Period of CIRP</i>	27.06.2025

The order dated 20.01.2025 granted a 90-day extension under Section 12(3); the order dated 28.04.2025 excluded 60 days for time taken in legal proceedings under the second proviso to Section 12(3).

**12.** The information provided in the Application and submitted to this Tribunal while seeking the extension of CIRP period shows that prospective resolution applicants had shown interest in the Corporate Debtor but none of them submitted any resolution plan. The CoC with a full majority has taken a decision to liquidate the Corporate Debtor.

**13.** The Resolution Professional has through this application has intimated the decision of the CoC (approved with not less than sixty-six percent of the voting share) to this Adjudicating Authority to liquidate the Corporate Debtor.



14. Considering the above, this Tribunal is satisfied that the Applicant has fulfilled the requirements of Section 33(2) of the Code. The CoC's decision to liquidate the Corporate Debtor is within the statutory framework.
15. It is further observed that though the original CIRP period of 180 days expired on 08.01.2025, the CoC had resolved to seek extension well before expiry, and the Applicant had moved this Tribunal accordingly. Vide order dated 20.01.2025 in I.A. No. 18 of 2025 this Tribunal granted extension of 90 days, condoning the intervening delay, and by a subsequent order dated 28.04.2025 in I.A. No. 539 of 2025, excluded a further period of 60 days for time taken in legal proceedings (including the pending IA No. 61/2025) under the second proviso to Section 12(3). Thus, the delay stands duly condoned and the CIRP period stands validly extended by orders of this Tribunal.
16. The Hon'ble Supreme Court in the matter of **K. Sashidhar Versus Indian Overseas Bank & Ors in Civil Appeal No. 10673 of 2018** has held that the commercial decision of CoC is **non-justifiable**. In this case, it is seen that the CoC



with a **100%** majority has passed the resolution seeking liquidation of the Corporate Debtor.

**17.** In view of the above findings, it is hereby ordered as follows: -

- a) The Corporate Debtor - **M/s Honest Derivatives Private Limited** is admitted into liquidation in terms of the provisions of 33(2) of the Insolvency and Bankruptcy Code, 2016, to be conducted in accordance with Chapter III of the Code and the IBBI (Liquidation Process) Regulations, 2016 which shall be effective from the date of this order.
- b) As proposed by the CoC, we hereby appoint, **Akhil Ahuja**, having Registration No. IBBI/IPA-001/IP-P-02072/2020-2021/13213, Address: Floor No. 8, Flat No. 803, Chandak Cornerstone, David S Barretto Road, Upper Worli, Worli, Mumbai City, Maharashtra, 400018 email id caakhilahuja@gmail.com as a Liquidator of the Corporate Debtor i.e M/s Honest Derivatives Private Limited as per the panel suggested by IBBI for this Bench for the period of from 01.07.2025 to 31.12.2025 as the Liquidator of the Corporate Debtor to carry the liquidation process.



- c) The Moratorium declared under section 14 of the Code shall cease to have effect from the date of the order of liquidation.
- d) A fresh moratorium under Section 33(5) of the Code is declared, prohibiting the institution or continuation of suits or proceedings against the Corporate Debtor, except as provided under the Code, effective from the date of this order until the completion of the liquidation process.
- e) The Liquidator shall take charge of the Corporate Debtor's assets, books, and records forthwith and perform all duties as prescribed under Sections 35 to 50 of the Code and the IBBI (Liquidation Process) Regulations, 2016.
- f) The Liquidator is directed to file a preliminary report within 75 days of this order, as per Regulation 13 of the IBBI (Liquidation Process) Regulations, 2016, and submit periodical progress reports to this Tribunal.
- g) 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.
- h) 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. All these powers henceforth vest with the Liquidator.

- i) The Financial Creditor (SBI) as well as 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.
- j) The Liquidator will charge fees for the conduct of the liquidation proceedings in proportion to the value of the liquidation estate assets as specified by IBBI and same shall be paid to the Liquidator from the proceed of the liquidation estate under section 53 of the Code.
- k) 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.
- l) This liquidation 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.



- m) 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, 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.
- n) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section - 35(1) of IBC, 2016 read with relevant rules and regulations, and also file its response for disposal of any pending Company Applications during the process of liquidation.
- o) The present Resolution Professional is directed to hand over the relevant documents and control of the Corporate Debtor to the newly appointed liquidator forthwith.
- p) The liquidator shall also take necessary action for identification of avoidance transactions on urgent basis ( sections 43 to 51) and fraudulent transactions



( sections 66 and 67) keeping in mind that there is no defined look back period for identifying the fraudulent transactions.

- q) The Registry is directed to communicate this order to the concerned Registrar of the Companies, the registered office of the Corporate Debtor, IBBI, the Resolution Professional, and the Liquidator by speed post as well as e-mail within one week from the date of this order, after completion of all the formalities for records and necessary action, if any. The Registrar of Companies shall update the Corporate Debtor's status on the MCA portal accordingly.
- r) Liberty is granted to the Liquidator to approach this Tribunal for any further directions or clarifications as may be required during the liquidation process.

**18.** Accordingly, **IA(Liq)/05(AHM)2025** in CP/269/AHM/2023 is allowed and disposed of.

**19.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities

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**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

Amee/LRA

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**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**