



IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH, COURT-III

I.A.(Dis.)-20(ND)/2024
In
IB-720(ND)/2022

(Under Section 54 of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF IB-720 (ND)/2022:

M/s. Montage Enterprises Pvt Ltd.

..... **Operational Creditor**

Versus

M/s Vidharva Trading Pvt. Ltd.

..... **Corporate Debtor**

AND IN THE MATTER OF IA (Dis.)-20(ND)/2024:

Mr. Mohan Lal Jain

Liquidator of

M/s. Vidharva Trading Pvt. Ltd.

..... **Applicant**

Order Pronounced on 07.11.2025

CORAM:

SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)
DR. SANJEEV RANJAN, HON'BLE MEMBER (TECHNICAL)

PRESENT

For the Liquidator : Mr. Arijit Prasad Sr. Adv., Ms. Prachi Darji, Ms. Saloni,
Mr. Tushar Gadia, Mr. Mohan Lal Jain Advs.

PER: DR. SANJEEV RANJAN, MEMBER (TECHNICAL)

1. The Corporate Insolvency Resolution Process (CIRP) was initiated against the Corporate Debtor, M/s Vidharva Trading Pvt. Ltd., pursuant to an application filed by the Operational Creditor, M/s. Montage Enterprises Pvt Ltd. The Corporate Debtor subsequently proceeded into liquidation, with the Liquidation Commencement Date (LCD) being 30.05.2023.
2. The present application, IA (Dis.)-20/2024, is moved under Section 54 of the Insolvency and Bankruptcy Code, 2016, seeking the dissolution of the Corporate Debtor.



3. In the Liquidation Application (IA 2400/2023), the Liquidator has mentioned that *“total amount of claim filed by the Creditors of the Corporate Debtor was Rs. 41,14,77,820.40/- (Rupees Forty One Crore Fourteen Lakh Seventy Seven Thousand Eight Hundred Twenty and Forty Paise Only)”*, with respect to it the Resolution Professional (RP) has mentioned that *“amount of claim was partially admitted by the Resolution Professional of Rs 39,53,50,888/-(Rupees thirty nine crore fifty three lakhs fifty thousand eight hundred eighty eight Only) and about Rs.1,61,26,932.40/- (Rupees One Crore Sixty One Lakh Twenty Six Thousand Nine Hundred Thirty Two and Forty Paise Only) being under verification.”*
4. However, in the present Dissolution Application (IA (Dis.)-20(ND)/2024), the Liquidator has submitted different, figures. In the Dissolution Application the liquidator has submitted that no new claims was received during Liquidation process hence, claim submitted by operational creditors during CIRP were considered as claim received during liquidation process. In the Dissolution Application the value of the amount claimed is stated as **Rs.152,96,14,943.40/-and value of amount admitted is mentioned as Rs. 139,29,94,828.40/-**.
5. There is difference in the amount of claim is approximately **Rs. 111,81,37,123** (Rs.152,96,14,943.40 - Rs. 41,14,77,820.40). Adding to the gravity of this situation is the Liquidator’s own assertion in the dissolution application that *“no new claims was received during Liquidation process hence, claim submitted by operational creditors during CIRP were considered as claim received during liquidation process”*.
6. Also there is difference in the value of amount admitted. This variance of approximately Rs.99,76,43,940/- (Rs. 139,29,94,828.40 - Rs. 39,53,50,888).
7. The Liquidator’s reporting on Trade Receivables, exhibits not only contradictions but also failure to realize their value, accompanied by a fundamental breach of transparency regarding recovery actions.
 - i. The book value of Trade Receivables cited by the Liquidator varies inexplicably across different submissions. Vide I.A. 4383/2023 the



liquidator filed the Preliminary Report along with the asset memorandum.

- a) The Statement of Estimated Assets and Liabilities based on audited financials as on 31.03.2022 showed Trade Receivables valued at Rs. 16,350.72 lakhs. A Statement shared by the Corporate Debtor as on 23.12.2022 reduced this value drastically to Rs.15,003.78 lakhs, this reduction or decrease in value has not been explained in detail by the Liquidator.
 - b) Furthermore, in the present Dissolution Application at page 24, of the Application it is mentioned that book value of Trade Receivables as on 30.05.2023 is Rs. 149,97,93,000/- this reduction or decrease in value has also not been explained in detail by the Liquidator.
8. Against book value of trade receivables as on 30.05.2023 Rs. 149,97,93,000/- the amount realized through e-auction for these trade receivables was Rs.7,15,00,000/-.
 9. The Liquidator has failed to satisfy the mandatory requirements of Regulation 34(3). The Asset Memorandum provided neither detailed information about the trade receivables nor any description of the entities from which these amounts were due. Liquidator has presented no evidence of having taken material action for recovery, such as issuing demand notices, initiating legal proceedings, or engaging in serious settlement negotiations.
 10. The duty under Section 35(1)(b) to take control of actionable claims necessarily implies active pursuit of recovery.
 11. The mandate under Section 35(1)(l) requires the Liquidator to proactively investigate the financial dealings of the Corporate Debtor to identify any preferential, undervalued, fraudulent, or extortionate transactions (PUFE). This duty is mandatory and designed to maximizing the asset pool.
 12. The Liquidator, while acknowledging in the 3rd progress report (IA 281/2024) appointment of Vijay Gosain & Associates, Chartered Accountant for a Transaction Record Analysis (TRA), has merely informed



the Adjudicating Authority that the Report concluded all transactions were in the normal course of business.

13. The Liquidator has failed to annex the said TRA report with the 3rd Liquidation Progress Report, the Final Report (IA 2794/2024), or the present Dissolution Application. Not placing the TRA report on record, particularly when facing such substantial, unexplained write-offs of assets and massive inflation of admitted claims, undermines the transparency required of an Insolvency Professional.
14. The Liquidator cannot simply assert that avoidance applications were unnecessary without providing the underlying investigative document and suggests a lack of transparency in the Liquidator's conduct.
15. The credibility of asset realization hinges on transparent valuation. Regulation 35 mandates the valuation of assets intended to be sold. Where fresh valuation is required, Regulation 35(2) requires the appointment of two registered valuers. The record indicates that the Liquidator has not placed the valuation reports on record in the Preliminary Report, any of the progress reports, or the present Dissolution Application.
16. The non-disclosure of the valuation reports makes it impossible for this Adjudicating Authority to ascertain whether the reserve price, which led to the sale of assets (trade receivables and computer) for a Rs. 7,15,12,000.00/- was appropriately determined or whether the sale was conducted at an unreasonably low price.
17. The Liquidator has a duty to take control of all actionable claims, effects, and property of the Corporate Debtor, which includes managing statutory liabilities.
18. The Liquidator noted in the 6th Progress Report (I.A.-158/2024 that an ASC Consulting Private Limited was appointed to handle matters pertaining to a two GST Cause Notices received in form GST DRC-01A under rule 142(1A). Despite this acknowledgement, the Liquidator has neither placed the copy of the Show Cause Notice on record nor disclosed its contents, particulars, or the financial implications it holds for the Corporate Debtor's estate. Furthermore, the Final Report and the Dissolution Application are



entirely silent on the status of these proceedings, the steps taken after appointing ASC Consulting Private Limited, and the present status of the potential statutory dues.

19. In the Compliance Certificate i.e Form H the date of intimation to various statutory authorities is required to be mentioned, however it is apparent from serial number 43 of Form H that Liquidator has only intimated Income Tax Department. The Liquidator has not furnished information regarding intimation to the GST department. The relevant portion of Form-H is reproduced below:

43	Date of intimation to statutory authority as applicable. a) PF b) ESI c) Income Tax Dept d) Inspector of Factory e) GST/VAT f) Others	Intimation to Income Tax has been sent on 08.06.2023
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20. In this regard it is pertinent to mention that once the liquidator takes charge he is required to intimate the jurisdictional CGST Commissioner within thirty days as per Section 88 of CGST Act.

21. Order

In light of the above findings the Application for Dissolution, IA (Dis.)-20(ND)/2024, filed by Mr. Mohan Lal Jain, Liquidator of M/s Vidharva Trading Pvt. Ltd., the Liquidator is directed to clarify and file affidavit on the following aspects:

- I. **Statutory Due Disclosure:** The Liquidator must file a copy of the intimation of his appointment to GST Commissioner and the complete copy of the GST Show Cause Notice detailing its contents, financial implications, the current status of the proceedings, and all steps taken to address this material statutory liability.
- II. **Reconciliation and Verification of Claims:** The Liquidator shall file a detailed, report, supported by complete documentation, explaining and reconciling the variance in admitted claims between the CIRP stage and the Liquidation stage in compliance with Section 35(1)(a).



- III. **Asset Memorandum and Recovery Actions:** The Liquidator shall file a comprehensive Asset Memorandum providing a descriptive list of trade receivables as per the Audited Financials, identifying the specific debtors and providing conclusive evidence of recovery actions taken (such as demand notices, initiation of legal proceedings, or detailed, verifiable justification for the write-off/e-auction result).
- IV. **PUFE and Investigation Compliance:** The Liquidator shall immediately place on record the complete Transaction Record Analysis (TRA)/Transaction Audit Report in view of the discrepancies in the receivables and the claims. The Liquidator shall reassess and provide a detailed, reasoned justification as to why no applications under sections 43, 45 and 49 (PUFE transactions) were filed, as required under Section 35(1)(l). Should potential avoidance transactions be identified during this reassessment, the Liquidator shall file the requisite applications before the Adjudicating Authority forthwith.
- V. **Valuation Disclosure:** The Liquidator shall immediately place on record the Valuation Report concerning all assets, providing necessary transparency regarding the determination of reserve prices and the subsequent realization amounts.

List on 18.11.2025.

-Sd/-

**(DR. SANJEEV RANJAN)
MEMBER (TECHNICAL)**

-Sd/-

**(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)**