

**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-II), CHANDIGARH
(Exercising powers of Adjudicating Authority
under the Insolvency and Bankruptcy Code, 2016)**

IA No.403/2022

In

**CP (IB) No. 263/Chd/Hry/2018
(Admitted Matter)**

**Under Sections 33(1) r/w 32A
of the Insolvency &
Bankruptcy Code, 2016, read
with IBBI (Liquidation Process)
Regulations, 2016.**

In the matter of:

ASREC (India) Limited

...Non-Petitioner/Financial Creditor

Versus

Zenica Cars India Private Limited

...Non-Respondent/Corporate Debtor

And in the matter of IA No. 403/2022:-

Mr. Rajender Kumar Jain,
Resolution Professional of
Zenica Cars India Private Limited (Corporate Debtor)
REG. NO. IBBI/IPA-001/IP-P00543/2017-2018/ 10968
SCO 818, 1st Floor, NAC Manimajra, Chandigarh-160101

....Resolution Professional/Applicant

Order delivered on: 25.04.2025

**Coram: Hon'ble Mr Harnam Singh Thakur, Member (Judicial)
Hon'ble Mr. Ashish Verma, Member (Technical)**

Present :

For the ASREC (India) Limited : Ms. Usha Singh, Advocate

For the Resolution Professional Applicant : Mr. Viren Sharma, Advocate
Mr. R.K. Jain, RP (in person)
via video conferencing mode.

For the CoC Member-HDFC Bank Ltd. : Mr. Manish Jain with
Ms. Divya Sharma, Mr. Siddhant Jain, and Mr. Manan Jain, Advocates

Per: Harnam Singh Thakur, Member (Judicial)
Ashish Verma, Member (Technical)

ORDER

IA No. 403/2022

The present application has been filed by the Resolution Professional, Mr. Rajender Kumar Jain, Regn No. IBBI/IPA-001/IP-P00543/2017-2018/10968 in the ongoing Corporate Insolvency Resolution Process (hereinafter referred to as “**CIRP**”) of M/s Zenica Cars India Private Limited under section 33 (1) (a) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**Code**”) for the initiation of liquidation process of the Corporate Debtor.

2) It is prayed by the Applicant to pass an order for the liquidation of the Corporate Debtor, i.e., M/s Zenica Cars India Private Limited (hereinafter referred to as “**Corporate Debtor**”) and

to appoint the Resolution Professional as a liquidator of the Corporate Debtor.

3) The brief facts of the case, as stated in the application, are as under-

- i) The CIRP was initiated against the Corporate Debtor by the order dated 22.03.2021, and the Applicant was appointed as an Interim Resolution Professional (hereinafter referred to as “**IRP**”). Pursuant to the order dated 18.05.2020, IRP made a public announcement in FORM-A on 25.03.2021, inviting claims from the creditors.
- ii) The Committee of Creditors (hereinafter referred to as “**CoC**”) was constituted with seven Financial creditors. The first meeting of the CoC was held on 20.04.2021. After due deliberations regarding the appointment of a Resolution Professional (hereinafter referred to as “**RP**”), it was decided that the matter be deferred and taken up in the next CoC meeting. A copy of the minutes of the first meeting of the CoC is annexed as Annexure A-4 of the application.
- iii) The IRP reconstituted the CoC on 07.05.2021 and 13.05.2021, respectively, pursuant to the receipt of claims from two more Financial Creditors, namely ‘ICICI Bank Limited’ on 29.04.2021 and ‘The Federal Bank Limited’ on 10.05.2021, and one from an operational creditor under the public announcement made by the IRP. The 2nd meeting of CoC was

held on 18.05.2021 through the mode of e-voting, which was concluded on 03.06.2021. In the 2nd CoC meeting, IRP got ratified as RP. A copy of the minutes of the 2nd meeting of the CoC is annexed as Annexure A-5 of the application.

- iv) The members of CoC from the commencement of CIRP were of the opinion that since there are no operations in the Corporate Debtor and that the Corporate Debtor is not a going concern, it should be liquidated. Thereafter, upon the directions of the CoC members, the RP placed an agenda with regard to the liquidation of the Corporate Debtor in its 2nd meeting dated 18.05.2021. However, the same could not get approved by the requisite voting share. Moreover, since the members of the suspended Board of Directors moved an appeal before Hon'ble NCLAT and Hon'ble NCLAT vide its order dated 27.07.2021 in Company Appeal (AT)(INS) 312/2021 directed the CoC Members ***“to proceed with the resolution plan but shall not take any final decision in the matter till the next date of hearing.”***.
- v) The RP, after taking approval of the CoC members in its 3rd meeting held on 17.06.2021 in accordance with regulation 36A of CIRP Regulations, 2016, published Form-G in the newspapers, i.e., Financial Express (English) and Jansatta (Hindi) on 03.07.2021. In response to the publication of Form-G, two parties, namely, Reso Professionals and Sunrise

Industries, had shown their interest in the submission of Resolution Plans to acquire the Corporate Debtor. However, only M/s Sunrise Industries had submitted the Expression of Interest on 14.07.2021. A copy of the minutes of the 3rd meeting of the CoC, along with its e-voting results and Form-G dated 03.07.2021, has been annexed as Annexure A-6 of the application.

- vi) The RP apprised all the CoC Members in their 5th meeting that in pursuance of the Form-G dated 03.07.2021, the last date to issue Information Memorandum (IM), Request for Resolution Plan (RFRP), and Evaluation Matrix (EM) to the Prospective Resolution Applicant (PRA) was 02.08.2021. However, the same had not been circulated as the RFRP and EM had not been approved by the CoC till 26.08. 2021, with a requisite majority. It could be provided to PRA only on 26.08.2021 after the approval of CoC Members, on 26.08.2021 with a delay of nearly 24 days.
- vii) Furthermore, the RP in the 5th CoC Meeting apprised the members of CoC that the prescribed period of 180 days of CIRP as per the code is going to expire on 18.09.2021. Hence, the RP filed an application on 20.09.2021 under section 12(2) of the Code bearing IA No. 559/2021 for seeking an extension of the CIRP period for 90 days. The said application was disposed of by the Adjudicating Authority, vide order dated

07.03.2022, by mentioning that “*In view of the order of status quo passed by the Hon’ble NCLAT and in the interest of justice, period of 90 days w.e.f. 10.02.2022 is extended beyond the period of 180 days*”. A Copy of the Adjudicating Authority Order dated 07.03.2022 for extension of CIRP period has been annexed as Annexure A-10 of the application.

- viii) The RP in compliance with his duties and in accordance with applicable regulations of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, appointed the registered valuers. The details of the appointed valuers with the class of assets and the date on which the report was submitted are as given below:

Sr. No.	Name of the Valuer	Asset Class	Report Submitted on
1.	Shagun Gupta	Securities and Financial Assets	20.09.2021
2.	Deepak Mangal	Securities and Financial Assets	14.09.2021
3.	Mr. Abhay Kumar	Vehicles	21.08.2021
4.	Mr. Anubhav Aggarwal	Vehicles	02.09.2021

It is pertinent to mention that there were no plant and machinery available at the site of Corporate Debtor, and one property situated at 12A, Orient Bestech Tower, V.P.O NH-48, Khandsa, Sector-34, Gurgaon, Haryana, which is owned by the ex-director, is under the possession of Canara Bank.

Hence, in the absence of Plant and Machinery and no Land & Building in the name of the Corporate Debtor, no registered valuer was appointed by the RP for the valuation of the said assets.

- ix) In the 7th CoC Meeting held on 01.11.2021, the RP apprised to all the CoC Members that after taking approval of the CoC Members in 5th CoC Meeting, the RP published Form-G second time, dated 17.09.2021, and in pursuant to which Expression of Interest was received from three Prospective Resolution Applicants namely, Sunrise Industries, Kundan Care Products Limited and BDR Buildtech Private Limited. However, no resolution plan was received till the last date of receipt of the plan from any of them. A Copy of the Minutes of the 7th CoC Meeting held on 01.11.2021 has been annexed as Annexure - A-12 of the application.
- x) The RP appointed M/s M K Aggarwal & Co., Chartered Accountants, New Delhi, as the transaction/ forensic auditor to conduct the transaction/ forensic audit of the Corporate Debtor for a period starting from 01.04.2014 and up to the insolvency commencement date, i.e., 22.03.2021. The fee of the transaction/ forensic auditor was ratified by the members of the CoC. In the 12th CoC meeting, RP informed all the CoC Members that he had received the final transaction/forensic audit report from the auditor on 22.12.2021. However, CoC

Members were not satisfied with the report and therefore, a fresh appointment was made in replacement of the present transaction cum forensic auditor and the CoC appointed M/s B M Varma & Co as the Transaction cum Forensic Auditor and passed the necessary resolution in this regard.

- xi) In the 12th CoC meeting held on 21.02.2022, the RP apprised the members of CoC that no resolution plan has been received till the last date of receipt of plan i.e., 30.10.2021, and further the CoC members were informed that the final order of Hon'ble NCLAT has also been pronounced vide order dated 10.02.2022, in which the appeal filed by Mr. Rashpal Singh Todd under section 61 of the Code, contesting the admission order 22.03.2021, has been dismissed. Accordingly, as there was no operation in the corporate debtor and there was hardly any assets and also no resolution plan had been received, the resolution for liquidation of the Corporate Debtor was put for e-voting, and the members of CoC approved the Liquidation Agenda 12.12 by 90.46% voting share and authorized the RP to take further necessary actions. The resolution approved by the members of CoC is reproduced hereunder:

“RESOLVED THAT the CoC hereby resolves to liquidate the Corporate Debtor under the provisions of section 33 of IBC, 2016, due to the reason that there are no operations in the company and hardly any assets, and therefore no possibility of its revival. Further, the CoC authorizes the Resolution Professional, Mr. Rajender Kumar Jain, to move an application under section 33 on behalf of the CoC for

obtaining an order for liquidation of the Corporate Debtor from the Adjudicating Authority.”

Further in the aforesaid meeting, the RP proposed the resolution for the appointment of RP (Mr. Rajender Kumar Jain) as Liquidator along with the resolution of filing an application to liquidate the Corporate Debtor. The said resolution was also passed by the committee of creditors through e-voting by 73.24% of the votes. A Copy of the minutes of the 12th CoC meeting, along with its e-voting results, has been annexed as Annexure A-16 of the application.

- xii) In the 13th CoC meeting, vide agenda Item No. 13.08, CoC members resolved that the fee specified in the Regulation 4 of IBBI (Liquidation Regulations), 2016 be paid to the Liquidator and further fee at the rate of Rs. 1,00,000/- per month plus GST for the first three months of the Liquidation Period w.e.f. the date of the Adjudicating Authority's Order of Liquidation of the Corporate Debtor shall also be paid to the Liquidator, which shall be over and the above fee specified in Regulation 4 of IBBI (Liquidation Regulations) 2016. A Copy of Minutes of the 13th CoC meeting, along with its e-voting results, has been annexed as Annexure A-17 of the application.
- xiii) The Applicant had filed a Convenience Performa on 03.06.2022 vide Diary No. 00843/1. The Applicant had also

filed a short note in compliance with Order dated 15.07.2022 vide Diary No. 00843/2 dated 09.09.2022, revised short note in compliance with Order dated 15.07.2022 vide Diary No. 00843/3 dated 29.12.2022, and another short note in compliance with Order dated 09.02.2023 vide Diary No. 00843/4 dated 01.06.2023. The addendum to the Convenience Proforma was filed vide Diary No. 00843/5 dated 18.03.2023.

- xiv) The Applicant filed an application bearing I.A. No. 892 of 2024 before the Adjudicating Authority under Rule 11 of the NCLT Rules, 2016 to place on record additional documents such as the minutes of 14th CoC meeting convened on 17.11.2022, 15th CoC meeting convened on 05.10.2023, 16th CoC meeting convened on 04.01.2024, IBBI Circular dated 18.07.2023 and 17th CoC meeting convened on 11.03.2024 in IA No. 403 of 2022. The same was taken on record on 14.10.2024.
- xv) Furthermore, in the 17th CoC meeting, the Applicant placed the agenda for appointment of a person other than the Applicant/Resolution Professional as the Liquidator in terms of the IBBI Circular 18.07.2023. However, the CoC was of the view that since no resolution plans were received in this case, as there were no assets in the Corporate Debtor, and it was not a going concern. Also, a different liquidator would amount to a delay in the liquidation process, and hence, CoC approved

the agenda Item No. 17.09 to appoint the Applicant as the Liquidator of the Corporate Debtor with 75.66% voting share.

xvi) Thereafter, the Applicant filed another application bearing IA. No. 2212/2024 dated 03.10.2024 to place on record additional documents such as the latest audited balance sheet, valuation reports, reconciliation statements, and minutes of all CoC meetings in IA. No. 403/2022 before the Adjudicating Authority, which was taken on record vide Order dated 14.10.2024. The Applicant filed an Affidavit vide Diary No. 00843/6 dated 14.10.2024 in compliance with the Order dated 07.10.2024 passed by the Adjudicating Authority to place on record the reconciliation statement.

4) The Adjudicating Authority vide Order dated 07.10.2024, directed the Applicant to place on record the reconciliation statement. The Applicant, in compliance with the above Order, filed an Affidavit vide Diary No. 00843/6 dated 14.10.2024.

5) During the course of the hearing dated 09.12.2024, it was noted that in the IA (I.B.C.)/2212/CH/2024, the fair value and liquidation value as per the valuation report is about Rs. 0.22 crore and Rs. 0.20 crore respectively as against the fixed assets of Rs. 288.71 crore showing the wide gap between the valuation report and assets as per the balance sheet as shown below:

(Amount in Rs.)							
Assets	Balance sheet as on 31.03.2017	Fair value			Liquidation value		
		Valuer 1	Valuer 2	Average	Valuer 1	Valuer 2	Average
Tangible Fixed Assets	23,34,42,149	17,84,078	18,52,000	18,18,039	16,05,670	15,74,000	15,89,835
Intangible Fixed Assets	25,52,435						
Capital Work-in-Progress	1,68,11,282						
Non Current Investment	57,97,770	3,93,448	3,93,467	3,93,458	3,93,448	3,93,467	3,93,458
Long term loan and advances	5,29,39,103						
Inventories	1,65,10,20,257						
Trade Receivable	33,00,80,053						
Cash and Bank Balances	12,68,51,545						
Short-Term Loans and Advances	46,75,91,316						
Total	2,88,70,85,910	21,77,526	22,45,467	22,11,497	19,99,118	19,67,467	19,83,293

The RP submitted the details of missing assets as on the date of the CIRP are as below:

RECONCILIATION OF LAST AUDITED BALANCE SHEET, PROFORMA BALANCE SHEET AS PREPARED ON CIRP DATE AND VALUATION REPORTS						
ZENICA CARS - RECONCILIATION STATEMENT						
S. No.	Particulars	Amount as per last Audited Balance Sheet as in 31.03.2017	Amount as per unaudited provisional Balance Sheet provided by CD as on 31.03.2018	Amount as per proforma Balance sheet as on CIRP date i.e. 22.03.2021	Assets Not available	Amount as per Valuation Reports by Reg IBBI Valuers
1	Non Current Assets					
a	Tangible Fixed Assets	23,34,42,149.00	19,73,92,041.00	18,16,000.00	19,55,76,040.00	18,16,000.00
b	Intangible Assets	25,52,435.00	17,23,848.00	NIL	17,23,848.00	NIL
c	Tangible Assets Capital WIP	1,68,11,282.00	1,68,45,717.00	NIL	1,68,45,717.00	NIL
2	Non-Current Investments	57,97,770.00	57,97,770.00	NIL	57,97,770.00	NIL
3	Long term Loans and Advances	5,29,39,103.00	5,29,39,103.00	NIL	5,29,39,103.00	NIL
4	Current Assets					
a	Inventories	1,65,10,20,257.00	1,54,31,98,327.00	NIL	1,54,31,98,327.00	NIL
b	Trade Receivables	33,00,80,053.00	32,96,79,358.00	NIL	32,96,79,358.00	NIL
c	Cash & Bank Balances	12,68,51,545.00	6,91,38,803.00	3,93,457.92	6,87,45,345.08	3,93,457.92
d	Short terms loans & advances	46,75,91,316.00	46,59,33,254.00	NIL	46,59,33,254.00	NIL
	Total	2,88,70,85,910.00	2,68,26,48,221.00	22,09,457.92	2,68,04,38,762.08	40,25,457.92
SCHEDULE						
1a	Tangible Assets					
i	Building	-	-	-	-	-
ii	Computer	59,01,374.00	4,50,733.00	-	4,50,733.00	-
iii	Plant Machinery	5,36,25,315.00	4,60,54,490.00	-	4,60,54,490.00	-
iv	Furniture & Fixtures	5,71,15,804.00	3,24,70,491.00	-	3,24,70,491.00	-
v	Office Equipments	1,32,41,686.00	29,70,071.00	-	29,70,071.00	-
vi	Motor Vehicles	58,87,015.00	68,32,163.00	18,16,000.00	50,16,163.00	18,16,000.00
vii	Leasehold Improvements	9,76,70,955.00	10,86,14,092.00	-	10,86,14,092.00	-
		23,34,42,149.00	19,73,92,040.00	18,16,000.00	19,55,76,040.00	18,16,000.00
1b	Intangible Assets					
i	Computer software	25,52,435.00	17,23,848.00	-	17,23,848.00	-

- i. It was also noted that the liquidation value in the instant case is only Rs. 0.20 crore, while the missing assets are Rs. 268.04

crore, therefore, it appeared reasonable to adjudicate the PUFEE transactions relating to missing assets before considering the Liquidation Application in the instant case. In view of the above, the RP was asked to apprise the above position to CoC by convening its meeting, and the decision taken by the CoC was to be filed in the form of an Affidavit.

- ii. In Compliance of the Order dated 09.12.2024, an Affidavit was filed on behalf of RP vide diary No.00843/7 dated 06.01.2025. The same was taken on record on 04.03.2025. The CoC had also filed a similar Affidavit vide diary No.00843/8 dated 07.01.2025. The same was taken on record on 04.03.2025. The Compliance Affidavit was filed on behalf of RP in which the CoC, in its 26th meeting, convened on 11.12.2024, discussed the matter, and in the 27th meeting, convened on 30.12.2024 vide agenda Item No. 26.11, resolved that irrespective of the pendency of the PUFEE application, the liquidation application be decided expeditiously. The following Resolution was approved with 92.27% voting share by the CoC members:

“Resolved that, the Committee members are aware of the pending PUFEE application which involves certain missing assets as per the last available balance sheet and authorise HDFC Bank to file an affidavit stating the view of the COC Members to adjudicate/decide liquidation application irrespective of pendency of PUFEE Applications so that steps can be taken to realise assets in possession of the Resolution Professional.”

“Further Resolved that, the Committee members hereby authorize HDFC Bank, one of the Financial Creditors to file an affidavit on for and on behalf of all the Committee members before the Hon'ble NCLT, Bench Chandigarh.”

- iii. The Adjudicating Authority, earlier during the hearing on 09.12.2024, was of the view that the PUFÉ transactions relating to missing assets should be decided before considering the Liquidation Application; however, considering the fact that the CoC and RP have filed an Affidavit, stating that the Liquidation Application be decided expeditiously, irrespective of the PUFÉ application, this Adjudicating Authority vide Order dated 04.03.2025 reserved the Liquidation Application.
- iv. The Adjudicating Authority also observed that there are similar directions from the Hon'ble NCLAT whereby on three occasions, the Hon'ble NCLAT has already observed for early disposal of the liquidation matter, i.e., in Company Appeal (AT)(Ins.) No.715 of 2023, which was disposed of on 26.04.2023, Company Appeal (AT)(Ins.) No.715 of 2023, which was disposed of on 26.04.2023, and Company Appeal (AT) (Ins.) No. 1869 of 2024 & I.A. No. 6875 of 2024, which was disposed of on 27.09.2024. Moreover, the Liquidation Application has been pending before this Adjudicating Authority since 2022.

6) We have carefully considered the submissions made in the application by the Resolution Professional and have also perused the records.

7) Before considering the prayer, we would like to refer the section 33(1) and (2) of IBC, and the same is reproduced below:-

“Section 33(1): Initiation of liquidation

1) Where the Adjudicating Authority —

(a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or

(b) rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall—

(i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;

(ii) issue a public announcement stating that the corporate debtor is in liquidation; and

(iii) require such order to be sent to the authority with which the corporate debtor is registered.

2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of the resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors ¹[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).”

8) It is observed that the present application has been filed under section 33(1) of the Code for the initiation of the liquidation process of the Corporate Debtor. The Resolution Professional has published Form-G twice, i.e, on 03.07.2021 and 17.09.2021, but no resolution plan was received, and thereafter, in the 12th CoC meeting held on

17.02.2022 with the majority of 90.4% voting share, the resolution for the Liquidation was passed.

9) It is noted that the agenda for the appointment of RP as Liquidator has been discussed in the 17th CoC meeting held on 11.03.2024. It was also resolved by the CoC that the same RP be continued as Liquidator, as no resolution plan was received. The Adjudicating Authority vide Order dated 04.03.2025, directed the RP to place on record a short note in terms of the arguments and continuity of RP as Liquidator with relevant law that the same RP could be appointed as Liquidator even after failing to get any resolution plan during CIRP. However, no short note was filed by the RP in compliance with the above Order. The applicant had provided its written consent to be appointed as the liquidator of the Corporate Debtor. However, IBBI in its letter (Liq-12011/214/2023-IIBI/840) dated 18.07.2023, has recommended that IP other than the IRP/RP may be appointed as liquidator in all the cases where a liquidation order is to be passed henceforth, and the liquidator can be appointed from the panel list of IBBI.

10) The agenda for the fees of the Liquidator has been resolved by the CoC in the 13th CoC meeting, vide agenda Item No. 13.08 whereby it was resolved that the fee specified in the Regulation 4 of IBBI (Liquidation Regulations), 2016 be paid to the Liquidator and further fee at the rate of Rs. 1,00,000/- per month plus GST for the first three months of the Liquidation Period w.e.f. the date of the

Adjudicating Authority's Order of Liquidation of the Corporate Debtor shall also be paid to the Liquidator, which shall be over and the above fee specified in Regulation 4 of IBBI (Liquidation Regulations) 2016.

11) Considering the above facts and circumstances of the case and taking into account the guidelines of IBBI dated 18.07.2023 that IP other than the IRP/RP may be appointed as liquidator in all the cases where a liquidation order is to be passed henceforth, we considered the name of Mr. Navneet Gupta from the panel of the IBBI list to be appointed as liquidator. The Law Research Associate of this Tribunal has checked the credentials of Mr. Navneet Gupta, and there is nothing adverse against him. In view of the above, we appoint Mr Navneet Gupta, having Registration Number IBBI/IPA-001/IP-P00361/2017-18/10619, email: navguptaca@gmail.com, as the Liquidator. He will file his consent for being appointed as liquidator.

12) In view of the satisfaction of the conditions provided under section 33 of the Code, the Corporate Debtor, i.e., **Zenica Cars India Private Limited**, is directed to be liquidated in the manner as laid down in Chapter III of the Code.

13) Accordingly, by exercising our power under section 33(2) we pass the following orders:-

- i. The Corporate Debtor shall be liquidated with immediate effect as on date of this Order in the manner provided under

Chapter III, Part II of the Code and other relevant rules and Regulations, including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended up to date, enjoined upon him;

- ii. According to section 34(4)(b) of the Code and the letter dated 18.07.2023 of IBBI, we hereby appoint Mr. Navneet Gupta, who shall take over the charge of the entire records and assets of the Corporate Debtor and perform his duty, as required under the Code and Regulations;
- iii. The liquidator is directed to take custody and control of the assets, property of the Corporate Debtor with immediate effect and make a public announcement clearly stating that the Corporate Debtor is under Liquidation in terms of Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016;
- iv. The provisions of sections 33 (5), (6), and (7) of the IBC, 2016 shall come into force with immediate effect. The Order of Moratorium passed under section 14 of the Code shall cease to have its effect, and a fresh Moratorium under section 33(5) of the Code shall commence;
- v. This Order shall be deemed to be a notice of discharge to the officers, employees, and workmen of the Corporate Debtor as per section 33(7) of the Code;

- vi. The Liquidator shall submit a Preliminary Report to the Adjudicating Authority within seventy-five (75) days from the Liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016;
- vii. The Liquidator shall file regular progress reports as per Regulation 15 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016, every fortnightly thereafter;
- viii. The Liquidator shall take necessary legal action to recover the trade receivables and other credits, such as loans and advances from the parties, which are reflected in the latest Balance Sheet of the Corporate Debtor, if any. This direction is hereby given in concurrence with the jurisdiction prescribed under section 33(5) of the Code;
- ix. On initiation of the liquidation process but subject to section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor save and except the liberty to the Liquidator to institute suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority, as provided in section 33(5) of the Code read with its proviso;
- x. That all the powers of the Board of Directors, key managerial personnel, of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested in the liquidator;

- xi. That the personnel of the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor and provisions of section 19 of the Code shall apply in relation to voluntary liquidation process as they apply in relation to liquidation process with the substitution of references to the liquidator for references to the Interim Resolution Professional;
- xii. The liquidator will be entitled to the protection of action taken in good faith as per the provisions of section 233 of the Code;
- xiii. The Liquidator is directed to make efforts to trace the missing assets in the process of Liquidation;
- xiv. The Liquidator shall investigate the financial affairs of the Corporate Debtor, particularly in relation to preferential transactions/ undervalued transactions and such other like transactions, including fraudulent preferences, and file a suitable application before this Adjudicating Authority;
- xv. The liquidator shall make efforts for the sale of the assets of the Corporate Debtor in the manner as provided in the provisions of Regulation 32 read with Regulation 32A of IBBI (Liquidation Process) Regulations, 2016;
- xvi. No action shall be taken against the property of the Corporate Debtor in relation to the offence committed prior to the commencement of the Corporate Insolvency Resolution

Process of the Corporate Debtor, under section 32A(2) of the Code;

- xvii. The Liquidator is directed to investigate the financial affairs of the Corporate debtor in terms of the provisions of section 35 (1) of the Code, read with relevant rules and regulations, and also file its response for the disposal of any pending Company applications during the process of liquidation;
- xviii. In terms of section 178 of the Income Tax Act, 1961, the Liquidator shall give necessary intimation to the Income Tax Department. In relation to other fiscal and regulatory authorities that govern the Corporate Debtor, the liquidator shall also duly intimate about the order of liquidation;
- xix. The Registry is directed to communicate a copy of the Order to the Corporate Debtor immediately;
- xx. A copy of this order should be sent by the Registry to the concerned Registrar of Companies for updating the Master Data. After updating Master Data, the Registrar of Companies shall send a compliance report to the Registrar, NCLT, within 30 days;
- xxi. The Registry and Liquidator are directed to communicate a copy of this Order to the Insolvency and Bankruptcy Board of India for their record;
- xxii. The Liquidator is at liberty to seek any directions, if need be, from this Tribunal during the Liquidation Process.

14) Although Resolution Professional has sought relief under Section 32A of the Code for de-attachment of property of Corporate Debtor. However, this relief cannot be granted as the provisional attachment of mortgaged properties has been done by the Director of Enforcement, therefore, the applicant is at liberty to approach the appropriate Court (designated PMLA Court) where the matter regarding sale of attached property is stated to be pending.

15) Thus, IA No. 403/2022 is **allowed and disposed of accordingly.**

sd/-
(Ashish Verma)
Member (Technical)

sd/-
(Harnam Singh Thakur)
Member (Judicial)

25, April, 2025
Gitesh