



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. I
KOLKATA**

I.A. (IB) No. 1322/KB/2025

In

Company Petition (IB) No. 157/KB/2021

IN THE MATTER OF:

An Application under section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the NCLT Rules, 2016.

IN THE MATTER OF:

Central Bank of India

.... Financial Creditor

Versus

Sasa Musa Sugar Works Private Limited

...Corporate Debtor

Date of Pronouncement: 04.09.2025.

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)
CMDE SIDDHARTH MISHRA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For Liquidator

Ms. Shreya Choudhary, Adv.

Liquidator in person

Mr. Manish Jain

For EPFO

Ms. Rashmi Bothra, Adv.

Ms. Anjali Kedia, Adv.

ORDER

Per: Bidisha Banerjee, Member (Judicial)

1. This Court congregated through a hybrid mode.
2. Heard the Learned Counsels for both parties.

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3. The instant application being **I.A. (IB) No. 1322/KB/2025**, has been preferred by a **Mr. Manish Jain, Liquidator of Sasa Musa Sugar Works Private Limited** under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, for brevity “I&B Code” seeking the following reliefs:

- a. Allow this application.*
- b. Exclude 61 days from 1st May, 2025 (the date when the order was passed by the Hon’ble National Company Law Appellant Tribunal) till 30th June, 2025 (the date of the 6th SCC meeting when the SCC Members authorized the Liquidator to publish further e-auction notice for the Corporate Debtor as a going concern)*
- c. Pass such other or further orders as may be deemed fit and proper in the facts and circumstances of the case.*

4. Submission of the Applicant:

- 4.1** It is submitted that the liquidation of the Corporate Debtor commenced on 20.02.2025 by order of this Adjudicating Authority and the Applicant was appointed as Liquidator under Section 34(1) of the IBC. Upon taking charge, the Applicant secured the assets and assessed that a sale of the Corporate Debtor as a going concern would maximise value.
- 4.2** It is claimed that in furtherance thereof, the 2nd SCC Meeting (29.03.2025) resolved to attempt a going-concern sale with a reserve price of ₹125 crores, inclusive of the FD component of ₹9.5 crores. An e-auction was conducted on 03.05.2025, which failed for want of bids.
- 4.3** It is further contended that in the meantime, by order dated 01.05.2025, the Hon’ble NCLAT permitted the suspended

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directors to place a Scheme of Compromise/Arrangement under Section 230 of the Companies Act, 2013 before the Liquidator. In compliance, the scheme was placed in the 4th SCC Meeting (26.05.2025); clarifications were sought, and time was granted to submit a revised scheme.

- 4.4** It is submitted that a revised scheme dated 03.06.2025 was considered in the 5th SCC Meeting (09.06.2025). The scheme was rejected by the SCC and the stakeholders on the grounds of lack of investor details, absence of credible source of funds, and a long repayment timeline of 36 months, which was not in the interest of creditors who could realise value sooner through an auction.
- 4.5** It is submitted that, thereafter, the Applicant approached this Bench by filing I.A. (IB) No. 993/KB/2025 seeking permission to conduct up to three subsequent e-auctions for sale as a going concern without block-wise asset segmentation. This Adjudicating Authority, by order dated 24.06.2025, was pleased to allow the prayer.
- 4.6** It is further submitted that the SCC in its 6th Meeting (30.06.2025) authorised the Liquidator to issue further e-auction notices pursuant to the said order. Subsequently, in the 7th SCC Meeting (28.07.2025), it was unanimously resolved that the period 01.05.2025 to 30.06.2025 consumed entirely in compliance with judicial directions, consideration of the Section 230 scheme, SCC approvals, and obtaining leave from this Adjudicating Authority, all of which were beyond the control of the Liquidator be excluded.

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4.7 It is submitted that the exclusion of 61 days is necessary to protect the integrity of the liquidation process and to prevent any adverse inference of delay against the Liquidator when such time was spent strictly on account of judicial and stakeholder-mandated processes.

5. Analysis and Findings

5.1 We have considered the pleadings and the documents. We discern that the period 01.05.2025 to 30.06.2025 was consumed in judicial compliance pursuant to the Hon'ble NCLAT order dated 01.05.2025, consideration of the scheme under Section 230, convening of SCC meetings on 26.05.2025 and 09.06.2025, rejection of the revised scheme, and thereafter moving this Bench in I.A. (IB) No. 993/KB/2025 which was allowed on 24.06.2025, followed by SCC authorisation on 30.06.2025. The Liquidator was not at liberty to publish fresh auction notices until leave was granted, and SCC approved.

5.2 Regulation 47 of the Liquidation Regulations prescribes a **model timeline**, which is directory. The Hon'ble NCLAT and this Adjudicating Authority have consistently held that time spent due to **judicial orders, appellate proceedings, or directions of stakeholder bodies** merits exclusion to ensure that the Liquidator is not penalized for events outside his control. This regulation is expressly directory, prescribing a model timeline to guide the process. It has been judicially recognised that exclusion of periods consumed in litigation or judicial directions is permissible so as not to penalise the liquidator.

5.3 Further, Regulation 33 read with Schedule I governs the mode of sale of assets. It provides:

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“33. Mode of Sale. – (1) *The liquidator shall ordinarily sell the assets of the corporate debtor through an auction in the manner specified in Schedule I.*

(2) The liquidator may sell the assets of the corporate debtor by means of private sale in the manner specified in Schedule I when- (a) the asset is perishable; (b) the asset is likely to deteriorate in value significantly if not sold immediately; (c) the asset is sold at a price higher than the ‘Reserve Price’ of a failed auction; or (d) the prior permission of the Adjudicating Authority has been obtained for such sale:

Provided that the liquidator shall not sell the assets, without prior permission of the Adjudicating Authority, by way of private sale to- (a) a related party of the corporate debtor; (b) his related party; or (c) any professional appointed by him.

(3) The liquidator shall not proceed with the sale of an asset if he has reason to believe that there is any collusion between the buyers, or the corporate debtor’s related parties and buyers, or the creditors and the buyer, and shall submit a report to the Adjudicating Authority in this regard, seeking appropriate orders against the colluding parties.”

The above provisions show that while the liquidator must ordinarily adhere to strict auction cycles, Regulation 33 itself recognises that the SCC may advise extension or deviation from the time periods. In the present case, the SCC itself resolved in its 7th meeting (28.07.2025) that the 61 days ought to be excluded, noting that the period was consumed by judicially mandated processes.

- 5.4** Therefore, applying the combined scheme of Regulation 47 (model timeline, directory in nature) and Regulation 33 read with Schedule I (strict auction cycles but subject to SCC advice and Tribunal’s leave),

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we find merit in the Applicant's prayer. The period from 01.05.2025 to 30.06.2025 stands justified for exclusion and is excluded from the Liquidation period.

5.5 The exclusion will not prejudice any stakeholder; rather, it safeguards the process by ensuring that the Liquidator is not held in default for delays arising entirely from judicial compliance and stakeholder deliberation. The objective of value maximisation through a going-concern sale under Regulations 32(e) and 32A continues to be preserved.

6. Accordingly, this I.A. No. 1322/KB/2025, thus stands **disposed of** accordingly.

7. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

8. Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

**Cmde Siddharth Mishra
Member (Technical)**

**Bidisha Banerjee
Member (Judicial)**

The Order signed this on the 4th of September 2025.

V. Tiwari (LRA)