NATIONAL COMPANY LAW TRIBUNAL

COURT ROOM NO. 1

MUMBAI BENCH

Item No. 06

IA(I.B.C)/2697(MB)2026 IA(I.B.C)/2682(MB)2026 IN C.P. (IB)/3962(MB)2018

CORAM:

SH. PRABHAT KUMAR — **HON'BLE MEMBER (TECHNICAL)**

SH. SUSHIL MAHADEORAO KOCHEY — **HON'BLE MEMBER (JUDICIAL)**

ORDER SHEET OF THE HEARING ON **03.07.2026**

NAME OF THE PARTIES: **BANK OF BARODA VS CHAMBER CONSTRUCTION PVT LTD**

Section 7 of the Insolvency and Bankruptcy Code, 2016

ORDER

IA(I.B.C)/2697(MB)2026

1. Adv. Aniruth Purushothaman for the Applicant is present.
2. The present Application has been filed by Mr. Debashis Nanda, Liquidator of Chamber Constructions Private Limited, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016. The Applicant seeks following relief :

   a. *Grant extension in time to the Applicant/Liquidator to undertake and complete the sale of the Corporate Debtor as a going concern in terms of the order dated 21.02.2024 passed by this Hon'ble Adjudicating Authority;*

   b. *Pass such other and further order(s) as this Hon'ble Adjudicating Authority may deem fit and proper in the facts and circumstances of the present case.*

3. The Corporate Debtor was admitted into Corporate Insolvency Resolution Process by order dated 16.07.2019 passed by this Tribunal. The Corporate Debtor had furnished a corporate guarantee in favour of lenders of RNA Corporation Private Limited, the principal borrower. Parallel CIRP proceedings against RNA Corporation Private Limited and the Corporate Debtor became the subject matter of challenge before various judicial forums and ultimately came to be considered by the Hon'ble Supreme Court in Civil Appeal Nos. 827-828 of 2021.Since no resolution plan could be approved during the CIRP of the Corporate Debtor, this Tribunal vide order dated 21.02.2024 directed liquidation of the Corporate Debtor and appointed the Applicant as Liquidator.
4. It is case of the Applicant that, while passing the liquidation order dated 21.02.2024, this Adjudicating Authority specifically directed the Applicant to endeavour to sell the Corporate Debtor as a going concern within a period of ninety days in terms of Regulation 32A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
5. It is further stated that, pursuant to the aforesaid direction, the Applicant constituted the Stakeholders' Consultation Committee and undertook various steps for sale of the Corporate Debtor as a going concern. The proposal for sale as a going concern was deliberated upon in the meetings of the Stakeholders' Consultation Committee and the Applicant proceeded with formulation of the sale strategy, reserve price, auction process and related documentation.
6. It is further stated that, before the process could culminate into publication of a sale notice, the suspended board of directors challenged the liquidation order dated 21.02.2024 before the Hon’ble NCLAT by filing Company Appeal (AT) (Insolvency) No. 1047 of 2024. By order dated 28.05.2024, the Hon'ble NCLAT restrained the Applicant from issuing any auction notice in furtherance of the liquidation process. Consequently, the Applicant was prevented from proceeding

with the proposed sale of the Corporate Debtor as a going concern. The appeal remained pending before the Hon'ble NCLAT as one of the principal issues raised therein pertained to the maintainability of simultaneous CIRP proceedings against RNA Corporation Private Limited as principal borrower and Chamber Constructions Private Limited as corporate guarantor, which issue was then pending consideration before the Hon'ble Supreme Court in Civil Appeal Nos. 827-828 of 2021. During the pendency of the said proceedings, the restraint against issuance of auction notice continued to remain in operation.

7. Thereafter, the Hon'ble Supreme Court dismissed Civil Appeal Nos. 827-828 of 2021 by judgment dated 26.02.2026. Subsequently, the Hon'ble NCLAT vide judgment dated 11.05.2026 dismissed Company Appeal (AT) (Insolvency) No. 1047 of 2024 and permitted the liquidation proceedings of the Corporate Debtor to continue.

8. In the interregnum, the Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025 on 14.10.2025, whereby Regulation 32A and the provisions specifically dealing with sale of a corporate debtor as a going concern were omitted prospectively. The said amendment came into force during the period when the Applicant was restrained by judicial orders from proceeding with the sale process.

9. The Applicant submits that the process for sale of the Corporate Debtor as a going concern had already commenced prior to the aforesaid amendment; the Committee of Creditors had recommended sale of the Corporate Debtor as a going concern; this Adjudicating Authority had specifically directed the Applicant to undertake such sale; the Stakeholders' Consultation Committee had deliberated upon the modalities of the proposed sale; and the Applicant had taken substantial steps

towards implementation thereof. The only reason the process could not be completed was the restraint order passed by the Hon'ble NCLAT.

10. Following dismissal of the appeal and considering the subsequent amendment to the Liquidation Regulations, the Applicant placed the matter before the Stakeholders' Consultation Committee in its 11th meeting held on 26.05.2026. The Stakeholders' Consultation Committee deliberated upon the issue and approved approaching this Adjudicating Authority for appropriate directions and permission to undertake sale of the Corporate Debtor as a going concern.

11. We have considered the submissions of the Ld. Counsel for the Applicant and perused the material on record. Further, Ld. Counsel for suspended board also appears and seeks to intervene in the matter to oppose the prayer in the application. However, we are of considered view that suspended board does not have any locus in the present matter, as the applicant has sought permission of this Tribunal to proceed with sale of corporate debtor as going concern in view of change in the law during the period, the stay on auction proceedings continued.

12. It is case of the Applicant that this Tribunal had directed, vide order dated 21.02.2024, the Liquidator to sell the Corporate Debtor as going concern in consonance with the provisions contained in Regulation 32 of the Liquidation Regulations, read with regulation 32A of the Liquidation Regulations. The para (f) of operative part of order reads as follow :

> *f. The Liquidator shall endeavour to sale the Company as a going concern during the liquidation in terms of Regulation 32A of the Liquidation Process Regulations. In case he is not able to do so within a period of 90 days from this date, he shall proceed in accordance with clauses (a) to (d) of Regulation 32 of the Liquidation Process Regulations.*

13. It is noted that the stay on auction proceedings was granted by Hon’ble NCLAT on 28.05.2024, which is after more than 90 days from the date of liquidation. At the

relevant time, Regulation 32A(4) of Liquidation Process regulations provided that "*The liquidator may sell the assets of the corporate debtor under clause (e) of regulation 32 exclusively only at the first auction.*" Further, regulation 32(e) & (f) provided that the Liquidator may sell the Corporate Debtor or its business as a going concern. These provisions were deleted vide Notification No. F. No. IBBI/2025-26/GN/REG129 dated 14th October, 2025, whereby ***Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025*** was notified to delete clause (f) of Regulation 31A(1), clause (e) and clause (f) of regulation 32 and to omit Regulation 32A to bar the sale of corporate debtor or its business as going concern in the liquidation proceedings. Clause 2 of said notification states that the amendments "*shall come into force on the date of their publication in the Official Gazette and shall apply prospectively, i.e. to cases where liquidation by sale as going concern has not commenced*".

14. The minutes of the first SCC meeting held on 01.03.2024 records that "*The Chairman apprised the participants that the members of the CoC, has already recommended for sale of the Corporate Debtor as Going Concern, which is duly mentioned at point (h) of para 2 the order dated 21-02-2024 passed by the Hon'ble Adjudicating Authority.*"

15. *The minutes of second SCC meeting held on 7.5.2024, in relation to E-Auction Process documents, required for the approval from SCC members and delay in auction - exclusion of assets, records as follows :*

> *The Liquidator/Chairman apprised the members of the SCC that the delay in the preparation of the E-Auction Process documents is in view of the delay in taking decision to be taken on the identification of the assets/liabilities of the corporate debtor to proceed as a going concern as well as grouping of assets in the sale notice.*

Moreover, the items of excluded assets couldn't be decided during first 45 days, as mentioned in Schedule-I to IBBI (Liquidation Process) Regulations, 2016, the Sale Notice and E-Auction Process document was in this meeting for proceeding further in the matter.

16. It is further noted that, 2nd SCC meeting had only decided in relation to ascertainment of assets/liabilities for sale of corporate debtor as going concern and decided to keep proceeds of PUFE application outside such sale. It is further noted that SCC had considered appointment of valuers in the 2nd meeting. The minutes of 2nd SCC meeting nowhere demonstrates that the process of sale of corporate debtor as going concern has commenced, the said process was only in discussion as basic document i.e. asset sale process document was yet to be finalised.

17. It is relevant to note that clause 2 of Notification F. No. IBBI/2025-26/GN/REG129 dated 14.10.2025 states that Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025 shall come into force on the date of their publication in the Official Gazette and shall apply prospectively, i.e. to cases where liquidation by sale as going concern has not commenced. In our considered view, the words ‘ by sale as going concern’ have to be assigned a meaning and the notification makes the amendment prospectively applicable only to those cases where the ‘sale as going concern’ has commenced, and not the liquidation per se. As noted above, the SCC had only agreed for sale of Corporate Debtor as going concern and has only decided that proceeds of PUFE applications shall be kept outside of such sale, but the asset sale process document was not even in place for deliberation despite expiry of more than 90 days from the commencement of liquidation. In such circumstances, we are unable to agree with the applicant that the liquidation by sale as going concern had commenced prior to order dated 28.5.2024 whereby a bar on issuance of auction notice came into force. Since, the Regulation 32 and 32A of Liquidation Process came to be amended

w.e.f. 14.10.2025 and the liquidation by sale as going concern had not commenced by that date, the amended provisions contained in Regulation 32 of Liquidation Process Regulations would apply to the present case. Since, the sale of corporate debtor or its business as going concern has been deleted from Regulation 32 and Regulation 32A has been omitted, this Tribunal cannot grant the permission to proceed with sale of corporate debtor or its business as going concern.

18. In terms of above, IA(I.B.C)/2697(MB) of 2026 is **dismissed and disposed of**.

IA(I.B.C)/2682(MB)2026

1. The present Application has been filed by Mr. Debashis Nanda, Liquidator of Chamber Constructions Private Limited, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016. The Applicant seeks following relief:

    a. *Exclude a period of 714 days, i.e., from 28.05.2024 till 11.05.2026, from the computation of the liquidation period of Chamber Constructions Private Limited in terms of Regulation 44 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016;*

    b. *Pass such other and further order(s) as this Hon'ble Adjudicating Authority may deem fit and proper in the facts and circumstances of the present case*.

2. From the computation of the liquidation period of the Corporate Debtor caused by stay on auction imposed by Hon'ble NCLAT. The relevant extract of the order dated 28.05.2024 is reproduced hereinbelow:

Company Appeal (AT) (Insolvency) No. 1047 of 2024 : -

> *Learned Counsel for the Appellant submits that two Financial Creditors have already expressed their opinion to accept the Settlement given by the Appellant and in fact, mail was sent by the Bank of Baroda that steps be taken for CoC's consideration under 124. It is submitted that the Appellant*

has offered the entire principal amount which was claimed by the Bank and now the impugned order has been passed directing liquidation of the corporate debtor.

2. Let 'Notice' be issued to the Respondents through 'Speed Post'. Let the requisites together with process fee be filed within three days from today. The Appellant is required to provide the e-mail address of the Respondents and in that mode also, the service can be effected. The Appellant is also required to furnish the Mobile No. of the Respondents to the 'Office of the Registry'.

3. Let reply be filed within three weeks. Rejoinder, if any, be filed within two weeks thereafter.

In the meantime, in pursuance of the impugned order, liquidator shall not issue any auction notice.

3. The Corporate Insolvency Resolution Process of the Corporate Debtor was commenced pursuant to the order dated 16.07.2019 passed by this Hon'ble Adjudicating Authority. Since no resolution plan could be approved during the CIRP and the Committee of Creditors, with 100% voting share, resolved to liquidate the Corporate Debtor, this Hon'ble Adjudicating Authority vide order dated 21.02.2024 directed liquidation of the Corporate Debtor and appointed the Applicant as Liquidator.

4. Immediately upon commencement of liquidation, the Applicant undertook various statutory steps including issuance of public announcement, verification and collation of claims, constitution of the Stakeholders' Consultation Committee, filing of the Preliminary Report and Progress Report, opening of the liquidation bank account, initiation of valuation exercise and commencement of steps towards sale of the assets of the Corporate Debtor.

5. However, the Suspended Board of Directors challenged the liquidation order dated 21.02.2024 before the Hon'ble NCLAT by filing Company Appeal (AT) (Insolvency) No. 1047 of 2024. The Hon'ble NCLAT, vide interim order dated

28.05.2024, restrained the Applicant/Liquidator from issuing any auction notice in furtherance of the liquidation process.

6. One of the principal issues raised in the appeal related to the maintainability of simultaneous CIRP proceedings against the principal borrower, namely RNA Corp Pvt. Ltd., and the Corporate Debtor as corporate guarantor. Since the said issue was pending consideration before the Hon'ble Supreme Court, the appeal remained pending before the Hon'ble NCLAT and the interim restraint against issuance of auction notice continued to operate throughout the pendency of the appeal.
7. Thereafter, the Hon'ble Supreme Court dismissed Civil Appeal Nos. 827-828 of 2021 on 26.02.2026 and subsequently the Hon'ble NCLAT, vide is final judgment dated 11.05.2026, dismissed Company Appeal (AT) (Insolvency) No. 1047 of 2024, whereupon the restraint operating against the Liquidator came to an end.
8. During the period from 28.05.2024 till 11.05.2026, the Applicant was effectively prevented from proceeding with auction and sale of the assets of the Corporate Debtor and, consequently, the liquidation process could not meaningfully progress. The delay occasioned during the said period was entirely beyond the control of the Applicant and arose solely due to the subsisting judicial restraint imposed by the Hon’ble NCLAT.
9. In these circumstances, and in view of the principles laid down by the Hon'ble NCLAT in Stakeholders Consultation Committee of Punjab Basmati Rice Ltd. v. Sanjay Kumar Aggarwal (Liquidator) and Quinn Logistics India Pvt. Ltd. v. Mack Soft Tech Pvt. Ltd., the Applicant seeks exclusion of the aforesaid period of 714 days from computation of the liquidation period under Regulation 44 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
10. Having considered the submissions and the Order(s) passed by Hon’ble NCLAT staying the issuance of auction notice on 28.05.2024 and vacation thereof on

11.05.2026, we consider it appropriate to exclude the period from 28.05.2024 to 11.05.2026 for computation of liquidation period.

11. In terms of above, IA(I.B.C)/2682(MB) of 2026 is **allowed and disposed of**.

-Sd/-	**-Sd/-**
PRABHAT KUMAR	**SUSHIL MAHADEORAO KOCHEY**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

Rehan Shaikh