

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

ITEM No.311

IA(Dis.)16(AHM)2026

in

C.P.(IB)/135(AHM)2021

**Under Section 54 IBC Sec. 60(5) IBC r/w Reg. 44,44A,45 of IBBI Reg. 2016**

**IN THE MATTER OF:**

Mr.Sunit Shah Liquidator of m/s Eternal Motors Pvt. Ltd

.....Applicant

**Order delivered on: 07/10/2026**

**C O R A M:**

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

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

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

-SD-

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

-SD-

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

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

**I.A.(Dis.)/16(AHM)/2026**

**In**

**CP (IB) No. 135 of 2021**

*[Application under Section 54, 60(5) of Insolvency and Bankruptcy Code, 2016 read with Regulation 44, 44A, 45 of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of NCLT Rules, 2016]*

**IN THE MATTER OF:** Eternal Motors Private Limited

**Mr. Sunit Jagdishchandra Shah**

Liquidator of Eternal Motors Private Limited

Registration No.: IBBI/IPA-001/IP-P00471/  
2017-2018/10814.

801-802, 8th Floor, Abhijeet-1,  
Mithakhali Six Roads, Navrangpura,  
Ahmedabad – 380006

Email – sunit78@gmail.com

**.... Applicant/Liquidator**

**Order Pronounced on 07.10.2026**

**C O R A M:**

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

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

**A P P E A R A N C E:**

For the Applicant : Mr. Kamil Lokhandwala, Advocate

**O R D E R**  
**(Per: Bench)**

1. The present Application IA(Dis.)/16(AHM)2026 has been  
filed under Section 54, 60(5) of Insolvency and

Bankruptcy Code, 2016 read with Regulation 44, 44A, 45 of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of NCLT Rules, 2016 for dissolution of the Corporate Debtor, i.e. M/s. Eternal Motors Private Limited along with condonation of delay of 24 days with the following prayers: -

- a) *Your Lordships may be pleased to allow the present Application;*
- b) *Your Lordships may be pleased to condone delay of 24 days in filing of this present application;*
- c) *Your Lordships may be pleased to pass order for dissolution of the Corporate Debtor being M/s. Eternal Motors Private Limited as per the provisions of the IB Code;*
- d) *That Your Lordships may be pleased to pass such other and further orders as may deem just and proper in the interest of justice.*

**2.** The Applicant/Liquidator has placed the facts through the I.A. and documents in the following manner: -

2.1. The Application seeks dissolution of the Corporate Debtor and condonation of delay of 24 days in filing the Application. The Application was filed on 06.07.2026 after expiry of the extended liquidation period on 12.06.2026. The delay is stated to have arisen in the circumstances recorded in the Application and subsequent Purshis.

2.2. C.P.(IB) No. 135(AHM)/2021 was admitted under Section 10 of the Code on 10.08.2022. The Corporate Debtor was thereafter ordered to be liquidated by order dated 13.09.2023 passed in I.A. No. 607/2023, whereby Mr. Nimai Gautam Shah was appointed as Liquidator.

2.3. The Applicant/Liquidator submitted a tabulated representation of the details of the assets as per the Asset Memorandum and Final Sale Report, as under:-

| Sl. No. | Assets                                                                                                                                                                                          | Mode of Sale | Estimated Liquidation Value | Realization Amount(Rs.) | Date of Transfer to Liquidation Account |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------|-------------------------|-----------------------------------------|
| (1)     | (2)                                                                                                                                                                                             | (3)          | (4)                         | (5)                     | (6)                                     |
| 1       | Stock of plant and machinery, inventory, maruti car accessories and spare parts, office equipments and furniture lying at Workshop at 14/1 and 2, Near Gaushala, GIDC Chitra, Bhavnagar 364 004 | E_Auction    | Rs.19,46,237                | Rs.13,50,000            | Received in Liquidation Bank Account    |
|         |                                                                                                                                                                                                 |              | <b>Rs.19,46,237</b>         | <b>Rs.13,50,000</b>     |                                         |

2.4. The Applicant/Liquidator submitted a tabulated representation of the distribution of proceeds under

Sections 52 or 53 of the Code, as under (amount in Rs. lakh): -

| Sl. No.      | Stakeholders* under Section 53(1)                    | Amount Claimed | Amount Admitted | Amount Distributed | Amount Distributed to the Amount Claimed (%) | Remarks                  |
|--------------|------------------------------------------------------|----------------|-----------------|--------------------|----------------------------------------------|--------------------------|
| (1)          | (2)                                                  | (3)            | (4)             | (5)                |                                              | (6)                      |
| 1            | (a): CIRP Costs                                      | 0              | 0               | 0                  | 100                                          |                          |
| 2            | (a): Liquidation Costs                               | 10.00          | 10.00           | 10.00              | 100                                          | Includes Liquidators Fee |
| 3            | (b)(i)                                               | -              | -               | -                  | -                                            |                          |
| 4            | (b)(ii) Secured Financial Creditor                   | 3350.91        | 3350.91         | 34.00              | 1.01                                         |                          |
| 5            | (c)                                                  |                |                 |                    |                                              |                          |
| 6            | (d) Unsecured Financial Creditor                     | 1055.28        | 1055.28         | 0                  | 0                                            |                          |
| 7            | (e)(i) Government dues & Other Operational Creditors | 903.54         | 899.74          | 0                  | 0                                            |                          |
| 8            | (e)(ii)                                              |                |                 |                    |                                              |                          |
| 9            | (f)                                                  |                |                 |                    |                                              |                          |
| 10           | (g)                                                  |                |                 |                    |                                              |                          |
| 11           | (h)                                                  |                |                 |                    |                                              |                          |
| <b>Total</b> |                                                      | <b>5319.73</b> | <b>5315.93</b>  | <b>44</b>          | <b>0.83</b>                                  |                          |

2.5. The liquidation process has been conducted broadly in accordance with the timeline prescribed under Regulation 47 of the IBBI (Liquidation Process) Regulations, 2016, as detailed hereunder: -

| Section of the Code / Regulation No. | Description of Task                               | Timeline as per Regulation 47 | Actual Timeline |
|--------------------------------------|---------------------------------------------------|-------------------------------|-----------------|
| (1)                                  | (2)                                               | (3)                           | (4)             |
| Section 33                           | Commencement of LCD and Appointment of Liquidator | T                             | T               |

|                                            |                                                                                                                       |                                                                                                             |                                                              |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Section 33(1) (b)(ii) / Reg.12(1,2,3)      | Public announcement in Form B                                                                                         | Within 5 days of appointment of Liquidator                                                                  | T + 2                                                        |
| Regulation 35(2)                           | Appointment of registered valuers                                                                                     | Within 7 days of LCD                                                                                        | NA                                                           |
| Reg. 31A (6)                               | First meeting of SCC                                                                                                  | Within 7 days of LCD                                                                                        | T+6                                                          |
| Section 38(1), Reg. 17, 18, 19, 20 & 21(A) | Submission of claims                                                                                                  | Within 340 days of LCD                                                                                      | T+30                                                         |
| Reg. 30                                    | Verification of claims received under regulation 12(2)(b)                                                             | Within 30 days from the date of receipt of claim                                                            | T+43                                                         |
| Reg. 31(2)                                 | Filing the list of stakeholders                                                                                       | Within 45 days from the last date of receipt of claims                                                      | T+43                                                         |
| Reg.13                                     | Preliminary Report to the AA                                                                                          | Within 75 days of LCD                                                                                       | T+44                                                         |
| Reg. 34                                    | Asset Memorandum                                                                                                      | Within 75 days of LCD                                                                                       | T+44                                                         |
| Reg. 15(1), (2), (3), (4) and (5) and 36   | Submission; of progress reports to AA. Assets Sales report to enclosed with every progress report, if sales are made. | First Progress Report Q2<br><br>FY: Audited accounts of Liquidators receipt and payments for financial year | Q1+7<br>Q2+5<br>Q3+1<br>Q4+2<br>Q1+2<br>Q2+7<br>Q3+1<br>Q4+4 |
| Reg. 42(2)                                 | Distribution of the proceeds to the stakeholders                                                                      | Within 3 months from receipts of Amount                                                                     | Date of realisation+4                                        |
| Reg. 44                                    | Liquidation of corporate debtor                                                                                       | Within one year                                                                                             | T+33 months                                                  |

2.6. The Applicant/Liquidator also submitted the final statement of receipts and payments from 13.09.2023 to 06.07.2026, as under: -

| Receipts (particulars)                                    | Amount (Rs.)     | Payments (particulars)                                  | Amount (Rs.)     |
|-----------------------------------------------------------|------------------|---------------------------------------------------------|------------------|
| Transfer from CIRP bank account                           | 51,29,043        | Liquidator fees                                         | 3,86,408         |
| EMD forfeited                                             | 1,50,000         | Security charges                                        | 4,55,400         |
| Sale of inventory etc. (plant and machinery by e-auction) | 13,50,000        | Public announcement charges                             | 34,125           |
|                                                           |                  | E-auction charges                                       | 21,240           |
|                                                           |                  | Travelling and other liquidation costs                  | 41,765           |
|                                                           |                  | Advocate fees                                           | 2,66,273         |
|                                                           |                  | Contribution towards CIRP costs returned to CoC members | 20,23,124        |
|                                                           |                  | Bank charges                                            | 708              |
|                                                           |                  | Distribution to stakeholders                            | 34,00,000        |
| <b>Total</b>                                              | <b>66,29,043</b> | <b>Total</b>                                            | <b>66,29,043</b> |
| Closing bank balance as on 06.07.2026                     | Nil              |                                                         |                  |

2.7. The liquidation period, initially expiring on 12.09.2024, was extended from time to time up to 12.06.2026. The earlier dissolution application, I.A.(Dis.) No. 22/2024, was dismissed on 06.09.2024 as premature on account of the pending PUFÉ proceedings.

2.8. I.A. No. 561/2023 concerning PUFÉ transactions was allowed by this Adjudicating Authority on 10.06.2026, directing recovery of approximately Rs.18,28,00,000 towards the liquidation estate. The order was uploaded on 17.06.2026, after expiry of the extended liquidation period.

- 2.9. The suspended management has preferred Company Appeal (AT)(Ins.) No. 1240/2026 (Subodhkumar Jain v. Nimai Gautam Shah) before the NCLAT against the order dated 10.06.2026 in I.A. No. 561 of 2023, as seen from the NCLAT portal on 09.07.2026. The last order in the appeal is dated 07.09.2026 and the next hearing is on 16.11.2026.
- 2.10. However, meanwhile, the SCC considered dissolution in its meetings dated 15.05.2026 and 22.06.2026, with voting concluded on 04.07.2026, and approved filing of the present Application while providing for pursuit of the PUFEE recovery and consequential proceedings in accordance with law.
- 2.11. The erstwhile Liquidator subsequently informed the Tribunal that his registration as an Insolvency Professional had been suspended by the IBBI for two years by order dated 13.07.2026. The Tribunal thereafter permitted consultation with the SCC and appropriate steps for substitution of the Liquidator.
- 2.12. Pursuant thereto, the 16th SCC meeting was convened on 06.08.2026. The issue of replacement of the erstwhile Liquidator was considered, but no resolution appointing a replacement was approved. The matter was thereafter considered by this Tribunal on 24.08.2026.
- 2.13. By order dated 24.08.2026, the Tribunal directed that, if no final decision was taken by the SCC,

authorised representatives of SBI, PNB and Tata Capital Financial Services Limited should remain physically present on 11.09.2026. The Purshis dated 10.09.2026 records communication of the said order to the SCC members.

- 2.14. On 11.09.2026, only the representative of Tata Capital Financial Services Limited was present, representing approximately 5% voting share, while representatives of SBI and PNB were absent. The Tribunal heard the Applicant and reserved the order.
- 2.15. By order dated 16.09.2026, this Tribunal appointed Mr. Sunit Jagdishchandra Shah, Registration No. IBBI/IPA-001/IP-P00471/2017-2018/10814, as Liquidator in place of Mr. Nimai Gautam Shah under Rule 11 of the NCLT Rules, 2016. The newly appointed Liquidator was directed to file written consent and amended Memo of Parties.
- 2.16. Mr. Sunit Jagdishchandra Shah filed Form-AA dated 18.09.2026 giving consent to act as Liquidator. The consent, professional particulars and Authorisation for Assignment were placed on record. The consent is marked as **Annexure-A** to the Additional Affidavit.
- 2.17. The amended Memo of Parties was filed as **Annexure-B** to the Additional Affidavit. The cause title is accordingly amended and Mr. Sunit Jagdishchandra Shah is substituted as

Applicant/Liquidator in place of Mr. Nimai Gautam Shah.

- 2.18. The 17th meeting of the CoC was held on 23.09.2026. The meeting was attended by representatives of Tata Capital Financial Services Limited, Punjab National Bank, State Bank of India and HDFC Bank, along with the Liquidator and the suspended members of the Board. The minutes record the matters considered after appointment of the new Liquidator.
- 2.19. The 17th CoC meeting considered the pending dissolution application, the PUFÉ proceedings, the proceedings before the CID Department and the fees payable for the remaining period. The CoC noted that the PUFÉ proceedings had been challenged before the Hon'ble NCLAT and that the next date of hearing was 16.11.2026.
- 2.20. The Applicant has placed on record the Final Report, Form-H, audited receipts and payments statement, bank statement and Bank Closure Certificate. The Bank Closure Certificate records closure of the liquidation bank account with HDFC Bank on 28.07.2026 and was filed through Purshis during pendency of the Application.
- 2.21. The documents filed include the original Application, subsequent Purshis dated 22.08.2026, 10.09.2026 and 15.09.2026, Additional Affidavit, Form-AA

consent, Annexure-A consent, Annexure-B amended Memo of Parties, 16th SCC minutes, 17th CoC minutes, Bank Closure Certificate and the material relating to the pending PUFÉ proceedings. The same are taken on record.

3. We have heard the arguments of Ld. Counsel for the Applicant/Liquidator and perused the material available on record. We have considered the pleadings, the documents placed on record, and the submissions advanced on behalf of the Applicant/Liquidator.
4. Section 54(1) of the Code provides that where the assets of the Corporate Debtor have been completely liquidated, the Liquidator shall apply to the Adjudicating Authority for dissolution. Section 54(2) provides that the Adjudicating Authority shall order dissolution from the date of such order.

**Section 54: Dissolution of corporate debtor.**

**54(1)** The liquidator shall completely liquidate the assets of the corporate debtor and make an application for its dissolution to the Adjudicating Authority within a period of one hundred and eighty days from the liquidation commencement date in such manner as may be specified:

**Provided that** the Adjudicating Authority may, on an application by the liquidator along with sufficient reasons, extend the stipulated time by such period as it deems fit, but not exceeding a period of ninety days.

**54(2)** The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

- 5.** Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016 requires the Liquidator to prepare the final account of liquidation showing the manner in which the liquidation has been conducted and the assets have been liquidated. The Liquidator is required to submit the application for dissolution along with the Final Report and the Compliance Certificate in Form-H to the Adjudicating Authority.

**Regulation 45: Final report prior to dissolution.**

(1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor's assets have been liquidated.

(2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.

(3) 84[The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for –

- (a). closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern 85[or a compromise or arrangement has been sanctioned under section 230 of the Companies Act, 2013]; or
- (b). for the dissolution of the corporate debtor, in cases not covered under clause (a).

6. In ***Kunwer Sachdev v. Su-Kam Power Systems Ltd.***, (2023) ibclaw.in 724 NCLAT, Company Appeal (AT) (Insolvency) No. 1177/2023, order dated 10.11.2023, the Hon'ble NCLAT held that Regulation 44A contemplates continuation of avoidance proceedings after dissolution or closure of liquidation and provides for distribution of proceeds arising from such proceedings.

**Regulation 44A : Treatment of avoidance of transaction.**

The liquidator shall, on the advice of the consultation committee, provide in the application along with the final report filed under regulation 45 for the manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the dissolution or closure of liquidation process and the manner in which the proceeds, if any, from such proceedings shall be distributed.

7. The Insolvency and Bankruptcy Code (Amendment) Act, 2026, w.e.f. 26.05.2026, amendments to the Code also clarify through Section 26 that completion of the CIRP or liquidation process does not affect continuation of proceedings concerning avoidance transactions or fraudulent or wrongful trading. The statutory scheme therefore permits continuation of such proceedings after completion of liquidation.

**Section 26: Application in respect of certain transactions or trading not to affect processes.**

**26.** The filing of an application in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47, shall not affect the proceedings of the corporate insolvency resolution process or the liquidation process, as the case may be.

Explanation. —For the removal of doubts, it is hereby clarified that the completion of the corporate insolvency resolution process or the liquidation process shall not affect the continuation of proceedings in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47, as the case may be.

- 8.** In the present case, the pending PUFEE proceeding is not treated as an asset requiring continuation of the liquidation process. Its continuation and distribution of any amount recovered can be regulated under Regulation 44A and the decision of the CoC recorded in the proceedings placed before this Tribunal.
- 9.** The pendency of the appeal before the Hon'ble NCLAT against the order passed in the PUFEE proceeding does not, by itself, prevent dissolution where the requirements of Section 54 and Regulation 45 are otherwise satisfied. The statutory framework permits continuation of the PUFEE proceeding after dissolution. Insolvency and Bankruptcy Board of India

- 10.** The Applicant has placed on record the liquidation accounts, Final Report, **Form-H**, receipts and payments statement, bank statement and Bank Closure Certificate. The liquidation account has been closed on 28.07.2026. The record does not disclose any remaining asset requiring liquidation.
- 11.** The delay of 24 days in filing the Application is attributable to the circumstances placed on record and no objection has been placed before this Tribunal. In exercise of powers under Rule 11 of the NCLT Rules, 2016, the delay is condoned.
- 12.** The pending PUFEE proceedings, the appeal arising therefrom and the proceedings before the CID Department shall continue in accordance with law notwithstanding dissolution.
- 13.** The Liquidator has filed a copy of the minutes of the seventeenth meeting of the CoC of M/s Eternal Motors Private Limited which was held on 23.09.2026. Agenda 4 of the meeting concerns PUFEE transactions and the fact of passing of the order by this Tribunal allowing the application and subsequent filing of appeal before the

Hon'ble NCLAT by the suspended Board of Directors is noted in the Minutes. The Minutes also notes that the IA dealing with PUFÉ transactions will be carried (pursued) by Punjab National Bank and the Liquidator had requested the PNB to appoint a lawyer. Based on the decision of CoC, we consider the decision meeting the requirements of Regulation 44A of the IBBI (Liquidation Process) Regulations, 2016.

14. Any amount recovered pursuant to the PUFÉ proceedings shall form part of the liquidation estate and shall be dealt with and distributed in accordance with the Code, the Liquidation Regulations and the directions of the Adjudicating Authority. The dissolution shall not affect any right or remedy arising from such proceedings.
15. In view of the liquidation having been completed, the liquidation account having been closed, the Final Report and Form-H having been placed on record and the statutory requirements having been complied with, the requirements of Section 54 read with Regulation 45 are satisfied.
16. Accordingly, the following **directions** are issued: -

- (i) The Corporate Debtor - **Eternal Motors Private Limited**, (CIN No. U34201GJ1998PTC034222) is hereby **dissolved** with effect from the date of this order under Section 54(2) of the Insolvency and Bankruptcy Code, 2016.
- (ii) The Final Report and Compliance Certificate in Form-H filed by the Liquidator are taken on record. The Liquidation Account and the Bank Closure Certificate are also taken on record.
- (iii) The Liquidator shall complete the statutory compliances arising from this order and shall thereafter stand **discharged** as Liquidator, subject to liabilities surviving under the Code or any other applicable law.
- (iv) The Liquidator shall preserve the liquidation records in accordance with Regulation 45A of the IBBI (Liquidation Process) Regulations, 2016 and the applicable amendments.
- (v) Company Appeal (AT)(Ins.) No. 1240/2026 and the proceedings arising from I.A. No. 561/2023 shall continue before the competent forum in accordance with law. Any amount recovered pursuant thereto shall be dealt with and distributed in accordance with Regulation 44A of the IBBI (Liquidation Process) Regulations, 2016 and the orders of the competent forum

- (vi) The dissolution of the Corporate Debtor shall not affect any proceeding or liability against the promoters, directors, guarantors or any other person which survives under the Insolvency and Bankruptcy Code, 2016 or any other applicable law. Any such proceeding may continue before the competent forum in accordance with law.
- (vii) A copy of this order shall also be forwarded to the Principal Chief Commissioner of Income Tax, Ahmedabad, considering that income tax recovery proceedings, if any, would continue against the directors of the company in view of Section 179 of the Income Tax Act, 1961 and Section 323 of the Income Tax Act, 2025.
- (viii) The amended Memo of Parties filed as **Annexure-B** to the Additional Affidavit shall form part of the record. The cause title of I.A.(Dis.)/16(AHM)/2026 shall stand amended accordingly.
- (ix) The Registry shall forward a copy of this order to the Registrar of Companies, Ahmedabad, in terms of Section 54(3) of the Code and to the Insolvency and Bankruptcy Board of India for information and necessary action in accordance with law.

**17.** Accordingly, **I.A.(Dis.)/16(AHM)/2026** in C.P.(IB) No. 135(AHM)/2021, is **allowed** and **disposed of** in the above

terms. The Registry shall also update the record of C.P.(IB) No. 135(AHM)/2021 as **disposed of** accordingly.

**18.** The Application for dissolution was filed on 06.07.2026.

The same was heard and considered by this Adjudicating Authority on 14.07.2026, 24.08.2026, 11.09.2026, 16.09.2026, and 30.09.2026. The daily orders contain details of proceedings including change of liquidator and CoC Decision about pursuing the PUFÉ matter and this took time and the Application could not be disposed of within 30 days. These reasons are stated in view of Section 54 (4) of the Code.

**19.** Certified copy of this order shall be issued to the Applicant/Liquidator, the Corporate Debtor, the CoC and the concerned statutory authorities on compliance of requisite formalities.

**-S/D-**

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

Megha LRA

**- S/D-**

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