



**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-I), CHANDIGARH**

**IA (IBC)/585(CH) 2026
in
CP (IB) No. 38/Chd/Pb/2018
(Admitted)**

(An application filed under Proviso to Section 33(5) read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016 and Rule 11 of National Company Law Tribunal Rules, 2016)

IN THE MATTER OF :

MR. RAJESH KUMAR LOOMBA,
Liquidator of M/s Julka Rice and Oil Mills
Limited,
(IBBI/IPA-002/IP-N00170/2017-2018/10440),
c/o 2414 RIG Flats, Urban Estate,
Phase-II, Dugri Road, Ludhiana — 141013.
Email: rajeshloomba@gmail.com
M.No. 92165-10901

Applicant/ Liquidator

And

IN THE MATTER OF CP(IB) No. 38/Chd/Pb/2018:

Julka Rice and Oil Mills Limited

***Corporate Debtor
(Under Liquidation)***

Order delivered on: 21.05.2026

**CORAM: MR. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)
MR. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)**

PRESENT:

For the Applicant : Mr. Pulkit Goyal, Advocate
For the Liquidator : Mr. Rajesh Kumar Loomba




ORDER

This Application has been filed by Mr. Rajesh Kumar Loomba (hereinafter referred to as “Applicant”), Liquidator of M/s Julka Rice and Oil Mills Limited (hereinafter referred to as Corporate Debtor”) under proviso to Section 33(5) read with Section 60(5) of the Insolvency and Bankruptcy Code (hereinafter referred to as “Code”) and Rule 11 of the National Company Law Tribunal Rules, 2016 (hereinafter referred to as “Rules”) seeking prior approval from this Adjudicating Authority for the institution of execution proceedings before the Court of Ld. Additional District Judge, Gurdaspur, to enforce the Award dated 30.11.2023 passed in LAC Case No. 02 of 27.03.2019 (RBT No. 10 of 18.04.2019) on behalf of the Corporate Debtor (under Liquidation).

FACTS OF THE CASE:

2. Brief facts of the case, as averred in the Petition, which are relevant to adjudicate the issue involved in the case, are as follows:
 - 2.1. The Corporate Debtor, namely, Julka Rice and Oil Mills Limited, was admitted into the Corporate Insolvency Resolution Process (CIRP) *vide* order dated 05.04.2018 passed by this Adjudicating Authority in an application filed under Section 10 of the Code. Subsequently, since no viable Resolution Plan was received, this Adjudicating Authority, upon the recommendation of the Committee of Creditors (CoC), passed an order dated



16.10.2018 directing the liquidation of the Corporate Debtor and appointing Mr Rajesh Kumar Loomba as the Liquidator.


2.2. It is submitted that during the course of liquidation proceedings, it came to the knowledge of the Applicant that the Corporate Debtor was entitled to receive enhanced compensation in respect of industrial land measuring 22 Kanals and 8 Marlas bearing Khasra Nos. 53/24, 25 and 56/4 situated at Qadian, which had been acquired by the State of Punjab for setting up a New Grain Market. Accordingly, the right to receive enhanced compensation constitutes an asset forming part of the Corporate Debtor's liquidation estate.

2.3. The Applicant has further submitted that proceedings pertaining to enhancement of compensation had initially been pursued by the erstwhile management of the Corporate Debtor and thereafter the Liquidator obtained a copy of the Award dated 30.11.2023 passed by the Court of Ld. Additional District Judge, Gurdaspur in *LAC Case No. 02 of 27.03.2019 (RBT No. 10 of 18.04.2019) titled as Julka Rice & Oil Mills Pvt. Ltd. vs. Punjab State & Ors.* It is submitted that by virtue of the aforesaid Award, the compensation payable in respect of the acquired land stood substantially enhanced in favour of the Corporate Debtor.

2.4. The Applicant has stated that the operative portion of the aforesaid Award is as follows:

- The applicants (including the Corporate Debtor) are awarded enhanced compensation for the Chahi land at Rs. 4,200/- per Marla (as against the Collector's rate of Rs. 2,117/- per Marla).
- The applicants are entitled to 12% per annum increase on the market value from the date of notification under Section 4 of the Land Acquisition Act till the date of award or possession.
- The applicants are entitled to solatium at 30% on the enhanced amount.
- The applicants are entitled to interest at 9% per annum for the first year and 15% per annum for the subsequent period on the enhanced amount.
- The respondents were directed to make the payment within four months (i.e., by March 2024).

2.5. It is the case of the Applicant/Liquidator that, despite the Award having attained finality, the enhanced compensation amount has not yet been paid, and the same can only be recovered by instituting appropriate execution proceedings before the competent court. It has been submitted that since the Corporate Debtor is presently under liquidation and its affairs are under the control and supervision of this Adjudicating Authority through the Liquidator, institution of any legal proceedings on behalf of the Corporate Debtor would necessarily




require prior approval of this Adjudicating Authority in terms of the proviso to Section 33(5) of the Code.

2.6. It has also been submitted that the payment period prescribed under the Award expired in March 2024, and a continued delay in the initiation of execution proceedings may result in avoidable objections regarding delay and laches before the executing court. Therefore, immediate institution of execution proceedings is necessary to preserve and realise the value of the asset for the benefit of the creditors of the Corporate Debtor.

2.7. Learned Counsel for the Applicant further submitted that the requirement of obtaining prior approval under the proviso to Section 33(5) of the Code is mandatory in nature and that no notice is required to be issued to the party against whom the case is to be filed. In support of the said contention, reliance has been placed upon the judgment of the Hon'ble NCLAT in ***Slimline Realty Pvt. Ltd. v. Mr. Jigar Bhatt, (2024) ibclaw.in 356 NCLAT***, wherein it has been held that:

“26. The statutory requirement under Section 35 Sub-section (5) proviso to obtain prior approval of the Adjudicating Authority by the Liquidator to institute a suit or proceeding on behalf of the Corporate Debtor is a mandatory requirement.

.....



45. Before granting approval under Section 33(5) proviso to institute proceedings by the Liquidator on behalf of the Corporate Debtor, the party against whom proceedings are to be instituted is not to be given a notice or hearing necessarily.”

3. We have heard the Ld. Counsel for the Applicant and carefully perused all the pleadings placed on record, the extant provisions of the Code and Rules made thereunder and the settled position of law on the issue.
4. The short question arising for consideration in the present application is whether prior approval ought to be granted to the Liquidator under the proviso to Section 33(5) of the Insolvency and Bankruptcy Code, 2016 for instituting execution proceedings on behalf of the Corporate Debtor for enforcement of the Award dated 30.11.2023 passed by the Court of Ld. Additional District Judge, Gurdaspur.
5. At the outset, it would be apposite to refer to Sections 33(5) and 35(k) of the Code, which reads as under:

“33. Initiation of Liquidation.

....

(5) Subject to section 52, when a liquidation order has been passed, no suit or other legal proceeding shall be instituted by or against the corporate debtor:

Provided that a suit or other legal proceeding may be instituted by the liquidator, on behalf of the corporate debtor, with the prior approval of the Adjudicating Authority.”

“35. Powers and duties of Liquidator.

....

(k) to institute or defend any suit, prosecution or other legal proceedings, civil or criminal, in the name of or on behalf of the corporate debtor;”



6. A plain reading of the proviso to Section 33(5) of the Code makes it abundantly clear that a suit or other legal proceeding can be instituted by or against the Corporate Debtor with the prior approval of the Adjudicating Authority. Further, Section 35(1)(k) of the Code also, inter-alia provides that subject to the discretion of the Adjudicating Authority, the Liquidator shall have the power to institute or defend any suit, prosecution or other legal proceedings, civil or criminal, in the name of or on behalf of the Corporate Debtor. In this regard, it is observed that the Ld. Counsel, to support his case has relied upon the judgement of Hon'ble NCLAT in ***Slimline Realty Pvt. Ltd. v. Mr. Jigar Bhatt (supra)***, wherein it has been held that prior approval under the proviso to Section 33(5) of the Code is mandatory before institution of proceedings by the Liquidator on behalf of the Corporate Debtor.
7. It is also borne out from the record that an Award dated 30.11.2023 has been passed by the Court of Ld. Additional District Judge, Gurdaspur, granting enhanced compensation and other statutory benefits in favour of the Corporate Debtor in respect of the acquired land. The enhanced compensation together with statutory benefits arising out of the aforesaid Award constitutes an actionable claim and forms part of the liquidation estate of the Corporate Debtor. The Liquidator, being entrusted with the duty of maximisation and realisation of assets of the Corporate Debtor, cannot be restrained from taking necessary legal steps for enforcement and recovery of the said amount.



8. We further find substance in the submission advanced on behalf of the Applicant that delay in initiation of execution proceedings may adversely affect realization of the awarded amount and consequently diminish the value available for distribution amongst the stakeholders of the Corporate Debtor. The Code places an obligation upon the Liquidator to preserve and realize the assets of the Corporate Debtor in a time-bound manner and the present proceedings appear to have been initiated in furtherance of the said objective.
9. In view of the above observations, we allow the present application and grant approval to initiate execution proceedings to enforce the award dated 30.11.2023 passed in *LAC Case No. 27.03.2019 (RBT No. 10 of 18.04.2019) titled as Julka Rice & Oil Mills Pvt. Ltd. Vs. Punjab State & Ors.*, on behalf of the Corporate Debtor.
10. Thus, the present application bearing **IA.(IBC) 585(Ch)2026** in CP(IB) No. 38/Chd/Pb/2018 is **allowed** and **disposed of**.

Sd/-

(SHISHIR AGARWAL)
Member (Technical)
Ruhani

Sd/-

(KHETRABASI BISWAL)
Member (Judicial)