



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

**IA(IBC)(LIQ.)/3(CH)2026 &
IA(IBC)/774(CH)2026
IN
CP(IB) No.149/Chd/Pb/2022
(Admitted)**

IA(IBC)(LIQ.)/3(CH)2026

***{Application under sub-clause (i) of clause (b) of sub-section (1) of
Section 33 read with sub-section (2) of Section 33 of the Insolvency
and Bankruptcy Code, 2016}***

Rajeev Sharma S/o Sat Pal Sharma
Resolution Professional of SEL Textiles Ltd.
R/O House No.58, Shivalik State Extension -2,
Sector 127, Kharar,
District SAS Nagar Mohali.

...Applicant

AND

IA(IBC)/774(CH)2026

***{Application under sub-section (5) of Section 60 of the Insolvency and
Bankruptcy Code, 2016}***

Neeraj Saluja
Aged about 59 years, son of Late Shri. R.S. Saluja,
Resident of House No. 9-C, Sarabha Nagar,
Ludhiana, Punjab -1410001,
Mobile Number as 9814000060,
Email: neerajsalujag@gmail.com

...Applicant

Versus

Mr. Rajeev Sharma,
Resolution Professional of SEL Textiles Limited,
having his office at House No. 58, (Near Gate Number 9),
Shivalik City, Sector 127, Kharar,
SAS Nagar, Punjab - 140307.
Email: rpselltextile@gmail.com

...Respondent No. 1



The Committee of Creditors of SEL Textiles Limited,
through the Resolution Professional
having his office at House No. 58, (Near Gate Number 9),
Shivalik City, Sector 127, Kharar, SAS Nagar, Punjab - 140307.
Email: rpselltextile@gmail.com

...Respondent No. 2

IN THE MAIN MATTER OF :
CP(IB) No.149/Chd/Pb/2022

{Application under Section 7 of the Insolvency and Bankruptcy Code, 2016}

Central Bank of India

...Financial Creditor

Versus

SEL Textiles Ltd.

...Corporate Debtor

Order delivered on: 28.09.2026

CORAM: Hon'ble Mr Kaushalendra Kumar Singh, Member (Technical)
Hon'ble Mr Khetrabasi Biswal, Member (Judicial)

Present:

For the Applicant in : Mr. Aalok Jagga, Mr. Sahil Lohan,
IA(IBC)(LIQ.)/3(CH)2026 & Mr. APS Madaan, Ms. Vibhu Aggarwal &
for Respondent in Mr. Aryaman Jagga, Advocates
IA(I.B.C)/774(CH)2026

For the Applicant in : Mr. Anand Chhibbar, Senior Advocate
IA(I.B.C)/774(CH)2026 along with Mr. Shikhar Sarin,
Mr. Vaibhav Sahni, Advocates



ORDER

The Interlocutory Application **IA(IBC)(LIQ.)/3(CH)2026** has been filed by the Resolution Professional **Mr. Rajeev Sharma** (hereinafter referred to as “Applicant”), under sub-clause (i) of clause (b) of sub-section (1) of Section 33 read with sub-section (2) of section 33 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “Code”) for initiating the liquidation process of the SEL Textiles Limited, Corporate Debtor and appoint Mr. Ankur Bansal, Insolvency Professional, as the Liquidator of the Corporate Debtor.

2. The Interlocutory Application i.e. **IA(I.B.C)/774(CH)2026** has been filed by the Suspended Management under sub section (5) of Section 60 of the Code seeking for dismissal of the IA(IBC)(LIQ.)/3(CH)2026 as premature or, in the alternative, seeks directions for exploration of compromise or arrangement under Section 230 of the Companies Act, 2013 and preservation of the Corporate Debtor as a going concern before any Order of liquidation is passed.

3. Since both the aforesaid Applications pertain to the issue of liquidation of the Corporate Debtor, the same are intrinsically linked and are accordingly being disposed of by way of this **Common Order**.

IA(IBC)(LIQ.)/3(CH)2026

BRIEF FACTS:

4. The averments made by the Applicant in its Application and presented/argued by the Learned Counsel for the Applicant are summarised hereunder:



- (i) The Financial Creditor, i.e., Central Bank of India, had filed an Application bearing CP(IB) No.149/Chd/Pb/2022 under Section 7 of the Code for initiating Corporate Insolvency Resolution Process (hereinafter referred to as the “CIRP”) in respect of **SEL Textiles Ltd.**, Corporate Debtor. This Adjudicating Authority, whilst initiating CIRP against the Corporate Debtor inter alia, appointed the Applicant, namely Mr. Rajeev Sharma, as the Interim Resolution Professional (hereinafter referred to as “IRP”), *vide* Order dated 10.08.2023.
- (ii) The Corporate Debtor has four working plants: three for making yarn located at Lambi (Punjab), Neemrana (Rajasthan) and Hansi (Haryana), and one plant for making terry towels with a dyeing unit at Nawasahar/Rahon (Punjab). The yarn making plant at Hansi had closed down even before the commencement of the insolvency proceedings. The IRP visited all the plants, took control and custody of the assets of the Corporate Debtor at all locations on 11.08.2023, and deployed security agency for protection of the assets.
- (iii) Pursuant to the public announcement in Form A dated 13.08.2023, IRP received claims from Financial Creditors, and the CoC was constituted on 24.08.2023 comprising eight Financial Creditors (namely Indian Overseas bank, Indian Bank, Bank of Maharashtra, UCO bank, Punjab and Sindh Bank, Union Bank of India, Central Bank of India and Punjab National Bank) with total admitted claims of Rs. 3888.87 crore. During the 2nd CoC meeting, held on



26.09.2023, the IRP was confirmed as the RP by the CoC with 100% voting share.

(iv) Further, the RP informed the members regarding the appointment of registered valuers for valuation of assets as per Regulation 27 of IBBI (CIRP) Regulations, 2016. The quotations received from IBBI registered valuers were placed before the CoC and the valuers were finalized with the concurrence of all members of the committee.

(v) During the CIRP, Form G was first issued on 09.10.2023 inviting Expressions of Interest (EOIs). In response to the issuance of Form G, two prospective resolution applicants submitted their expression of interest within the prescribed time period. However, more than three new prospective resolution applicants approached the RP to submit their expression of interest after the expiry of the last date for submission of expression of interest. These new prospective resolution applicants had the financial capacity and capability to successfully present resolution plans. Pursuant to the decision of the CoC in its 4th meeting held on 13.12.2023, Form G was reissued on 16.12.2023 in view of interest shown by additional prospective resolution applicants. In response thereto, six EOIs were received and the last date for submission of Resolution Plans was fixed as 30.01.2024, along with an Earnest Money Deposit of ₹5 Crores. While only two applicants submitted plans within the stipulated period, certain other applicants sought short extensions of time. Consequently, four



Resolution Plans were received for consideration from the following Prospective Resolution Applicants: (a) AB Cotspin India Limited; (b) JTL Industries Limited; (c) HR Commercials Private Limited (Consortium); and (d) United Biotech Private Limited.

(vi) Further, the CIRP witnessed delays on account of various factors, including issues arising from communications issued by the Enforcement Directorate and the need to evaluate multiple resolution plans. Consequently, the CoC approved and the Adjudicating Authority granted extensions and exclusion of time from the CIRP period from time to time.

(vii) The CoC, in several meetings, considered the Resolution Plans received and undertook various value maximisation measures, including the Swiss Challenge Mechanism and electronic bidding process. Despite affording multiple opportunities to the Resolution Applicants to enhance their offers, the values proposed remained substantially below the liquidation value. Consequently, the CoC found the Resolution Plans commercially unviable and, in its 13th meeting held on 09.09.2024, resolved to invite fresh bids through issuance of a fresh Form G. The minutes of the 13th CoC meeting dated 09.09.2024 have been annexed as Annexure A-19 to the Application.

(viii) Pursuant thereto, a fresh Form G was issued on a cluster-wise basis, inviting Resolution Plans for individual units as well as for the Corporate Debtor as a whole. Accordingly, three Resolution Plans,



(namely, (a) Orissa Metaliks Private Limited, (b) VSM Expo Private Limited, and (c) HR Commercials Private Limited), were placed before the CoC in its 32nd meeting held on 06.11.2025 for consideration, along with the agenda for liquidation of the Corporate Debtor. Upon conclusion of the voting process on 05.02.2026, all three Resolution Plans were rejected with 100% voting share, as the CoC was of the view that the values offered under the Resolution Plans remained substantially below the liquidation value.

(ix) Thereafter, in its 38th meeting held on 24.02.2026, the CoC took note of and acted upon its decision to liquidate the Corporate Debtor, which had been taken with 92.83% voting share in its 32nd meeting held on 06.11.2025 and authorised the RP to file the present Application seeking initiation of liquidation proceedings. The extract of the said resolution passed in the 32nd CoC meeting dated 06/07.11.2025 has been reproduced below:

***“RESOLVED THAT** the Resolution Professional has been authorized to file an application with the Adjudicating Authority, under Section 33 of Insolvency and Bankruptcy Code, 2016 seeking order of liquidation of the Corporate Debtor and if the order of the liquidation is passed by the Adjudicating Authority, the Resolution Professional/ Liquidator is hereby directed to explore the prospectus of compromise & arrangement in terms of section 230 of companies act 2013, and if no proposal of compromise & arrangement in terms of section 230 of companies act 2013 is received, the liquidator should proceed for sale as per regulation 32 of Insolvency And Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as he may deem fit to achieve maximum realizable value.*



RESOLVED FURTHER THAT the fee of the liquidator for the period shall be as per Schedule-II of IBBI (Liquidation Process) Regulations.”

(x) Pursuant to Regulation 39B, 39BA, 39C and 39D of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the CoC has deliberated upon and approved the following matters while deciding to liquidate the Corporate Debtor:

(a) Estimated Liquidation Costs: The CoC has made a best estimate of the amount required to meet liquidation costs in consultation with the RP in the event an Order for liquidation is passed under Section 33, and has made a best estimate of the value of the liquid assets available to meet such liquidation costs. The CoC has determined that the estimated value of liquid assets is sufficient to meet the estimated liquidation costs.

(b) Recommendation for Compromise or Arrangement: The CoC recommends that the RP shall submit to the Adjudicating Authority the committee's recommendation that liquidator may explore the compromise or arrangement in terms of section 230 of the Companies Act, 2013, after the date on which an Order of liquidation is passed under Section 33, and before passing of final report under sub-regulation (2) of regulation 2B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016. The RP shall submit the committee's recommendation to the Adjudicating Authority while filing Application under Section 33. The RP and the committee shall keep exploring the possibility of compromise or arrangement during the period the application to liquidate the Corporate Debtor is pending before the Adjudicating Authority.

(c) Sale as Going Concern: The CoC has deliberated upon whether the Liquidator may first explore sale of the Corporate Debtor as a going concern under clause (e) of Regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation



Process) Regulations, 2016 or sale of the business of the Corporate Debtor as a going concern under clause (f) thereof, if an order for liquidation is passed under Section 33.

(d) Fee of Liquidator: The CoC has fixed the fee payable to the Liquidator as per Schedule-II of IBBI (Liquidation Process) Regulations, if an Order for liquidation is passed under Section 33, for the period, if any, used for compromise or arrangement under Section 230 of the Companies Act, 2013, the period, if any, used for sale under clauses (e) and (f) of Regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, and the balance period of liquidation.

(xi) The CoC further resolved to appoint Mr. Ankur Bansal, Insolvency Professional bearing Registration No. IBBI/IPA-003/ICAI-N-00370/2021-2022/13820, as the Liquidator of the Corporate Debtor. His written consent dated 25.02.2026 as required under Regulation 3 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 in Form AA has been annexed as Annexure A-46 to the Application.

(xii) In these circumstances, the RP has filed the present Application seeking liquidation of the Corporate Debtor under Section 33 of the Code and appointment of Mr. Ankur Bansal as Liquidator under Section 34 of the Code.



IA(IBC)/774(CH)2026

BRIEF FACTS:

5. The averments made by the Applicant in its Application and presented/argued by the Learned Counsel for the Applicant are summarised hereunder:

- (i) The Applicant/Suspended Director of SEL Textiles Limited, filed the present Application seeking dismissal of IA(IBC)(LIQ)/3(CH)2026 filed by the RP under Section 33 of the Code for liquidation of the Corporate Debtor. The Applicant submits that the Corporate Debtor was admitted into CIRP on 10.08.2023 pursuant to an Application under Section 7 of the Code. Thereafter, public announcement was issued, claims were collated and the CoC was constituted. The Applicant states that he actively participated in the CIRP proceedings and attended various meetings of the CoC.
- (ii) The Applicant has referred to the issuance of Form G, receipt and consideration of Resolution Plans, communications received from the Enforcement Directorate, extensions of the CIRP period, adoption of value maximisation measures including the Swiss Challenge Mechanism and electronic bidding, issuance of a fresh cluster-wise Form G, and the deliberations of the CoC regarding the Resolution Plans.
- (iii) In the 32nd meeting of the CoC held on 06.11.2025, the Resolution Plans received were placed for consideration and the issue of liquidation of the Corporate Debtor was also deliberated upon. Upon



conclusion of the voting process on 05.02.2026, all the Resolution Plans stood rejected by the CoC, whereafter the CoC resolved to liquidate the Corporate Debtor under Section 33 of the Code and authorised the RP to file the present Application. The CoC further recommended exploration of a compromise or arrangement under Section 230 of the Companies Act, 2013 and consideration of sale of the Corporate Debtor as a going concern during the liquidation process.

(iv) The Applicant opposes the liquidation of the Corporate Debtor and, inter alia, raises the following contentions:

(a) Certain Applications seeking extension and exclusion of the CIRP period were pending adjudication at the time of filing of the liquidation Application and, therefore, the liquidation proceedings are stated to be premature.

(b) The Resolution Plans were rejected primarily on the ground that the values offered were below the liquidation value. The Applicant disputes the correctness of the liquidation value and contends that the actual value of the Corporate Debtor is substantially higher. The rejection of resolution plans solely on the basis of an allegedly understated liquidation value reflects an improper exercise of the CoC's commercial wisdom.

(c) Proceedings relating to attachment of certain assets of the Corporate Debtor under the Prevention of Money Laundering



Act, 2002 are stated to be pending, and it is contended that such proceedings may have a bearing on the liquidation process.

(d) It is further contended that liquidation would result in value erosion and adversely affect the interests of various stakeholders, including employees, operational creditors and personal guarantors, whereas alternative mechanisms for revival and value maximisation ought to be explored.

(xiii) It is contended that the Code represents a significant departure from the erstwhile liquidation-centric regime under the Companies Acts, 1956 and 2013. According to the Applicant, while the earlier framework primarily focused on recovery through sale of assets, the Code places emphasis on resolution, value maximisation and revival of the Corporate Debtor as a going concern, with liquidation being envisaged only as a measure of last resort.

Relying upon the judgments of the Hon'ble Supreme Court in *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17, *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531 and *Ghanashyam Mishra & Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.*, (2021) 9 SCC 657, the Applicant submits that revival of the Corporate Debtor as a going concern is the primary objective of the Code and that liquidation is intended to be a measure of last resort.

(xiv) On the aforesaid grounds, the Applicant seeks dismissal of the liquidation Application as premature or, in the alternative, seeks



directions for exploration of compromise or arrangement under Section 230 of the Companies Act, 2013 and preservation of the Corporate Debtor as a going concern before any Order of liquidation is passed.

REPLY OF THE RESPONDENT :

3. In this context, the defence placed by the Respondent/RP in its Affidavit in Reply and submission made thereon and as presented/argued by the learned counsel for the Respondent are summarised as under:

(i) The present Application is not maintainable as the Applicant, being a suspended director of the Corporate Debtor, has no locus standi to oppose the liquidation Application filed under Section 33 of the Code pursuant to the decision of the CoC. The Applicant participated in the CoC meetings without any voting rights and cannot challenge a decision which falls exclusively within the commercial wisdom of the CoC. Reliance is placed on *Mehulkumar Arvindbhai Patel & Anr. v. Vinod Tarachand Agarwal, Company Appeal (AT) (Insolvency) No. 1598 of 2023* reiterating the said principle of law.

(ii) CoC in its 32nd meeting held on 06.11.2025, resolved to liquidate the Corporate Debtor and authorised the RP to file the Application under Section 33 of the Code. The said resolution has not been challenged by the Applicant. Therefore, the liquidation Application, being merely a consequence of the CoC's decision, cannot be opposed without assailing the underlying resolution itself.



(iii) The prayer seeking exploration of a compromise or arrangement under Section 230 of the Companies Act, 2013 is misconceived as no such proposal has been placed on record by the Applicant. It is argued that the question of compromise or arrangement arises only after the passing of a liquidation Order and in accordance with the Liquidation Regulations.

(iv) With regard to the prayer seeking sale of the Corporate Debtor as a going concern, it is submitted that the relevant regulatory framework stands amended pursuant to the notification dated 14.10.2025 and, therefore, the relief sought by the Applicant is not maintainable.

(v) The Applicant himself opposed consideration of the resolution plans before the CoC on the ground that the value offered under the plans was substantially lower than the value of the Corporate Debtor. Having taken such a stand, the Applicant cannot now oppose the liquidation proceedings which have arisen as a consequence of the non-approval of any resolution plan by the CoC.

(vi) On the aforesaid grounds, learned Counsel for the RP prays for dismissal of the present Application.

SUBMISSION OF THE APPLICANT FILED BY AFFIDAVIT

4. It is noted that the Applicant filed an Affidavit in IA (IBC)/774(CH) 2026, *vide* Diary No. 01343 /3 and stated as follows;

(i) The Corporate Debtor was promoted by Late Sh. Ram Saran Saluja and his family members and is engaged in the business of



manufacturing and sale of yarn and terry towels through units situated at Neemrana (Rajasthan), Hansi (Haryana), Village Punjava (Punjab) and Village Shekan Majra, Rahon (Punjab).

(ii) The Corporate Debtor was a leading textile manufacturer and had established specialized spinning units producing different varieties and counts of yarn. The output of the three yarn manufacturing spinning units was designed to be utilised collectively in the terry towel manufacturing unit, thereby creating an integrated production chain. Each manufacturing unit performed a distinct function and produced different categories of yarn which were not interchangeable. The terry towel unit depended upon the yarn produced by all three spinning units for manufacturing finished products of international quality standards.

(iii) The principal strength of the Corporate Debtor lay in its vertically integrated structure, whereby different varieties of yarn produced at separate locations were utilised together for manufacture of value-added textile products. The units are commercially interdependent and derive substantially higher value when operated together as a single enterprise.

(iv) The Corporate Debtor had availed various credit facilities for setting up and operating the manufacturing units. However, due to financial difficulties and issues arising from lending arrangements, the Corporate Debtor suffered liquidity constraints and its loan accounts were eventually classified as Non-Performing Assets.



(v) Despite financial stress, the manufacturing units continued to operate and the Corporate Debtor remained a going concern until commencement of CIRP on 10.08.2023 pursuant to admission of an Application under Section 7 of the Code filed by Central Bank of India. After commencement of CIRP, the RP did not continue operations of the units in an effective manner and certain units were either shut down or operated below capacity, resulting in erosion of value. In this regard, the Applicant had earlier approached this Adjudicating Authority seeking directions for continued operation of the units as a going concern.

(vi) It is therefore contended that the Corporate Debtor would realise greater value through resolution and continued operation as an integrated enterprise rather than through liquidation or sale of individual units, and that the interests of all stakeholders would be better served by preserving the Corporate Debtor as a going concern.

FURTHER SUBMISSION MADE BY RP

5. It is further noted that, in compliance with the Order of this Adjudicating Authority dated 24.03.2026, the RP filed a synopsis setting out the details of the various plants and locations of the Corporate Debtor, the clusters assigned thereto, the Fair Market Value and Liquidation Value of the assets, and the Resolution Plans received along with the values offered thereunder. The said synopsis has been placed on record vide Diary No. 00499/1 and annexed as Annexure A-1. Copies of the relevant Valuation Reports have also been annexed as Annexure A-2 to the short note.



6. Furthermore, a Note of Arguments on behalf of the Resolution Professional in support of I.A. (LIQ) No. 3 of 2026 filed under Section 33 of the Code and in opposition to I.A. No. 774 of 2026 filed by the Suspended Director, has been placed on record *vide* Diary No. 00499/2. Grounds urged by the RP are stated hereinbelow:

(i) Corporate Debtor not a going concern: The Resolution Professional disputes the contention that the Corporate Debtor was functioning as a going concern and submits that only certain units were operating on a limited job-work basis before subsequently ceasing operations. Reliance is placed upon the minutes of the 5th and 8th CoC meetings in support of the said contention.

(ii) PMLA attachment not a bar to resolution or liquidation: It is contended that the attachment of certain assets by the Enforcement Directorate does not impede the resolution or liquidation process in view of Section 32A of the Code. The Resolution Professional further submits that no prospective resolution applicant declined participation on account of such attachments.

(iii) Revival remains available during liquidation: The Resolution Professional submits that notwithstanding the omission of Regulation 32A of the Liquidation Regulations, revival of the Corporate Debtor remains possible through a scheme of compromise or arrangement under Section 230 of the Companies Act, 2013, in terms of Regulation 2B of the Liquidation Regulations. Reliance is



placed upon the judgment of the Hon'ble Supreme Court in *Arun Kumar Jagatramka v. Jindal Steel & Power Ltd.*

(iv) CoC has reaffirmed its decision to liquidate: Pursuant to the directions of this Adjudicating Authority, the CoC reconsidered the issue of issuance of a fresh Form G. However, on 14.08.2026, the learned counsel appearing for the CoC informed this Adjudicating Authority that the CoC, upon reconsideration, had unanimously resolved to proceed with liquidation and did not wish to invite fresh resolution plans, thereby reaffirming its earlier commercial decision.

ANALYSIS AND FINDINGS:

7. We have considered the submissions made by the Learned Counsel appearing for both sides and have gone through the material available on record carefully, along with the extant provisions of the Code and the settled position of law on the subject issue.

8. It is noted that the Corporate Debtor comprises four manufacturing units, namely three yarn manufacturing units situated at Lambi (Punjab), Neemrana (Rajasthan) and Hansi (Haryana), and a terry-towel manufacturing unit with dyeing facilities at Nawasahar/Rahon (Punjab). The material placed on record indicates that these units are not entirely independent commercial undertakings. Different varieties of yarn produced by the three spinning units are utilised in the terry-towel manufacturing unit, thereby forming an integrated production chain. The units accordingly have commercial interdependence and, when operated collectively, are capable of yielding greater value than their individual assets considered



separately. It may be noted that the fair market value and liquidation value of the CD as a whole are in the range of several hundred crores.

9. It is also relevant that during the CIRP, attempts were made to obtain resolution of the Corporate Debtor. Form G was initially issued on 09.10.2023 and, upon further interest being expressed by prospective resolution applicants, was reissued on 16.12.2023. Subsequently, after the CoC found the resolution plans received to be commercially unviable, a further Form G was issued on a cluster-wise basis, inviting plans both for individual units and for the Corporate Debtor as a whole. Although resolution plans were received, the same were ultimately rejected on the ground that the values offered were substantially below the liquidation value.

10. While the commercial wisdom of the CoC is entitled to due regard, the question before us at this stage is not merely whether the earlier resolution process yielded an acceptable resolution plan, but whether, in the peculiar facts of the present case, liquidation ought to follow immediately or one further and time-bound opportunity ought to be afforded for revival of the Corporate Debtor. The object of the Code is not confined to recovery by liquidation of assets; its Preamble emphasises reorganisation, insolvency resolution and maximisation of value of assets. In *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17, the Hon'ble Supreme Court recognised that the Code is first and foremost a Code for reorganisation and insolvency resolution and that liquidation is a measure of last resort. The said principle



was reiterated in *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531.

11. The consideration assumes greater significance in the present case because the Corporate Debtor's value appears to lie substantially in the integrated nature of its four units. If the Corporate Debtor is placed into liquidation, there is a possibility that its assets or individual units may ultimately be dealt with separately. Such a course may result in fragmentation of an integrated manufacturing enterprise and may not necessarily capture the value which can be realised from the units when operated together. The concern regarding value erosion upon liquidation and separate disposal of the units is therefore not merely theoretical, particularly where the material on record indicates that the units are commercially interdependent.

12. There is also a material change in the regulatory framework which cannot be ignored while considering the appropriate course at this stage. The amendments to the Liquidation Process Regulations, effective from 14.10.2025, omitted the clause (e) and (f) of Regulation 32 as well as Regulation 32A which had specifically enabled sale of the Corporate Debtor as a going concern and sale of the business of the Corporate Debtor as a going concern. The current regulatory framework consequently does not preserve the earlier route of achieving revival through sale of the Corporate Debtor or its business as a going concern during liquidation.

13. Thus, if liquidation is ordered at this stage, the opportunity to preserve the Corporate Debtor as an integrated going concern through the erstwhile



mechanism of sale as a going concern would no longer be available. Although a scheme of compromise or arrangement under Section 230 of the Companies Act, 2013 may remain available during liquidation, the present regulatory position makes it all the more important that, before crossing the point of no return into liquidation, every reasonable opportunity contemplated under the Code for revival of the Corporate Debtor is considered. The CoC itself had earlier contemplated exploration of compromise or arrangement and sale as a going concern in the event liquidation was ordered.

14. The legislative development brought about by the Insolvency and Bankruptcy Code (Amendment) Act, 2026 is also significant. Section 33(1A), introduced by the 2026 amendment, expressly contemplates restoration of the CIRP, before passing an order of liquidation, where the statutory conditions are satisfied. The legislative material describes this mechanism as a final opportunity for revival before liquidation. The existence of this newly introduced statutory mechanism demonstrates that the legislative policy does not regard failure of an initial resolution process as necessarily foreclosing every further possibility of resolution before liquidation.

15. In the facts of the present case, therefore, the fact that the earlier resolution plans did not receive approval cannot, by itself, be treated as determinative of the question whether no possibility of revival remains. The Corporate Debtor comprises an integrated industrial undertaking; earlier Form G processes had generated interest from prospective resolution applicants; and even during the earlier process, additional prospective



resolution applicants had approached the RP after expiry of the initial timeline, resulting in reissuance of Form G and receipt of further EOIs. These circumstances indicate that the possibility of attracting a resolution applicant cannot be said to be wholly exhausted merely because the earlier plans were not found acceptable by the CoC.

16. We are conscious that the CIRP has already consumed considerable time and that the CoC, upon reconsideration, has reaffirmed its decision to proceed with liquidation. However, the direction contemplated herein is not intended to reopen the entire CIRP indefinitely or to disregard the commercial wisdom of the CoC. The object is to provide one final, strictly time-bound opportunity to test the market afresh, particularly in view of the integrated character of the Corporate Debtor and the changed statutory and regulatory landscape. The earlier exercise having been undertaken the amended liquidation regime was not in existence. Hence, a fresh and focused market exercise would serve the larger objective of value maximisation.

17. In our considered view, the possibility that liquidation may result in the four units being dealt with separately, with consequent loss of the synergistic and integrated value of the enterprise, constitutes a relevant circumstance which warrants one final effort to preserve the Corporate Debtor as a going concern. The Code seeks to maximise the value of the assets of the Corporate Debtor and balance the interests of stakeholders; liquidation, though an available statutory consequence, ought not to be resorted to where a reasonable and time-bound opportunity for revival can still be meaningfully explored.



CONCLUSION

18. In view of the above discussion, before passing an order of liquidation, one final opportunity ought to be afforded for revival of the Corporate Debtor. The Resolution Professional is, therefore, directed to issue a fresh Form G inviting Expressions of Interest/Resolution Plans for the Corporate Debtor, with due emphasis on resolution of the Corporate Debtor as an integrated undertaking. The entire exercise shall be completed within 120 days from the date of this order. Upon completion of the process, the Resolution Professional shall place a status report before this Adjudicating Authority, setting out the response received pursuant to the fresh Form G and the outcome of the resolution process and file an appropriate application for seeking approval of Resolution Plan or the liquidation order as per the result thereof.

19. In view of the above directions, **I.A. (LIQ) No. 3 of 2026 stands dismissed at this stage**, with liberty to the Resolution Professional to seek appropriate orders upon completion of the aforesaid process. Consequently, **I.A. No. 774 of 2026 stands disposed of in the above terms.**

Sd/-
Khetrabasi Biswal
Member (Judicial)

Sd/-
Kaushalendra Kumar Singh
Member (Technical)

Gitesh/Inderjeet