NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.202
IA/17(MP)2024 in **IA/105(MP)2023**
in
(MP) CP(IB) 42 of 2020

Proceedings under Section 60(5) r.w. Rule 11

IN THE MATTER OF:

Keyur Jagdishbhai Shah, Liquidator of Sagar Autotech Pvt Ltd ....**Applicant**
V/s
Ankit Daga, Director of Ennovis Consultants India Pvt Ltd ....**Respondent**

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 03/06/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/- Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

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THE NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH

I.A./17(MP)2024
In I.A./105(MP)2023
In (MP) CP(IB) 42 of 2020

[An Application filed under Section 60(5) of the IBC, 2016 r.w. Rule 11 of the NCLT Rules,2016]

IN THE MATTER OF:
Mr. Keyur Jagsidhbhai Shah
Liquidator of Corporate Debtor
Sagar Autotech Private Limited
Sun Avenue One, Near Shreyas Foundation,
Manekbaug Society, Ambawadi, Ahmedabad,
Gujarat-380015 **... Applicant**

Versus

Mr. Ankit Daga, Director
Ennovis Consultants India Private Limited
(SCC Member, erstwhile COC Member, and Financial Creditor)
Satguru Bhawan,
Civil Line, Ajmer Road,
Bhilwara,
Rajasthan-311001 **... Respondent**

C O R A M:

HON'BLE SH. BRAJENDRA MANI TRIPATHI, MEMBER (J)

HON'BLE SH. MAN MOHAN GUPTA, MEMBER (T)

Order Pronounced on 03.06.2026

Appearance:

For the Applicant : Mr. Randhir N. Rajpurohit, Adv.

For the Respondent : Ex-Parte

I. PRAYER

The Applicant, Mr. Keyur Jagdishbhai Shah, Liquidator of Sagar Autotech Private Limited ("Corporate Debtor"), has filed the present Interlocutory Application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with Rule 11 of the NCLT Rules, 2016, praying for the following reliefs:

(i) That this Hon'ble Tribunal be pleased to direct the Respondent, Mr. Ankit Daga, Director, Ennovis Consultants India Private Limited, to deposit an amount of ***Rs.3,80,496.70/-*** *being the Respondent's proportionate share of outstanding CIRP and liquidation costs;*

(ii) That the Respondent be further directed to pay such additional liquidation costs as may be attributable to it after the filing of the present Application;

(iii) That the Respondent be directed to pay interest at the rate of ***18% per annum*** *on the aforesaid amount from the date of default till actual payment into the CIRP/Liquidation Bank Account of the Corporate Debtor; and*

(iv) Such other order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case and in the interest of justice.

II. BRIEF FACTS

A. Initiation of CIRP and Appointment of Liquidator

The Corporate Insolvency Resolution Process ("CIRP") of Sagar Autotech Private Limited ("Corporate Debtor") was initiated vide order dated 23.06.2022 passed by this Hon'ble Tribunal in CP (IB) No. 42/MP/2020. The Applicant was appointed as Interim Resolution Professional and was subsequently continued to manage the CIRP and thereafter the liquidation proceedings.

B. Assignment of Debt and Constitution of CoC

The Respondent, Mr. Ankit Daga, Director, Ennovis Consultants India Private Limited, acquired the financial debt of the Corporate Debtor through an assignment dated 27.12.2022. Upon such acquisition, the Respondent became a member of the Committee of Creditors ("CoC") and thereafter the Stakeholders' Consultation Committee ("SCC"). By virtue of the assignment, the Respondent stepped into the shoes of the assignor financial creditor and inherited all rights, obligations, and liabilities under the IBC, including the statutory obligation to contribute towards CIRP and liquidation costs in proportion to its voting share.

C. Repeated Requests and Assurances by the Respondent

During the CIRP, the Applicant repeatedly apprised the members of the CoC of the urgent need for funds to meet CIRP expenses and requested them to deposit their proportionate contributions in accordance with their respective voting shares.

In the 6th CoC Meeting held on 23.02.2023 and the 7th CoC Meeting held on 17.03.2023, the Respondent assured the Applicant that interim finance would be infused shortly. Despite such assurances and repeated reminders sent through emails between 27.02.2023 and 31.05.2023, the Respondent failed to deposit its share of CIRP costs.

The Respondent, through email communications, further admitted delay in depositing the funds and again assured that the same would be deposited shortly. However, no amount has been deposited till date. Minutes of recent SCC Meetings evidencing such communications have been placed on record.

D. Quantum of Dues

The applicant is submitting the detailed breakdown of the outstanding CIRP cost, in the below table with bifurcation of amount to be deposited in the bank account of the corporate debtor:-

Particulars	Amount
Total CIRP Expenses	9,73,208.20/-
Total Liquidation Cost (till 2nd SCC Meeting)	4,32,893.00/-
Total Expenses	**14,06,101.20/-**
Amount paid by the Applicant u/s 10	94,991.00/-
Total	13,11,110.20/-
Proportionate Contribution (45.55%)	5,97,210.70/-
Paid by the erstwhile COC members before assignment to Ennovis (Respondent)	2,16,714.0/-
Pending Contribution from Ennovis (Respondent)	3,80,496.70/-

The applicant has submitted that, if any CoC Member or SCC member is not contributing towards their part of share of the CIRP costs of the Corporate debtor the NCLT has vide powers to pass order against the said creditor and direct them to contribute the amount within stipulated period. Reliance has been placed on following Judgements:

- Hon'ble NCLT Mumbai Bench in IA 1651 of 2020 in CP (IB) 1765 of 2018 in the case of **Shailesh Verma V/s Union Bank of Indian & Ors.**
- Hon'ble NCLT Hyderabad Bench in IA 1183 of 2022 in CP (IB) 771 of 2019 in the case of **Manish Fashionworld Pvt Ltd V/s Maqdoom Moghny Enterprises Pvt Ltd.**

E. Failure to Appear / Ex Parte Proceedings

Despite due service of notice, the Respondent has persistently failed to appear before this Hon'ble Tribunal. The Applicant filed Affidavits of Service dated **26.02.2024, 10.06.2024, and 12.04.2025**, duly evidencing service upon the Respondent. In view of the continued non-appearance, the Respondent was set **ex parte** on **08.12.2025**.

III. OBSERVATIONS AND ANALYSIS

A. Statutory Obligation to Contribute to CIRP and Liquidation Costs

This Tribunal has carefully examined the documents placed on record by the Applicant, including the Assignment Deed dated 27.12.2022 and the consequential reconstitution of the Committee of Creditors ("CoC"), annexed as Annexure C1 and C2 to the present Application. The said documents clearly establish that the Respondent, namely Ennovis Consultants India Private Limited through its Director Mr. Ankit Daga, acquired the financial debt of the Corporate Debtor from the erstwhile financial creditor and consequently became a member of the CoC and thereafter the Stakeholders' Consultation Committee ("SCC").

Upon such assignment, the Respondent stepped into the shoes of the assignor creditor and inherited all corresponding rights, obligations, and liabilities attached to such financial debt under the Insolvency and Bankruptcy Code, 2016 ("IBC"). The obligation to contribute towards CIRP costs and liquidation costs is intrinsic to participation in the insolvency resolution process and cannot be avoided merely on account of subsequent inaction or non-cooperation.

The Applicant has further placed on record the public announcement made in Form-A pursuant to initiation of CIRP, evidencing commencement of insolvency proceedings and inviting claims from creditors. The Applicant has also relied upon the order dated 23.06.2022 passed in CP (IB) No. 42/MP/2020 whereby CIRP was admitted against the Corporate Debtor and the Applicant was appointed as Interim Resolution Professional.

B. Evidence of Repeated Demands and Acknowledgement of Liability

From the material available on record, it is evident that the Applicant had continuously informed the members of the CoC regarding the requirement of funds for conducting CIRP proceedings and requested them to deposit CIRP expenses proportionate to their voting share. The Applicant has specifically relied upon the email dated 27.02.2023 addressed to the members of the CoC, wherein contribution towards CIRP expenses was sought from all CoC members.

The record further reveals that during the 6th CoC Meeting held on 23.02.2023 and the 7th CoC Meeting held on 17.03.2023, the Respondent assured the Applicant that interim finance would be infused shortly and that the pending CIRP contribution would be deposited in the CIRP Bank Account of the Corporate Debtor. The Applicant has also annexed reminder emails dated 27.03.2023, 05.04.2023, 12.04.2023, 21.04.2023, 02.05.2023, 09.05.2023, 22.05.2023 and 31.05.2023 requesting the Respondent to deposit its share of CIRP costs.

Significantly, the Respondent, through email communications annexed as Annexure-F, acknowledged delay in remittance of funds and assured that the amount would shortly be deposited into the CIRP Bank Account of the Corporate Debtor. Despite such categorical acknowledgment of liability and repeated assurances, the Respondent failed to make any payment towards its proportionate share of CIRP and liquidation expenses.

The Applicant has also placed on record email dated 10.06.2023 whereby the Respondent was once again informed that despite repeated reminders and assurances, no amount had been deposited by the Respondent towards CIRP expenses. The conduct of the Respondent clearly demonstrates conscious non-compliance and deliberate avoidance of its statutory obligations under the IBC.

C. Determination of Outstanding CIRP and Liquidation Costs

This Tribunal has perused the detailed computation submitted by the Applicant regarding CIRP and liquidation expenses incurred in conducting the insolvency proceedings of the Corporate Debtor. The statement placed on record reflects that the total CIRP expenses amount to Rs.9,73,208.20/- and liquidation expenses till the 2nd SCC Meeting amount to Rs.4,32,893/-, aggregating to Rs.14,06,101.20/-. After adjusting the amount of Rs.94,991/- paid by the Applicant under Section 10 proceedings, the net amount payable comes to Rs.13,11,110.20/-.

The Applicant has further demonstrated that the Respondent's voting share in the CoC/SCC was 45.55%, and accordingly the Respondent's proportionate contribution towards CIRP and liquidation expenses works out to Rs.5,97,210.70/-. Out of the said amount, a sum of Rs.2,16,714/- had already been contributed by the erstwhile CoC members prior to assignment of debt in favour of the Respondent, leaving a balance outstanding amount of Rs.3,80,496.70/- payable by the Respondent.

The Tribunal finds the above computation to be duly supported by documentary material placed on record and there is no rebuttal or contrary material produced by the Respondent disputing either the calculation of CIRP costs or its voting share liability.

D. Statutory Scheme Under IBC and Duty to Fund CIRP Costs

CIRP costs and liquidation costs occupy paramount importance under the scheme of the IBC. Section 5(13) of the Code defines insolvency resolution process costs to include all expenses incurred by the

Resolution Professional in running the Corporate Debtor as a going concern and conducting CIRP proceedings. Such costs are accorded priority status under the Code and form an essential component for ensuring effective completion of insolvency proceedings.

The continuation of CIRP and liquidation proceedings is dependent upon timely availability of funds. In situations where the Corporate Debtor lacks liquid resources, members of the CoC are obligated to contribute towards CIRP expenses in proportion to their voting share. Failure to contribute frustrates the insolvency mechanism and adversely affects the conduct of proceedings contemplated under the IBC.

In the present case, the Applicant has specifically pleaded and demonstrated that due to non-payment of contribution by the Respondent, the Applicant was compelled to personally bear statutory and procedural expenses required for continuation of CIRP and liquidation proceedings. Such conduct on the part of the Respondent is contrary to the principles of cooperation and commercial responsibility embedded under the insolvency framework.

E. Reliance on Judicial Precedents

The Applicant has rightly relied upon the judgment passed by the Hon'ble NCLT Mumbai Bench in Shailesh Verma v. Union Bank of India & Ors., IA 1651 of 2020 in CP (IB) No. 1765 of 2018, wherein the CoC members were directed to contribute their respective share of CIRP costs within a stipulated period to enable continuation of CIRP proceedings. The relevant extract reproduced in the Application specifically recognises the powers of the Adjudicating Authority to compel contribution from CoC members in absence of alternate funding arrangements.

Reliance has also been placed upon the decision of the Hon'ble NCLT Hyderabad Bench in Manish Fashionworld Pvt. Ltd. v. Maqdoom Moghny Enterprises Pvt. Ltd., IA 1183 of 2022 in CP (IB) No. 771 of 2019, wherein the Adjudicating Authority directed CoC members to contribute their share of CIRP costs and observed that non-cooperation with the Resolution Professional justifies issuance of coercive directions under Section 60(5) of the IBC.

The ratio emerging from the aforesaid decisions clearly supports the case of the Applicant and reinforces the principle that a creditor participating in CIRP proceedings cannot evade its obligation to fund CIRP and liquidation costs proportionate to its voting share.

F. Effect of Non-Appearance and Ex Parte Proceedings

This Tribunal further notes that despite due service of notices and filing of Affidavits of Service by the Applicant, the Respondent failed to appear before this Tribunal or file any reply controverting the averments made in the present Application. The Respondent was accordingly proceeded ex parte vide order dated 08.12.2025.

The pleadings, documents, email communications, assignment records, and computation sheets filed by the Applicant therefore remain uncontroverted. In absence of any rebuttal, the documentary evidence placed on record deserves acceptance and establishes the liability of the Respondent towards payment of the outstanding CIRP and liquidation costs.

Accordingly, this Tribunal is satisfied that the Applicant has successfully established: (a) the Respondent's status as assignee financial creditor and CoC/SCC member; (b) the Respondent's proportionate liability towards CIRP and liquidation expenses; (c) repeated demands and reminders issued by the Applicant; (d) acknowledgment of liability by the Respondent through email communications; and (e) persistent failure and non-cooperation on the part of the Respondent in discharging its statutory obligations under the IBC.

IV. ORDER

In light of the foregoing facts, settled legal position, and the documents and evidence placed on record, this Tribunal is of the considered view that the present Application deserves to be allowed. Accordingly, it is hereby ordered as under:

i. The Respondent, Mr. Ankit Daga, Director, Ennovis Consultants India Private Limited, is hereby directed to deposit an amount of **Rs.3,80,496.70/-** (Rupees Three Lakhs Eighty Thousand Four Hundred Ninety-Six and Paise Seventy Only) towards the Respondent's proportionate share of outstanding CIRP and liquidation costs, into the CIRP/Liquidation Bank Account of Sagar Autotech Private Limited, within a period of **fifteen (15) days** from the date of this Order.

ii. In the event the Respondent fails to deposit the aforesaid amount within the stipulated period of fifteen (15) days, the Respondent shall further be liable to pay **interest** at the rate of **8% per annum** on the sum of ₹3,80,496.70/- from the expiry of 15 days till the date of actual payment.

iii. The Applicant is directed to serve a certified copy of this Order upon the Respondent.

iv. The present Interlocutory Application stands **allowed** and disposed of in the above terms.

Sd/- Sd/-

MAN MOHAN GUPTA
(MEMBER TECHNICAL)

BRAJENDRA MANI TRIPATHI
(MEMBER JUDICIAL)

Vanshika-LRA