

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL, CHENNAI BENCH**  
**Company Appeal (AT) (Insolvency) (TR) No. 36 of 2021**

**In the matter of:**

**Ravindra Chaturvedi (Liquidator of Excel Glasses Ltd.)** ....Appellant

**Vs.**

**Kopran Ltd** ....Respondents

**Present:**

**Appellant:** Mr. Kunal Kunungo, Ms. Pratiksha Sharma,  
Mr. Shreyas Awasthi, Adv. Atishay Jain,  
Mr. Ravindra Chaturvedi (Liquidator)

**Respondents:**

**ORDER**

**(Through Virtual Mode)**

**25.01.2021:**

1. MA 148/KOB/2020 IBA 258/Chennai Bench came to be dismissed at the hands of Adjudicating Authority, (NCLT Kochi Bench) in terms of impugned order dated 10.12.2020 on the ground that the same was not maintainable. While disposing of the matter, the adjudicating authority made certain observations and disparaging remarks and the observations against the liquidator in para 24, which are extracted below:

*“24. Further, from a reading of the reply of the Liquidator, it is seen that there is a collusion by the Liquidator with the applicant M/s Kopran Limited in filing the present M.A in order to defeat the rightful claims of the ex-workers of their legitimate dues. This will be clear from the counter filed by him in the present M.A. The Liquidator can make the legitimate payment of the applicant Kopran Limited but that should not be at the costs of the workmen of Excel Glasses Limited.”*

2. Ms. Pratiksha Sharma, advocate representing the Appellant/Liquidator submits that these observations and

remarks are unwarranted. She further submitted that the mere fact that there was no substance in the application which met the inevitable fate of dismissal itself speaks of the matter being projected before the Adjudication Authority without merit.

3. We have given our anxious consideration to the submissions made at the Bar. We find that while the issue as regards non-maintainability of the application before the Adjudication Authority is not in issue before us, the observations and remarks made with respect to the conduct of the liquidator are unwarranted and brook interference. The judicial intervention in the matter is called for as not interfering with such remarks has very serious consequences in regard to conduct of proceedings by the Liquidator, besides branding him for life with a scar affecting his reputation. From the tone and tenor of the observations made in para 24 an impression can be gathered that the liquidator was in collusion with the respondent, M/s Kopran Ltd., which implies meeting of minds and collaboration in an act of omission or commission bordering on criminal activity with the Appellant/liquidator either being a collaborator in crime or intentionally aiding the occurrence. This conclusion could not be deduced from the admitted facts of the case. Maybe it was a case lacking merit or even frivolous or vexatious, but that does not justify the conclusion that the liquidator was either the instigator or the collaborator in such act of commission, which admittedly related to legitimate dues of workmen at whose behest the application was filed. In the opinion of the Adjudicating Authority, the workmen should have been impleaded as parties and to circumvent that lengthy procedure, MA is stated to have been filed with a view to scuttle the process. Be that as it may, even raising of an adverse inference may be justified, but branding somebody as a collaborator in an act of commission to defeat the legitimate rights on that score would not be justified. Deviation from the procedural requirements would not tantamount to an act of misconduct of such magnitude which

would scar a person for life. The conclusion in regard to there being a collusion between the liquidator and the applicant is not justified. The remarks of the Adjudicating Authority scarring the Liquidator as a tainted person cannot be supported. Reference made by the counsel for the appellant to para 3 of the reply filed by the liquidator at p,163 and para 11 at p.173, when the same are read in juxtaposition, the conclusion arrived by the Adjudicating Authority would not be justified.

In view of this, we allow this Appeal and direct that in para 24 of the impugned order, the first four lines commencing from *“Further, from a reading of the reply of the Liquidator, it is seen that there is a collusion by the Liquidator with the applicant M/s Koprana Limited in filing the present M.A in order to defeat the rightful claims of the ex-workers of their legitimate dues. This will be clear from the counter filed by him in the present M.A.”* shall stand expunged and shall be deleted from the record. A copy of this order be sent to the Adjudicating Authority for making an endorsement to the effect in the record. If any action was initiated or contemplated to be initiated against the liquidator, the same shall stand dropped.

**[Justice Bansi Lal Bhat]  
Acting Chairperson**

**[Justice Venugopal M.]  
Member (Judicial)**

**[Balvinder Singh]  
Member (Technical)**

**P.S.**