INDIALAW



INSOLVENCY & BANKRUPTCY

Corporate Debtor’s Liquidation Upheld: NCLAT Rejects Suspended Director’s Last-Minute Settlement Offer

AUTHOR Shrishail Kittad, Rahul Sundaram

PUBLISHED 17 September 2025

In a recent decision, the National Company Law Appellate Tribunal (NCLAT) upheld the order of the National Company Law Tribunal (NCLT) directing the liquidation of E.C. Bose & Company Pvt. Ltd., a corporate debtor undergoing insolvency proceedings.

The case, E.C. Bose & Company Pvt. Ltd. v. Deborshi Sadhan Bose (Company Appeal (AT) (Ins.) No.162 of 2025), involved an appeal filed by Deborshi Sadhan Bose, the suspended director of the corporate debtor, against the NCLT's order initiating the liquidation of the company.

The corporate insolvency resolution process (CIRP) against E.C. Bose & Company Pvt. Ltd. was initiated. The 330-day CIRP period expired in December 2024 without any resolution plan being approved. Consequently, the Resolution Professional (RP) filed an application under Section 33(1) of the Insolvency and Bankruptcy Code (IBC) seeking the initiation of liquidation proceedings.

The NCLT allowed the RP's application and directed the company to be liquidated. Aggrieved by this decision, the appellant, Deborshi Sadhan Bose, who is the suspended director of the corporate debtor, filed an appeal before the NCLAT.

Before the NCLAT, the appellant argued that he had received a higher offer of ?8 crore from an investor to settle the dues, and he had filed an application seeking direction to the NCLT to consider this offer. However, the respondents, including the RP and other creditors, contended that the appellant's offer was made much after the Committee of Creditors (CoC) had already decided to go into liquidation, and the 330-day CIRP period had already expired.

The NCLAT, in its analysis, noted that the 330-day CIRP period had indeed expired in December 2024 without any resolution plan being approved, and the CoC had decided to proceed with the liquidation of the corporate debtor in February 2025. The NCLAT observed that the appellant's offer was made much later, after the CoC's decision, and he was not a resolution applicant during the CIRP.

The NCLAT distinguished the present case from its previous judgments relied upon by the appellant, as those cases involved higher offers from resolution applicants during the CIRP period or a settlement proposal under Section 12A of the IBC. The NCLAT held that in the absence of any error in the NCLT's order directing liquidation after the expiry of the 330-day CIRP period without any resolution plan being approved, the NCLAT could not interfere with the NCLT's decision.

Consequently, the NCLAT dismissed the appeal and upheld the NCLT's order directing the liquidation of the corporate debtor, E.C. Bose & Company Pvt. Ltd.

This judgment highlights the strict adherence to the timelines prescribed under the IBC and the limited scope for considering late settlement offers, even if they appear to be more lucrative than the liquidation value. The NCLAT's reasoning highlights the importance of resolving insolvency cases within the specified timeframes to ensure the efficient and timely resolution of corporate distress.

For further details write to contact@indialaw.in

Related Practice Areas

Insolvency & Bankruptcy