



2026:DHC:1142



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment pronounced on: 11.02.2026

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CONT.CAS(C) 1819/2025, CM APPL. 5867/2026 & 6240/2026

JFC FINANCE (INDIA) LIMITED

.....Petitioner

Through: Mr. Jayant Mehta, Sr. Advocate with
Ms. Maneesha Dhir, Ms. Varsha
Banerjee & Ms. Udit Singh,
Advocates.

versus

ARVIND GARG LIQUIDATOR
OF MOSER BAER SOLAR LTD & ORS.

.....Respondents

Through: Mr. Kamal Mehta, Mr. Syed Sumain
Ali, Mr. Mohnish Singh & Mr.
Jaismeen Sharma, Advocates
alongwith R-1/Liquidator.
Mr. Rajeev Mehra, Sr. Adv.
alongwith Mr. Shaunak Kashyap, Mr.
Kartikaya Gautam and Mr. Vikram
Kalra, Advs. for applicant in CM
APPL. 5867/2026 & 6240/2026.
Mr. Rudra Paliwal, Govt Pleader.

CORAM:**HON'BLE MR. JUSTICE SACHIN DATTA****JUDGMENT**

1. The present petition has been filed by the petitioner alleging wilful disobedience by respondent no.1 of the undertaking/statement made by the said respondent before this Court, as recorded in the order dated 09.04.2025 passed in W.P.(C) 4634/2025. The said order dated 09.04.2025 records as under:

“1. In the present petition, the petitioner entity seeks to participate in the process of sale of M/s Moser Baer Solar Ltd. (hereinafter referred



to as 'MBSL') as a going concern under the provisions of the Insolvency and Bankruptcy Code, 2016.

2. It is submitted that the petitioner was one of the shortlisted participant in the process of sale of MBSL as a going concern, but the right of participation has been virtually taken away from the petitioner on account of the fact that the petitioner did not receive any link or instruction/notification for participating in the pre-qualification proceedings.

3. It is further submitted that the petitioner had fulfilled all mandatory requirements of registering as a buyer, including deposit of Earnest Money Deposit (EMD) and uploading all relevant documents. However, it is contended that it was only in the absence of any specific instructions/notifications and/or a link to participate in the pre-qualification proceedings that the petitioner could not fulfil the alleged requirements and has been, therefore, virtually rendered disqualified on erroneous ground.

4. It is pointed out that the petitioner had e-filed an application before the NCLT raising the aforesaid grievance and seeking appropriate prayer/s. However, since the NCLT is under recess and shall be reopening only on 15.04.2025, the present petition has been filed by the petitioner seeking urgent relief.

5. Learned counsel for respondent no.1 (liquidator), while refuting the contentions of the petitioner on merits, submits that since the NCLT shall be reopening only on 15.04.2025 (whereupon the matter is expected to be taken by the NCLT), the respondent no.1 shall not take any further steps pursuant to the e-auction process for the sale of MBSL (except for conducting internal meetings with the banks/stakeholders) till 21.04.2025.

6. Respective counsels for the parties are in agreement that it shall be for the NCLT to pass appropriate orders on the application already filed by the petitioner before the NCLT.

7. Accordingly, taking the aforesaid statement of the respondent no.1 on record, the present petition is disposed of."

2. The concerned auction was conducted on 08.04.2025 and the aforesaid order dated 09.04.2025, incorporating the consent undertaking, came to be issued in the immediate aftermath thereof.



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3. *Vide* order dated 21.04.2025, the National Company Law Tribunal (NCLT) ordered as under:

IN THE MATTER OF:

Central Bank of India

Vs

Moser Baer Solar Limited

(IB)-212(PB)/2017

.... Petitioner

....Respondent

Order U/s. 7 of (IBC) in Liq

Order delivered on 21.04.2025

CORAM:

**JUSTICE RAMALINGAM SUDHAKAR,
HON'BLE PRESIDENT**

**SHRI RAVINDRA CHATURVEDI,
HON'BLE MEMBER (TECHNICAL)**

HEARING THROUGH HYBRID MODE (PHYSICAL & VC)

PRESENT:

For the Applicant : Varsha Banerjee, Advocate in IA-1746/2025
For the Respondent :

ORDER

IA-1746/2025

Ld. Counsel appearing for the Petitioner seeks and is granted two days' time to file rejoinder to the reply filed by the Liquidator on 19.04.2025.

Liquidator will maintain the status quo in terms of our earlier order dated 16.04.2025 and that of Hon'ble Delhi High Court's order dated 09.04.2025 passed in W.P.(C)-4634/2025 (para-5) which reads as follows:-

....

5. Learned counsel for respondent no.1 (liquidator), while refuting the contentions of the petitioner on merits, submits that since the NCLT shall be reopening only on 15.04.2025 (whereupon the matter is expected to be taken by the NCLT), the respondent no.1 shall not take any further steps pursuant to the e-auction process for the sale of MBSL (except for conducting internal meetings with the banks/stakeholders) till 21.04.2025.

....

At request and by consent, list the matter on 23.04.2025.

-Sd/-

**(RAMALINGAM SUDHAKAR)
PRESIDENT**

-Sd/-

**(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)**

21.04.2025
Lalit



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4. On 19.11.2025, the petitioner's application bearing no. IA-1746/2025 (seeking quashing of the e-auction proceedings and other prayers), came to be dismissed by the NCLT. The NCLT found that the petitioner had not adhered to the auction procedure/process specified by the auction platform, M/s Baanknet.
5. On 21.11.2025, in an appeal filed by the petitioner, the National Company Law Appellate Tribunal (NCLAT) directed that "*Status quo as existing today with regard to assets in question be maintained*".
6. The present contempt petition came to be filed on 29.11.2025. Essentially, the petitioner has sought to urge that the respondent/liquidator has wilfully and deliberately disobeyed the undertaking incorporated in the aforesaid order dated 09.04.2025 passed by this Court, inasmuch as he allegedly acted in a partisan manner and took unwarranted steps in contravention of the undertaking given to this Court.
7. In the "process information document" issued by the liquidator for the auction sale of the concerned assets, the following steps were delineated:



3. BIDDING PROCESS

3.1 Key steps in the process:

A: Steps in the process for sale through E-auction.

- I. Publication of notice for sale through E-auction;
- II. Submission of eligibility document(s) by Prospective Bidder(s);
- III. Commencement of access of the assets under auction by Prospective Bidder(s) for their inspection and due diligence;
- IV. Submission of Earnest Money Deposit by Prospective Bidder(s);
- V. Participation of Bidders in the E-Auction process on the Auction Date;
- VI. Highest Bidder to be invited to provide balance sale consideration within ninety days;
- VII. Liquidator to conduct due diligence and verify the eligibility of the Highest Bidder;
- VIII. Liquidator to present the auction results, details of Highest Bidder and the due diligence conducted on it, to the Consultative Committee of Stakeholders (consisting of financial creditors of MBSL);
- IX. Liquidator to declare the Highest Bidder as the Successful Bidder or reject such bid, after consultation with the Consultative Committee of Stakeholders;
- X. In case the Highest Bidder is found ineligible, the Liquidator to declare the next Highest Bidder as the Successful Bidder, after due diligence and verification of eligibility, in consultation with Consultative Committee of Stakeholders (the process will be repeated till determination of an eligible Bidder);
- XI. Issuance of Letter of Intent LoI to Successful Bidder;
- XII. Payment of Final Consideration by the Successful Bidder;
- XIII. Issuance of Certificate(s) of Sale;

8. On a *prima facie* conspectus, this Court finds some credence in the apprehension/s of the petitioner that the liquidator has acted with undue haste in the matter, as evinced from the fact that one of the agenda items of the 23rd Meeting of the “Consultative Committee of Stakeholders” (hereinafter “CCS”), convened on 15.04.2025, was “To Advise the Liquidator in Accordance With Regulation 31(A)(I)(B) of IBBI (Liquidation Process) Regulation, 2016 on Sale of Corporate Debtor as a Going Concern



On As Is What, As Is How Is and Without Basis”. The relevant extract of the said Minutes is as under:

“AGENDA ITEM no. 14— to Advise the Liquidator in accordance with Regulation 31A(1)(B) of IBBI (Liquidation Process) regulations, 2016 on sale of corporate debtor as a ‘going concern’ on ‘as is where is, as is what is, as is how is and without recourse basis’.

14. Attention of the Committee was drawn towards Section 35(2) of the Insolvency & Bankruptcy Code, 2016 Regulations 31A(1), 31A(9) and Schedule I under Regulation 33 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

The Liquidator informed the Committee that at the E-auction held on the Baanknet Auction platform, five bidders had bid for acquisition of Liquidation estate. Consortium of Mr. Girish Jain and Chemester Food Industry Private Limited had emerged as the highest bidder with a bid of Rs.28.27 Crore (Twenty-eight Crore Twenty-seven Lakh only).

In accordance with clause 12 of Schedule-I of IBBI (Liquidation Process) Regulations, 2016, the highest bidder had been invited to provide balance sale consideration within a period of ninety days, provided that payments made after thirty days shall attract interest at the rate of twelve per cent.

After declaring the highest bidder, the Liquidator had conducted due diligence and had verified the eligibility of the highest bidder. The Liquidator presented the auction results, details of highest bidder, and the due diligence conducted on it to the Consultative Committee of Stakeholders. The Committee was informed that the liquidator shall declare the highest bidder as the successful bidder or reject such bid, after consultation with the Consultative Committee of Stakeholders, in accordance with the advice received from the Committee.

The Committee is requested to advise the Liquidator on declaring the highest bidder at the E-auction held on April 08, 2025, i.e. the Consortium of Mr. Girish Jain and Chemester Food Industry Private Limited as the Successful Bidder or to reject the Bid by voting on the following resolution:

“Resolution:



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To consider and if found fit, to pass with or without modification the following Resolution:

“The Consultative Committee of Stakeholders of corporate debtor Moser Baer Solar Limited in liquidation, hereby resolves to advise the Liquidator to declare ‘Consortium of Mr. Girish Jain and Chemester Food Industry Private Limited’; the highest bidder at e-auction held on April 08, 2025, for sale of corporate debtor Moser Baer Solar Limited in liquidation as a ‘Going Concern’, on ‘as is where is’, ‘as is what is’, ‘as is how is’ & ‘without recourse’ basis; as the Successful Bidder.”

Upon voting on the Resolution all six members present at the meeting, i.e., Punjab National Bank, State Bank of India, Indian Overseas Bank, Central Bank of India, Bank of Baroda and Union Bank of India, voted in favour of the Resolution. There was no vote against the Resolution and no absention. Thus, all six members of the Committee present at the meeting, representing 100.00% of the members present and voting, 82.74% of secured financial debt and 82.28% of total admitted claims advised the Liquidator to declare the highest bidder at the e-auction held on April 08, 2025 as the Successful Bidder.

The Liquidator accepted the Committee’s advice and agreed to comply with directions of the Committee.”

9. The liquidator proceeded to conclude the necessary regulatory exercise and obtain the requisite approvals to clear the decks for declaring the “successful bidder”. This was done without even waiting for the outcome of the judicial proceedings then pending before the NCLT, and despite the statement/undertaking recorded in the aforesaid order dated 08.04.2025. It appears, *prima facie*, that obtaining such regulatory permissions/decisions and putting to vote the proposal of the liquidator to declare a particular consortium as the “successful bidder” went way beyond the mere conduct of “internal meetings”, and as such, ran afoul of the statement/undertaking of the liquidator incorporated in the order dated 09.04.2025.



10. It also transpires that immediately after the NCLT passed the order dated 19.11.2025, virtually before the ink was dry on the said order, the liquidator purported to declare the “successful bidder”. This was done prior to the matter being considered by the NCLAT on 21.11.2025, on which date the NCLAT directed that *status quo* shall be maintained with regard to the assets in question.

11. It is in the above context that apprehension/s arise as to the undue haste with which the liquidator allegedly acted. However, this Court is refraining from rendering findings impinging upon the conduct of the liquidator, in view of the developments that have taken place during the pendency of the present petition.

12. On 21.01.2026, the following order was passed by this Court:

“1. During the course of hearing, learned Senior Counsel for the petitioner, inter-alia, submits, on instructions, that the petitioner is willing to offer a sum of Rs.54 crores in respect of the very same assets which have been sought to be e-auctioned by the respondent/ liquidator for a sum of Rs.28.27 crores.

2. Learned counsel for the Liquidator states, on instructions from the liquidator (who is present in Court), that in the event of the petitioner furnishing a bank draft for the aforesaid amount, the liquidator shall request the NCLAT (in the pending proceedings), to set aside the e-auction already conducted, and seek permission for conduct of re-auction of the concerned assets with a reserve price of Rs.54 crores. The said statement is taken on record.

3. This Court approves of the aforesaid course inasmuch as the same will maximise the value of the ‘liquidation estate’.

4. Learned counsel for the petitioner submits that a bank draft for a sum of Rs.54 crores, drawn in favour of ‘Moser Baer Solar Limited-in liquidation’ shall be furnished on the next date of hearing.

5. List on 29.01.2026 in the category of ‘supplementary matters’.



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6. Copy of this order be given dasti under the signature of Court Master.”

13. As can be seen, the aforesaid order records the statement/undertaking of the liquidator that the petitioner is willing to offer a sum of Rs.54 Crores (in respect of the very same assets which have been sought to be e-auctioned for a sum of Rs.28.27 Crores). The said order further records the unequivocal stand of the liquidator that in the event of the petitioner furnishing a bank draft for the said amount, the liquidator shall request the NCLAT (in the pending proceedings) to set aside the e-auction already conducted and seek permission for the conduct of a re-auction of the concerned assets with a reserve price of Rs.54 Crores.

14. Pursuant to the above, on 02.02.2026, a bank draft of Rs.54 Crores was furnished by the petitioner. The particulars of the same are reproduced as under:

DD Sr. No. : 295813

Dated: 21.01.2026

Amount: 54,00,00,000/-

Drawn on: Axis Bank, New Delhi Branch (IFS Code: UTIB0000007)

15. In the above context, although it has transpired in these proceedings that the reserve price for the concerned asset/s was woefully inadequate and the auction process was also riddled with controversy, considering that the liquidator has sought to effect a course correction in terms of the statement recorded in the order dated 21.01.2026, this Court does not find it necessary to delve deeper into the aforementioned allegations of the petitioner.

16. It is noticed that in terms of the ‘Process Information Document’ dated 06.03.2025 issued by the Liquidator for the e-auction held on



08.04.2025, the Liquidator is duly empowered and reserves the right to reject, at any stage, “all or any of the bidder or Bid” without assigning any reason whatsoever. The relevant extracts of the ‘Process Information Document’ are reproduced hereinbelow:

"1.8. The issue of this Process Information Document does not imply that the Liquidator is bound to select a Bidder or to appoint the Bidder with the highest Financial Proposal as Successful Bidder and the Liquidator reserves the right to reject all or any of the Bidders or Bids without assigning any reason whatsoever or assuming any cost".....

IX.....(iv) It is clarified that the decision for selection of the Successful Bidder(s) will be solely at the discretion of the Liquidator, with the aim of maximizing the value received for the Corporate Debtor/ the assets of the Corporate Debtor, through the Bid Process, without any requirement to provide any reasoning or justification to any Bidder(s).

4.2... (c) annul the Bid Process and reject any/all Bids for any reason, at any point of time, including if considered unsatisfactory or commercially unacceptable or below Reserve Price as determined by the Liquidator, in its sole discretion, without any obligation to provide reasons or justification, and if deemed fit move to other methods of liquidation as per Regulation 32(a) to (f) of the Code.

(d) restart the Bid Process, and invite fresh bids either on the Auction Date itself or any subsequent date with prior intimation of the same. The Liquidator reserves the right to conduct subsequent rounds of the E-Auction sale with reduction in Reserve Price, as per the Code and Liquidation Regulations."

17. The aforesaid extracts of the ‘Process Information Document’ governing the auction process recognizes the rights and powers of the Liquidator to annul the auction process and initiate a re-auction, *inter-alia* to maximize the value received in the liquidation proceedings. Inherently, the auction process is also within the regulatory purview of the NCLT and the NCLAT. It appears that the offer of the petitioner to the tune of Rs. 54 Crores, for the very asset/s which have been sought to be e-auctioned for



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Rs.28.27 Crores, and the stand now taken by the liquidator that a re-auction shall be conducted with reserve price of Rs.54 Crores, is in the interest of maximization of the value of the liquidation estate. The same will also enure to the benefit of the concerned public sector banks that constitute the “Consultative Committee of Stakeholders”.

18. Needless to say, it shall be for the NCLAT to consider the matter further in the above conspectus, and pass appropriate orders in the pending appeal. Further, the previous stand/decision/s taken by the liquidator (in the circumstances enumerated hereinabove) shall not come in the way of the liquidator pursuing the course set out in the order dated 21.01.2026, nor shall the same preclude or come in the way of the NCLAT taking an appropriate decision in the matter.

19. Certain objections have been raised by the applicant in CM.APPL. 5867/2026 (filed on behalf of M/s Chemester Food Industry Limited), which is part of the consortium that emerged as the highest bidder during the auction process conducted on 08.04.2025. The same entity has also filed CM. APPL. 6240/2026 seeking recall of the aforesaid order dated 21.01.2026 passed by this Court.

20. This Court is not inclined to entertain either of the aforesaid applications. In these proceedings, this Court has only taken on record the statement made by the liquidator that it seeks to make an appropriate application before the NCLAT seeking conduct of re-auction. It shall be necessarily for the NCLAT to pass further consequential orders in this regards and also deal with the objections raised by the applicant in CM. APPL. 5867/2026. Likewise, the application for the recall of the order dated 21.01.2026, is misconceived. As noticed, the order dated 21.01.2026 records



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the statement/undertaking of the liquidator to the effect that it shall move the NCLAT seeking to set aside the e-auction already conducted and seeks permission for conduct of a re-auction of the concerned assets with a reserve price of Rs.54,00,00,000/- (Rs.54 Crores). The liquidator would be well within its right to move such an application given the facts and circumstances. The order dated 21.01.2026 merely reflects what has transpired in the present proceedings. It shall be for the NCLAT to consider the matter further and pass appropriate orders. Any objections that may be raised by the applicant in CM. APPL. 5867/2026 (or by any other party) shall necessarily be considered by the NCLAT.

21. During the course of hearing on 02.02.2026, the aforementioned bank draft of Rs. 54,00,00,000/- (Rupees Fifty Four Crores) was handed over to the liquidator. The utilisation/encashment of the same shall be subject to the orders of the NCLAT. While moving an application seeking conduct of a re-auction, the liquidator shall apprise the NCLAT of the aforesaid bank draft furnished by the petitioner. In case it is not possible for the liquidator to deposit the said amount of Rs.54 Crores in an interest bearing FDR (and subject to further order/s of NCLAT), it shall be open for the petitioner to seek return of the Bank Draft with an undertaking to re-furnish the same as and when required and/or for the purpose of the re-auction process.

22. The present petition stands disposed of in the above terms. Pending application/s also stand disposed of.

FEBRUARY 11, 2026/at

SACHIN DATTA, J