

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
20.05.2026 AT 10:30 A.M.**

**IA(IBC)/38/2022, IA (IBC)/39/2022, IA (IBC)/40/2022,
IA(IBC)/41/2022, IA (IBC)/42/2022, IA (IBC)/43/2022,
IA(IBC)/44/2022 & IA (IBC)/45/2022
in CP (IB) No. 12/10/HDB/2017
U/s 10 of IBC**

IN THE MATTER OF:

VNR Infrastructure Limited

...Petitioner

C O R A M:-

**SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

ORDER

IA(IBC)/38/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/38/2022 is dismissed.

IA (IBC)/39/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/39/2022 is dismissed.

IA (IBC)/40/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/40/2022 is dismissed.

IA(IBC)/41/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/41/2022 is dismissed.

IA (IBC)/42/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/42/2022 is dismissed.

Contd...

(2)

S.No.1

IA (IBC)/43/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/43/2022 is dismissed.

IA(IBC)/44/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/38/2022 is dismissed.

IA (IBC)/45/2022

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/38/2022 is dismissed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH-II**

I.A. No.39 of 2022

in C.P.(IB).No.12/10/HDB/2017

IN THE MATTER OF M/S.VNR INFRASTRUCTURE LIMITED

(Under section 60(5) of the Insolvency and Bankruptcy Code, 2016)

Between:

M/s.SS Rail Works Pvt. Ltd..

Regd. Office: H.No.8-3-318/6/13/5,
Flat No.203, Crystal Residence,
Jayaprakash Nagar, Yellareddyguda,
Hyderabad-500 073,
Represented by its Chief Executive Officer,
Mr.A.Srinivasulu Reddy.

...Applicant

And

M/s.VNR Infrastructure Limited,

(under liquidation),
Rep. by its Liquidator Mr.T.S.N.Raja,
2nd Floor, H.No.3-11-494, Plot No.13 & 20,
Rajiv Gandhi Nagar, Inner Ring Road,
L.B. Nagar, Hyderabad-500 074

...Respondent

Date of Order: 20.05.2026

CORAM:

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

Counsel/Parties present:

For the Applicant : Mr. M. Anil Kumar, Ld. Counsel

For the Respondent : Ms. JVL Bharati, Ld. Counsel along with Mr. TSN
Raja, Liquidator.

1. The present Interlocutory Application has been filed by the SS Rail Works Pvt. Ltd (“**Applicant**”) under section 60(5) of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) against M/s. VNR Infrastructures Ltd (“**Corporate Debtor**”), represented by its Liquidator (“**Respondent**”), seeking a direction against the Respondent to accept the measurements and final bills submitted by the Applicant in respect of the subcontract works executed under the principal contract awarded by the North East Frontier Railway Authorities and thereafter submit the same before the N.F. Railway Authorities for the release of payment of Rs. 7,76,155/-, and upon receipt thereof, to release the said amount in favour of the Applicant.

Applicantion

2. The Applicant submits that the Corporate Debtor has obtained contracts from North East Frontier Railway (“**N.F.Railways**”), Maligaon, Guwahati, for the construction of the substructure of major bridges in Tripura state. The Corporate Debtor had entered into a Sub-Contract Agreement¹ dated 21.12.2016 with the Applicant on “AS IS WHERE IS” basis for execution of works valued at Rs.22,65,97,588/-. The Applicant asserts that, considering the financial distress of the Corporate Debtor, the Applicant agreed to execute the said works for a consideration of Rs. 22,20,65,636/-.
3. It is submitted that pursuant to the said agreement, the Applicant completed more than 40% of the subcontract work and the Respondent released amounts under on-account bills aggregating to Rs. 1,94,86,180/- on different dates. It is further submitted that the final bill² for an amount of Rs. 7,76,155/- was measured, finalised, and recorded by the Railway Department.
4. The Applicant submits that the PVC (Price Variation Bills) bills were required to be submitted by the Applicant to the Respondent and

¹ ANNEXURE A-1

² ANNEXURE A-2

thereafter by the Respondent to the NFR Authorities for verification and release of payment. It is stated that due to the cancellation of the Power of Attorney by the Respondent, the Applicant could not submit the PVC bills to the NFR Authorities.

5. It is submitted that the NFR Authorities terminated the contract on the ground that the Corporate Debtor had gone into liquidation and informed that under the terms of the principal agreement, the contract stood terminated on 23.05.2018 upon liquidation of the Company. The same was communicated to the Liquidator vide letter³ dated 04.09.2018.
6. It is submitted that under Clauses 3 and 5 of the Sub-Contract Agreement, the Applicant was required to submit monthly RA bills, and the Respondent, upon receiving payment from the NFR Authorities for the work executed by the Applicant, was required to release the corresponding amount to the Applicant.
7. The Applicant submits that the expenditure incurred for execution of the subcontract work was met entirely from the Applicant's own funds and borrowed funds obtained from financial institutions and not from the funds of the Respondent Company.
8. It is submitted that the Applicant executed the subcontract work and raised RA bills before the Respondent. It is further submitted that the NFR Authorities released amounts aggregating to Rs. 1.94 Crores to the Respondent towards the work executed by the Applicant. The Respondent thereafter released an amount of Rs. 1.35 Crores to the Applicant on 07.04.2017 and 15.06.2017, leaving a balance amount of Rs. 59,68,040/- unpaid.
9. It is further submitted that during the CIRP period, certain amounts were released by the Resolution Professional to the Applicant.

³ ANNEXURE A-3

However, after commencement of liquidation proceedings, the Liquidator failed to release further amounts despite receipt of payments from the Railway Authorities corresponding to the work executed by the Applicant. It is contended that despite receiving payments from the NFR Authorities, the Respondent failed to release the amounts payable to the Applicant in violation of the terms of the Sub-Contract Agreement dated 21.12.2026.

10. The Applicant submits that despite repeated requests made to the Liquidator for the release of the outstanding amounts, no payment was released. Aggrieved thereby, the Applicant filed I.A⁴. No.676/2018 before this Tribunal, and the said application was allowed, directing the Liquidator to release the amount. It is further submitted that the said order was challenged before the Hon'ble NCLAT, New Delhi in Company Appeal No.438/2019 and the same is pending adjudication.
11. The Applicant submits that despite the release of payment by the NFR Authorities towards the work executed by the Applicant, the Liquidator failed to release the corresponding amounts to the Applicant and thereby violated Clauses 3 and 5 of the Sub-Contract Agreement. It is further submitted that due to the non-release of payments, the Applicant could not complete the subcontract work within the stipulated schedule, and therefore, the Applicant cannot be held responsible for non-completion of the work.
12. It is only the Liquidator who violated the Agreement. Therefore, the Liquidator himself is responsible for the violation of the above-said Agreement and in view of not completing the work as per the main contract, the NFR Authorities have terminated the contract. The NFR Authorities are willing to release the payments for the work done by the Applicant herein if the final bill and measurements are submitted by the Respondent.

⁴ ANNEXURE A-4

13. It is the case that the Applicant further submits that the Liquidator failed to properly respond to the communications issued by the NFR Authorities. It is stated that the NFR Authorities issued several letters directing completion of the contract work within the stipulated time and informed that failure to do so would result in termination of the contract. Since the work was not completed, the contract came to be terminated vide letter⁵ dated 23.05.2018.
14. Aggrieved by the termination, the Liquidator filed I.A. No.185/2018 before this Tribunal challenging the termination letters and the said application came to be dismissed by the order of this Tribunal⁶. It is further submitted that appeals filed against the said order are pending before the Hon'ble NCLAT.
15. The Applicant submits that in I.A. No.185/2018, the Liquidator had stated that the Applicant was executing the work satisfactorily and had completed nearly 80% of the subcontract work and had also sought time to complete the balance work. The Applicant further alleges that the Liquidator adopted a dual stand in relation to the release of payments.
16. It is contended that the Respondent released amounts to Prakash Enterprises and Datta Supply Agency amounting to Rs.57,78,040/- on 22.03.2019 and Rs.1,60,00,000/- on 04.05.2019 respectively through RTGS/Cheque without objection, whereas objections are being raised only in respect of payments⁷ due to the Applicant. Furthermore, the Respondent is not cooperating to complete the work nor assisting the Applicant in completing the work as per the schedule under the Sub-Contract Agreement.
17. In the above circumstances, the Applicant prays for a direction to the Respondent, namely M/s. VNR Infrastructures Ltd., represented by its

⁵ ANNEXURE A-5

⁶ ANNEXURE A-6 (Colly.)

⁷ ANNEXURE A-7 (Colly.)

Liquidator, to accept the measurements and final bills submitted by the Applicant and thereafter submit the same before the NFR Authorities for release of the amount of Rs. 7,76,155/- and upon receipt thereof, release the said amount to the Applicant.

Counter

18. The Respondent Liquidator submits that during the CIPR, no resolution plan was approved in respect of the Corporate Debtor and consequently, this Tribunal, by order dated 21.09.2017, directed liquidation of the Corporate Debtor and appointed the Respondent herein as Liquidator under the provisions of the Code.
19. It is submitted that in I.A. No.742/2021, the Liquidator sought discharge from the assignment, contending that upon sale of the Corporate Debtor as a “Going Concern” and appointment of the purchaser’s representative as Director, the Corporate Debtor became an active company and consequently the Liquidator became functus officio with no locus to represent the Corporate Debtor.
20. The Respondent further submits that the Applicant/Subcontractor was formerly a Director of the Corporate Debtor and had resigned when the Corporate Debtor proposed to raise borrowings of Rs.100 Crores from IFCI. It is contended that the Applicant deliberately refrained from executing security documents to avoid personal liability in respect of the borrowings of the Corporate Debtor.
21. The Respondent submits that the Corporate Debtor obtained an additional loan of Rs. 95 Crores from IFCI and defaulted within a short period. It is stated that though the Corporate Debtor had a net worth of Rs. 334.88 Crores and profits till Financial Year 2014-15, it declared losses of approximately Rs. 430 Crores in Financial Year 2015-16. It is further submitted that Company Petition No.12/2017

under Section 10 of the Insolvency and Bankruptcy Code, 2016 came to be filed before this Tribunal.

22. The Respondent submits that the Applicant was one among several subcontractors to whom projects were entrusted by the previous management without obtaining security deposits or bank guarantees. It is contended that no status documents regarding stock position, progress of work, pending bills or work completed were prepared at the time of entrustment of the projects and that the equipment belonging to the Corporate Debtor continued to remain with the subcontractors.
23. The Respondent further submits that Mr. Devendra Jain, who functioned initially as IRP and later as RP, released payments amounting to approximately Rs.5.11 Crores to the Applicant under bills dated 23.06.2017, 10.07.2017 and 12.09.2017 without verifying the prudence of the subcontract arrangements or the status of work executed by the Applicant.
24. It is submitted that in subcontract arrangements of a similar nature, Royalty/Commission was generally charged by the Corporate Debtor depending upon the facilities extended to subcontractors. The Respondent states that where only credentials were shared, royalty of approximately 1.5% was charged; where EMD and bank guarantees were also arranged, additional royalty of around 3% was charged; and where credentials along with EMD, BG and related facilities were extended, royalty ranging between 6% and 8% was charged.
25. The Respondent relies upon the averments made in I.A. No.518/2022 filed by M/s. Prakash Enterprises, wherein at paragraph 3 it was stated that the Respondent Company had subcontracted the Railway work valued at Rs. 8,53,22,755/- on "end-to-end" basis under an agreement dated 10.02.2015 for Rs.7,84,62,084/- after retaining 8% towards Royalty/Commission.

26. The Respondent submits that in subcontract agreements, instead of separately reflecting royalty as a percentage, the contract value was reduced and the differential amount represented royalty payable to the contractor. It is contended that in the present case, against the original contract value of Rs. 11,33,08,754/-, the subcontract value was fixed at Rs. 11,10,42,578/- and therefore the retained amount represented royalty at approximately 2%.
27. It is further submitted that the said royalty was comparatively lower considering that the credentials of the Corporate Debtor were utilised, EMD was furnished by the Corporate Debtor and equipment was handed over to the subcontractor. The Respondent contends that in similar contracts, royalty ranging between 6% and 8% was charged from other subcontractors, and accordingly, the Applicant was informed that additional nominal royalty would be payable, failing which the subcontract agreements would be terminated.
28. The Respondent submits that the Liquidator personally accompanied the Applicant to the offices of the Chief Operating Department and the General Manager of the North East Frontier Railway and assured that the work would be completed expeditiously. It is stated that the Liquidator also offered to arrange finance or extend surplus funds available with the Corporate Debtor. According to the Respondent, the Railway Authorities informed the Liquidator that no additional funding was required and requested monitoring for expeditious completion of work.
29. It is alleged that the pace of execution by the Applicant was found unsatisfactory and, consequently, a seven-day notice was issued during the Financial Year 2017-18. The Respondent contends that despite assurances given by the Applicant, only a fraction of the work was executed during the Financial Year 2018-19, resulting in the

issuance of another seven-day notice followed by a 48-hour termination notice by the Railway Authorities.

30. The Respondent submits that when the second seven-day notice was issued, the Liquidator once again met the General Manager of the North East Frontier Railway who expressed concern regarding the slow progress of work. It is contended that ultimately all nine works entrusted to the Applicant came to be terminated and proceedings were initiated by the Railway Authorities for the invocation of bank guarantees amounting to approximately Rs.10 Crores.
31. The Respondent submits that since all the projects entrusted to the Applicant were terminated despite support extended by the Liquidator, the conduct of the Applicant reflects deliberate delay in execution of the projects, resulting in termination of the contracts.
32. It is further submitted that under Clause 13 of the Sub-Contract Agreement, the Applicant/Subcontractor was required to indemnify the Corporate Debtor against all liabilities, claims, losses and expenses arising due to breach of the agreement by the subcontractor. Reliance is placed on Clause 13 which reads as follows:

“The Sub-contractor shall indemnify the Contractor against every liability which the Contractor may incur to any other persons whatsoever and against all claims, demands, proceedings, damages, costs and expenses made against or incurred by the Contractor by reason of breach by the Sub-contractor of this agreement.”
33. The Respondent contends that in view of the losses caused to the Corporate Debtor due to the termination of the projects and the threatened invocation of bank guarantees, the bills received after termination of the contracts were retained to safeguard the interests of the Corporate Debtor.

34. The Respondent further alleges that the Applicant failed to return equipment belonging to the Corporate Debtor and illegally shifted the same to undisclosed locations where the Applicant was allegedly executing independent works. It is stated that when representatives of the Liquidator visited the project site, the equipment was found missing and one Mr. Goutham Borah informed them that he had advanced amounts to Mr. V. Narayana Reddy, suspended Managing Director of the Corporate Debtor, and would not permit removal of the machinery till repayment.
35. The Respondent submits that pursuant thereto, Mr. P. Niranjan Kumar lodged a police complaint as directed by the Liquidator and the said complaint was annexed as Annexure-6 in I.A. No.742/2021.
36. It is further submitted that the Applicant had earlier filed I.A. No.185/2018 seeking release of retained amounts, and this Tribunal allowed the said application. Aggrieved thereby, the Liquidator filed an appeal before the Hon'ble NCLAT in TA No.176/2021 in I.A. No.1419/2019 and the Hon'ble Appellate Tribunal granted an interim stay vide order dated 24.04.2019. It is submitted that the matter is presently pending adjudication before the Hon'ble NCLAT.
37. The Respondent further submits that the Applicant subsequently filed the present application seeking directions to the Liquidator to accept measurements and forward final bills in relation to various Railway works.

It is contented that:

- a. The Sub-Contract Agreement dated 21.12.2016 pertained to the work relating to the construction of the Agartala-Sabroom New BG Line Project. It is stated that though the contract stood terminated on 23.05.2018, the present petition came to be filed

only in November 2021 and numbered in the year 2022 after a delay of more than three years.

- b. Further, the bill claimed is fake. Under the normal procedure, the contractor seeks measurement from the Railway authorities, the work is recorded in the Measurement Book ("M Book") and signed by the Railway authorities, and only thereafter is the bill prepared and processed for payment.
 - c. In the present case, though the Railway authorities invited the Liquidator's representative for measurement, the Applicant himself refused participation, stating that the matter is sub judice. Hence, the self-attested bill for Rs. 57,18,006/- without any M Book extract or countersignature of the Railway authorities cannot be treated as a valid bill. Further, there are no details regarding the PVC bill, stock reconciliation, or materials at the site. Thus, the exercise appears to be only to litigate the matter pending before the Appellate Authority.
38. The Applicant, to whom the ongoing project was passed on by the promoters of the CD without any status document regarding stage of completion, pending bills, or stocks available at site, failed to furnish any reconciliation statement detailing the materials available at site, materials drawn from the Railway, materials available at the time of termination, and materials returned post termination, so as to determine the liability created by the sub-contractor in the project.
39. In this connection, the Applicant/sub-contractor is required to furnish:
- a. Material Escalation Statement or Price Variation Bill;
 - b. Statement detailing the materials handed over, purchased, drawn from the Railway, surrendered to the Railway, and utilised in execution of the contract; and

- c. Details of the equipment handed over to the Applicant and valued by the engineers appointed by the Liquidator, which were not returned after termination of the contract, regarding which a police complaint has already been lodged by the answering Liquidator.
40. Further, it is alleged that the acts of the Applicant caused losses exceeding Rs. 10 Crores to the Corporate Debtor, including the invocation of BG, forfeiture of EMD and SD, which are presently subjudice before the Hon'ble NCLAT in Company Appeal (AT) (Ins) No. 438 of 2019 and TA (AT) No. 176 of 2021.
41. Though the respondent, by letter dated 06.08.2025, called upon the applicant to submit bills and measurements relating to IA 38 to 45 of 2022, the Applicant failed to respond and instead alleged procedural violations before this Tribunal.
42. Further, the applicant had earlier filed IA No. 676/2018 seeking the release of retained monies. This Adjudicating Authority allowed the IA to release the amount. Aggrieved at the direction, the Liquidator preferred an appeal to the Hon'ble Appellate Authority, who granted a stay on the direction of the NCLT.

Rejoinder

43. It is submitted that the Respondent's Counter is misleading and irrelevant pleadings filed to divert attention from the limited issue raised in this Application. The limited issue raised in the Application is the Respondent's negligence and violation of contract terms in releasing the amounts received from the NFR Authorities by the Corporate Debtor to the Applicant.
44. It is submitted that the Liquidator received an amount of Rs.16,88,27,523/- for the works executed by the Applicant, but paid only Rs.14,44,38,808/- to the Applicant, leaving a balance amount of

Rs.2,43,88,750/-. This evidently proves that the Respondent did not release the official payments received from NFR, which were due to the Applicant under the subcontract, despite this Hon'ble Tribunal's direction in IA 676 of 2018 to release those amounts. Against that order, the Respondent filed an appeal before the Hon'ble NCLAT, which is reserved for orders. It is contended that the Respondent's assertion that he offered financial support is false.

45. It is submitted that the Respondent's Liquidator unilaterally altered the royalty deduction terms without notice to the Applicant. Before giving a sub-contract to the Applicant, the company obtained expert reports and fixed the royalty before CIRP / Liquidator at 2% to 3.5%, depending on the work.
46. It is denied that the measurement was done unilaterally by the Applicant. It is submitted that during the said measurement, the Applicant personally informed the Liquidator about the measurements going to take place by NFR authorities during a certain period. The Liquidator himself advised the Applicant to be present while making measurements by NFR Authorities, and this was also a practice since the inception of the agreement. He never denied such practice since his appointment. It is further submitted that the bills were prepared only for the work completed and certified by NFR authorities. Therefore, the averments of the Liquidator are afterthoughts, false and blatant lies.
47. It is submitted that the Respondent's assertion that the matter is sub-judice before NCLAT is irrelevant to this IA. The NCLAT matters relate to the termination of the main contract. Present IA concerns the release of amounts already received by the Respondent from NFR for work executed prior to termination. It is further submitted that termination litigation does not prevent the Liquidator from releasing what he has already received from NFR Authorities. Therefore, the

Respondent's stand is a blatant misrepresentation and an attempt to avoid compliance with contractual obligations.

48. It is further submitted that no loss to CD, no time limit for completion, and no equipment was ever handed over. The Respondent has not produced any handover document evidencing the possession of equipment belonging to the CD are with the Applicant. It is stated that the police complaint is false and has already been closed.
49. It is submitted that the Liquidator's self-serving claim of becoming functus officio has already been rejected by this Hon'ble Tribunal on multiple occasions. The CD was not dissolved, and the Liquidator continued to draw remuneration and act as Liquidator.
50. It is submitted that BG invocation and SD forfeiture matters are pending before NCLAT and are separate from this IA, which only concerns the release of amounts already received by the Liquidator. It is contended that dragging NCLAT appeals here is irrelevant and misleading.
51. It is prayed by the Applicant that this Tribunal may allow this Application and direct the Liquidator to release all amounts received from NFR with applicable interest.

Findings and Decision

52. We have heard the learned counsel for the Applicant and the learned counsel appearing for the Respondent / Liquidator, and have perused the material placed on record.
53. The present Application has been filed by the Applicant seeking a direction to the Respondent / Liquidator to accept the measurements and final bills submitted by the Applicant in respect of the subcontract works claimed to be executed under the principal contract awarded by the North-East Frontier Railway Authorities,

submit the same before the N.F. Railway Authorities for release of payment of Rs. 7,76,155/-, and upon receipt thereof, release the said amount in favour of the Applicant.

54. The Applicant's case is that it executed substantial work under the Sub-Contract Agreement and that the amounts relatable to such work are required to be processed through the Corporate Debtor / Respondent and released to the Applicant. According to the Applicant, the work was measured, finalised and recorded by the Railway Department, and the Liquidator ought to have forwarded the final bills / PVC bills to the N.F. Railway Authorities and released the corresponding amounts received / receivable from the said Authorities.
55. The Respondent / Liquidator has disputed the claim. It is contended that the bill is not supported by proper Measurement Book extracts or countersignature of the Railway Authorities. The Respondent has also raised issues relating to PVC bills, stock reconciliation, materials, equipment, royalty, termination of contracts, invocation of bank guarantees and alleged losses caused to the Corporate Debtor. It is further submitted that certain connected disputes, including disputes arising from earlier directions for release of amounts and termination /bank guarantee-related issues, are pending before the Hon'ble NCLAT.
56. At this stage, it is necessary to notice the subsequent position emerging from the order dated 25.02.2026 passed by this Authority in IA No.742 of 2021. In the said order, this Authority recorded that the Corporate Debtor was sold as a going concern pursuant to an e-auction conducted on 09.03.2020, for a consideration of Rs. 12,48,70,000/-, and that the sale was approved by this Authority on 07.07.2021. It was also noticed that the assets proposed to be

transferred included project credentials, arbitration receivables and 89 ongoing works in progress.

57. This Authority, however, further held in IA No.742 of 2021 that the sale of the Corporate Debtor as a going concern does not *ipso facto* result in the completion of liquidation. The mere transfer of assets to a successful bidder was held not to substitute compliance with the mandatory statutory obligations of the Liquidator, including taking custody and control of the liquidation estate, maintaining complete and transparent accounts, realising and distributing assets in accordance with Section 53, ensuring closure or lawful transfer of pending litigations, and completing statutory compliances.
58. The prayer of the Liquidator in IA No.742 of 2021 seeking a declaration that the liquidation process stood completed and for his discharge from the assignment was rejected at that stage. The Liquidator was directed to place before the SCC a comprehensive project-wise and litigation-wise status report, complete audited / unaudited financial statements, transaction-wise computation of liquidation costs and remuneration, reconciliation of realisations and distribution, and status of statutory filings. The question of discharge of the Liquidator was kept open to be considered only upon demonstrable compliance with the said directions and filing of a corrected, complete and fully reconciled Final Report and Form H.
59. In view of the above, it cannot be held that the Liquidator has become *functus officio* or that he has no continuing role at all. The Liquidator continues to remain accountable for residual liquidation functions, including proper segregation of transferred and retained assets, reconciliation of estate accounts, lawful distribution under Section 53 and accurate reporting under Regulation 45. This position has been expressly noticed in IA No.742 of 2021.

60. We are also conscious that the subject matter of the present Application, in a broad sense, bears upon the residual liquidation exercise. The dispute concerns an alleged contractual claim / receivable / liability arising out of subcontract works executed in relation to projects of the Corporate Debtor. In IA No.742 of 2021, this Authority has already noticed that pending proceedings relating to contractual payments, retention monies, security deposits, claims for work executed, release of withheld amounts, termination of contracts and Bank Guarantee related disputes directly concern either realisation of receivables or determination of liabilities, and materially affect the quantum of assets available for distribution, crystallisation of liabilities and final closure of accounts.
61. However, the above position does not mean that the substantive reliefs sought in the present Application can be granted as prayed. The present Application does not merely seek inclusion of the claim in the reconciliation exercise, disclosure of records, or transmission of available documents. It seeks a mandatory direction to the Liquidator to accept the Applicant's measurements and final bills, submit the same to N.F. Railway Authorities, secure the release of payment and thereafter release the amount to the Applicant.
62. Such relief would require this Authority to adjudicate disputed questions relating to measurement, certification, entitlement, PVC bills, stock reconciliation, materials, equipment, royalty, alleged set-off, losses caused to the Corporate Debtor, termination of contracts and the effect of pending proceedings before the Hon'ble NCLAT. These are not matters which can be determined merely by issuing a direction to the Liquidator to accept and process the Applicant's bills.
63. Further, in view of the going concern sale, the precise identification of assets, contracts and actionable claims forming part of the sale

assumes significance. IA No.742 of 2021 itself records that there is ambiguity regarding the exact scope of assets and projects transferred under the going concern sale, receivables retained within the liquidation estate, and the status of Bank Guarantees and related exposures. It was also observed that the absence of structured disclosure rendered it impossible to determine whether recoverable claims exist, whether invoked amounts have been accounted for, and whether distribution under Section 53 has been premised upon the correct asset base.

64. Under the aforesaid circumstances, while the issue raised in the present IA may form part of the broader residual liquidation accounting and reconciliation exercise, the Applicant is not entitled to a mandatory direction in the present proceedings compelling the Liquidator to accept the measurements, certify or process the bills, pursue release of payment from the Railway Authorities or release any amount to the Applicant. The Applicant's substantive claim, if any, would require adjudication before the appropriate forum and in the presence of necessary parties, including the CD under the present management/successful going-concern purchaser and, if necessary, the concerned Railway Authorities.
65. Accordingly, the substantive reliefs sought against the Liquidator in the present Application cannot be granted in the present form. However, the Liquidator shall take note of the subject matter of the present IA while preparing the project-wise and litigation-wise status report, reconciliation of receivables, contractual claims, retained amounts and liabilities, as directed in IA No.742 of 2021. This shall be done only for the purpose of proper accounting, reporting and reconciliation of the liquidation estate, and shall not be treated as admission of the Applicant's claim.

66. We further clarify that if any records, measurements, bills, correspondence or other documents relating to the Applicant's subcontract works are available with the Liquidator and have not already been handed over to the present management of the Corporate Debtor, which was sold on as-is-where-is basis, the Liquidator shall make available/hand over such records to the present management of the Corporate Debtor, in accordance with law. This limited direction is only for the transmission of available records, if any, and shall not be treated as a direction to the Liquidator to admit the Applicant's claim, certify the bills, accept the measurements, pursue the claim before the Railway Authorities, or release any amount to the Applicant.
67. Dismissal of the present Application shall not be construed as an adjudication on the merits of the Applicant's claim. The Applicant shall be at liberty to pursue its remedies against the Corporate Debtor under its present management/successful going-concern purchaser and/or before the appropriate contractual, statutory or other competent forum, including the concerned Railway Authorities, in accordance with law. All rights and contentions of the parties are left open.
68. Accordingly, this Interlocutory Application, insofar as it seeks substantive directions against the Liquidator in the present form, is dismissed, subject to the observations and limited directions contained hereinabove.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)