

**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)**

**IA No. 267/2022
In
CP (IB) No. 37/Chd/PB/2017
(admitted)**

Under Section 60(5) of IBC, 2016

In the matter of:

Hero Steel
Rolex Cycles Pvt. Ltd.

Vs.

....Petitioner-Operational Creditor
....Respondent-Corporate Debtor

And in the matter of IA No. 267/2022:-

Liquidator of Rolex Cycles Private Limited

having its registered office at
SCO 40-41, 2nd Floor,
Sector 17-A, Chandigarh-160017

...Applicant/Liquidator

vs.

Canara Bank

having its registered office at
(Through its Authorized Officer)
Ludhiana, MCB Branch,
Bharat Nagar Chowk,
Ludhiana, Punjab-141001

Bank of Maharashtra

(Through its Authorized Officer)
Zonal Office, SCO 88-89,
Sector-17C, Chandigarh-160017

...Respondents

Order delivered on: 25 .08.2023

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

Present :

For applicant in
IA No. 267/2022 : Mr. Anil Kumar Aggarwal, Advocate

IA No. 267/2022
In
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(admitted)

For SCC : Mr. Rakesh Gupta, Advocate
Mr. Rakshit Gupta, Advocate

Per: Subrata Kumar Dash, Member (Technical)

ORDER

The present application has been filed by the applicant/liquidator under Section 60(5) and Section 238 of the IBC, 2016 and read with Rule 11 of NCLT Rules, 2016 allow the applicant to issue the sale certificates/ to execute the sale deeds in favour of the buyers/ prospective buyers of Plots Nos. 718-B and 726, situated in Industrial Area-B, Ludhiana on behalf of and in the name of M/s Rolex Cycle Industries or M/s Rolex Cycle Private Limited to complete the sale of these plots.

2. This IA No. 267 of 2022 is related to IA No. 172 of 2020 in the sense that the documents mentioned in IA No. 267 of 2022 are annexed with IA No. 172 of 2020. However in view of the present IA No. 267 of 2022, the previous application IA No. 172 of 2020 has been rendered infructuous and has been disposed of by this Hon'ble Tribunal vide order dated 27.05.2022.
3. The following facts are stated by the applicant in its application:-
 - a. Both the properties in question are situated at Industrial Area-B, Ludhiana, Punjab and are part of the liquidator estate of M/s Rolex Cycles Private Limited (in Liquidation), but these plots continue to be registered in the name of erstwhile partnership firm M/s Rolex Cycle Industries.
 - b. Vide Agreement dated 01.10.1999, the assets and liabilities of partnership firm M/s Rolex Cycle Industries were taken over by M/s Rolex Cycles Private Limited (herein referred to as '**company**') and in consideration

thereof, the company allotted shares to the partners of the firm and the properties in question were also transferred to the company along with all other assets of the firm.

- c. That transfer of these plots in the name of company were duly recorded in the records of Municipal Corporation, Ludhiana, but the transfers were not registered in the revenue records of the Revenue Department.
- d. The suspended Director of the company handed over physical possession of these Plot Nos. 718-B and 726 to the applicant/ liquidator on 13.03.2018 in the presence of the representatives of Canara Bank. Further, the suspended Director of the company gave affidavits 17.06.2013 to the effect that the company is the owner in possession of Plot Nos.718-B and 726. The complete details of the fact that plot Nos. 718-8 and 726 are owned by the company and are part of liquidation estate of the company are given in IA No.172 of 2020.
- e. The liquidation period was about to expire on 07.06.2022. Therefore, to accelerate the liquidation process, the Applicant/Liquidator issued E-Auction Sale Notice dated 01.03.2022 for sale of all the above said three plots. The Addendum to the E-Auction Sale Notice was issued for extension of last date of deposit of EMD from 12.03.2020 to 14.03.2022. Copy of E-Auction Sale Notice and the Addendum to E-Auction sale notice is enclosed as Annexure A-1 and Annexure A-2 of the Application.
- f. The reserve price for Plot No.718-B was Rs.135.00 lakhs and four bidders deposited their EMO for Plot No.718-B and participated in the bid held on 14.03.2022. The highest bid was received from Ms. Oamanpreet Kaur,

Proprietor, Quality Sales Corporation for Rs.175.00 lakhs. Subsequently, the Applicant/Liquidator has issued Acceptance Letter to the highest bidder on 15.03.2022. Copy of Acceptance Letter dated 15.03.2022 is enclosed as Annexure A-5 of the Application.

- g. It is stated that Plot No 718-B for which the Applicant/ Liquidator has found a buyer is not registered in the name of the company as stated above. A note to this effect was duly given in the E-Auction Sale Notice dated 01.03.2022 in the following manner-

"Note: The conveyance deed for Property at Serial No.1 and 3 are registered in the name of Rolex Cycle Industries and the steps are being taken to get these properties registered in the name of the company in liquidation. Legal formalities in this regard will be completed before issue of sale certificate/execution of sale deed in the name of the successful bidder."

4. Respondent Nos. 1 and 2 have conveyed their no objection to the allowing of IA No. 267 of 2022 which is recorded in the order of this Hon'ble Tribunal dated 27.05.2022.
5. Pursuant to the order dated 10.04.2023 passed by this Tribunal, in the affidavit of compliance dated 13.04.2023 filed the minutes of the meeting of the SCC held on 12.11.2021 has been placed on record. Accordingly, the copy of the proceedings of Stakeholders' Consultation Committee Meeting held on 12.11.2021 is enclosed herewith as Annexure-1 of the said Affidavit which states the following:-

"The liquidator informed that the properties having 3 distinct numbers have been developed jointly by the CD and the sale of part of this whole complex might affect the total realizable value, therefore, it is better to sell the whole property as one complete unit. It was also exhibited through the dimension plan of the properties that the sale

of personal assets of the promoters of the CD, by the secured creditors is already affecting the sale price as the major front portion of the property no. 725, Industrial Area-B.

It was therefore decided that

1. The fresh valuation be carried out of the assets to be auctioned.

2. The reduction from the last Reserve Price, upto 10%, can be considered, subject to the new valuations.

3. The unpaid stamp duty will be contributed by the secured creditors on the receipt of the EOI from an investor.

4. The complete complex used by the CD consisting of property no. 725, 726 and 718-B, be put to auction individually and collectively.”

6. In view of this, **IA No. 267 of 2022** with the prayer to allow the applicant to issue the sale certificates/ to execute the sale deeds in favour of the buyers/ prospective buyers of Plots Nos. 718-B and 726, situated in Industrial Area-B, Ludhiana stands allowed and disposed off accordingly.

Sd/-
(Subrata Kumar Dash)
Member (Technical)

Sd/-
(Harnam Singh Thakur)
Member (Judicial)

August 25, 2023
JGS/PB