



IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.302

IA/831(AHM)2022 in CP(IB) 171 of 2019

Order under Section 54 IBC,2016

IN THE MATTER OF:

Kaushik J Shah Liquidator of NPAT Furniture Pvt Ltd

.....Applicant

Order delivered on: 27/09/2023

Coram:

Mr. Shammi Khan, Hon'ble Member (J)

Mr. Kaushalendra Kumar Singh, Hon'ble Member(T)

PRESENT:

For the Applicant :

For the Respondent :

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-Sd-

KAUSHALENDRA KUMAR SINGH
MEMBER (TECHNICAL)

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)



**BEFORE THE ADJUDICATING AUTHORITY,
NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
COURT-I**

IA No. 831 of 2022 in CP(IB) No. 171 of 2019

*(Filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 for
dissolution of the Corporate Debtor)*

In the matter of NPAT Furniture Pvt. Ltd.

Mr. Kaushik J Shah
Liquidator of M/s. NPAT Furniture Pvt. Ltd.

... Applicant

Order Pronounced on: 27.09.2023

CORAM

**SHAMMI KHAN, MEMBER (JUDICIAL)
KAUSHALENDRA KUMAR SINGH, MEMBER (TECHNICAL)**

Appearance

**For the Applicant : Mr. Rushabh Shah, PCS for the
Applicant**
**For the Income Tax Department : Ms. Pankti Shah, Adv. for Ms.
Maithili Mehta**

ORDER

1. **IA/831(AHM)/2022** is an application filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 (“IBC, 2016”) filed by Mr. Kaushik J. Shah, liquidator of the Corporate Debtor (NPAT Furniture Pvt. Ltd.) seeking order of Dissolution of the Corporate Debtor.




2. On perusal of the application, it appears that Corporate Insolvency Resolution Process (“CIRP”) of the Corporate Debtor initiated by this Tribunal vide order dated 18.12.2019 and the Applicant herein was appointed as Interim Resolution Professional (“IRP”) and thereafter as Resolution Professional (“RP”).
3. Further, it is seen that the Liquidation of the Corporate Debtor was ordered by this Tribunal on 21.10.2021 in IA No. 692 of 2020 and the Applicant herein was appointed as the Liquidator.
4. Pursuant to the order of Liquidation, the Applicant caused Public Announcement in the newspapers viz. “Economic Times” and “Loksatta-Jansatta” on 03.12.2021 by inviting claims from all the stakeholders with the last date for submission of claim as 27.12.2020 and the same was also uploaded on the website of IBBI.
5. On the basis of claims received in response to public announcement, the liquidator prepared list of stakeholders. The claims received from the stakeholders are as under:



| LIST OF STAKEHOLDER'S | | | | | |
|-----------------------|--------------------------------|-------------------------|------|--------------------------|--------------------------|
| Sr No | Name of claimants | FC/OC | Form | Amount of claim received | Amount of claim admitted |
| 1. | Punjab National Bank | Sole financial creditor | D | 7051329 | 7051329 |
| 2. | SAAG Prayayvitran | Operational Creditor | C | 467121 | 467121 |
| 3. | Shree Bhagat Industrial Estate | Operational Creditor | C | 230040 | 230040 |
| Total (Rs) | | | | 7748490 | 7748490 |

6. The Liquidator has opened Liquidation account with ICICI Bank, having account no. 230805500310. As per Section 53 of IBC, 2016, the Liquidator distributed the proceedings to stakeholders. Copy of statement with Nil balance is annexed as Annexure "E" to the present application.
7. It is stated that the liquidator has submitted the Asset Memorandum and progress report for the quarter ended on 31.12.2022 and further appointed the registered valuers to determine the realizable value of the assets, in consultation with the stakeholders.
8. It is stated that the applicant herein published newspaper advertisement to sell the liquidation estate of the Corporate Debtor through an auction by releasing advertisement. As per the advertisement dated 20.07.2021, an e-auction to sell machineries and scrap was scheduled to be held on 27.07.2021 and no EMD was received within the timeline mentioned in



advertisement, hence, the said e-auction was declared failed. Thereafter, some private buyers approached the liquidator for purchase of liquidation estate.

9. It is stated that the applicant herein held meeting on 30.07.2021 in consultation with stakeholders comprising of sole financial creditor – Punjab National Bank for disposal of liquidation estate by private sale as per Regulation 33(2) of IBBI (Liquidation Process) Regulations, 2016.
10. Mr. Milan Jashvantbhai Patel of M/s. Atlas Enterprise approached liquidator for purchase of machineries by way of private sale. Liquidator after receipt of Rs. 3,70,000/- i.e., higher than reserve price of failed auction i.e. Rs. 3,68,000/- had disposed of machineries and furniture by private sale in accordance with Regulation 33(2) of IBBI (Liquidation Process) Regulations, 2016.
11. The Liquidator has prepared the final report showing the receipt/realization and payments/distributions of funds which is at Annexure “L”.
12. It is stated that a meeting of Stakeholders was held virtually on 24.03.2022 for discussing distribution of funds, shortfall in amount to be contributed by liquidator and filing of application for dissolution of the Corporate Debtor. Copy of the said minutes is annexed as Annexure M.



13. It is stated that the Punjab National Bank – the sole Secured Creditor deposited the shortfall of liquidation expenses amounting to Rs.4,28,381/- on 20.04.2022.
14. The details of the relevant compliances as mandated under Section 54 of the IBC, 2016 read with the IBBI (Liquidation Process) Regulations, 2016 are listed hereunder:-

| S. No | COMPLIANCE | AVERMENTS | PAGE NO. IN THE APPLICATION |
|-------|------------------|--|-----------------------------|
| 1 | Regulation 12 | Public Announcement in Form B in Economic Times and Loksatta-Jansatta dated 03.12.2020 | 33-34 |
| 2 | Regulation 35(2) | Appointment of Registered Valuers where no valuation conducted during CIRP | Page no.5 Para (h) |
| 3 | Regulation 31(2) | List of Stakeholders within 45 days of the Liquidation Commencement Date | 37 |
| 4 | Regulation 31A | Constitution of Stakeholders Consultation Committee (SCC) | N/A |
| 5 | Regulation 13 | Preliminary Report dated 15.04.2021 | N/A |
| 6 | Regulation 34 | Preparation of Asset Memorandum dated 13.01.2021 | 38 |
| 7 | Regulation 41 | Opening of Bank Account in the name of the company in Liquidation in “ICICI Bank” dated 01.04.2022 | 35-36 |
| 8 | | Proof of Closure of the above Bank Account and other account in the name of the | N/A |



| | | Company | |
|----|----------------------|--|---|
| 9 | Regulation 15 | Quarterly Progress Reports and proof of filing the same before this Tribunal | 39 |
| 10 | Regulation 36 | Asset Sale Reports after sale of Reports | 62-65 |
| 11 | Regulation 42(2) | Proof of Distribution within Ninety days from the receipt of realization | 35 |
| 12 | Regulation 45 (3) | Final report dated 16.02.2022 | 66-68 |
| 13 | Regulation 5 (1) (e) | Compilation of Minutes of SCC | 55-61 |
| 14 | Regulation 15 | Audited Accounts of receipts and Payments | 78-79 |
| 15 | Regulation 37 | Completion of Liquidation Process within one year from Liquidation Commencement Date or extension if any, date of the order & period | 31 |
| 16 | | Form-H dated 23.06.2022 | Additional Affidavit dated 03.07.2023 filed vide diary no.D2423 |

15. It is seen from Form-H that the Applicant / Liquidator has not filed any Application Sections 43, 45, 50 and Section 66 of IBC, 2016. As per Form –H, the amounts distributed to stakeholders as per Section 52 and 53 of the code is as under:



| (Amount in Rs. lakh) | | | | | | |
|----------------------|------------------------------------|----------------|-----------------|--------------------|--|---|
| Sl. No. | Stakeholders* under section 53 (1) | Amount Claimed | Amount Admitted | Amount Distributed | Amount Distributed to the Amount Claimed (%) | Remarks |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1 | (a): CIRP Costs | 4,58,381/- | 4,58,381/- | 4,58,381/- | 100% | |
| 2 | (a): Liquidation Costs | | | | | Shortfall contributed by Stakeholder under rule 2A of Liquidation rules, 2016 |
| 3 | (b)(i) RP/ Liquidator remuneration | 3,40,000/- | 3,40,000/- | 3,40,000/- | 100% | Shortfall contributed by Stakeholder under rule 2A of Liquidation rules, 2016 |
| 4 | (b)(ii) | | | | | |
| 5 | (c) | | | | | |
| 6 | (d) | | | | | |
| 7 | (c)(i) | | | | | |
| 8 | (c)(ii) | | | | | |
| 9 | (f) | | | | | |
| 10 | (g) | | | | | |
| 11 | (h) | | | | | |
| Total | | | | | | |

*If there are sub-categories in a category, please add rows for each sub-category.


16. We have heard the counsel and perused the material on record. The Corporate Debtor was admitted to CIRP on 18.12.2019. Thereafter, order of liquidation was passed in I.A. No.692 of 2020 on 21.10.2020 and the applicant herein was appointed as Liquidator. This Tribunal vide order dated 19.04.2022 in I.A. No. 294 of 2022 has extended the liquidation period for four months.

17. At this juncture, it is relevant to point out Section 54 of the IBC, 2016 provides as follows: -

Section 54

“(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the



corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered.”

18. From the averments made in the Application along with the perusal of the final report and the Compliance Certificate filed in Form-H by the Applicant, it is seen that the Corporate Debtor has been completely liquidated. In the circumstances as averred and as prayed for by the Applicant, an order for dissolution is required to be passed by this Tribunal under Section 54 of the IBC, 2016. Accordingly, we hereby order for the dissolution of the Corporate Debtor viz., **NPAT Furniture Private Limited** from the date of this order and the Corporate Debtor stands dissolved.
19. Consequently, the Liquidator Mr. Kaushik J Shah is discharged from his duties and responsibilities as the Liquidator of the Corporate Debtor.
20. The Liquidator and the Registry are directed to forward the copy of this Order to the RoC concerned and also to the IBBI for its records within a period of 7 days from the date of this Order.
21. The Liquidator shall preserve physical or electronic copy of the reports, registers, and books of account referred to in Regulations 45A of the IBBI (Liquidation Process) Regulations, 2016 for at least eight years



after the dissolution of the Corporate Debtor, either with himself or with
an information utility.

22. In terms of the above, this I.A. No. 831 of 2022 stands allowed and
disposed off.

-Sd-
KAUSHALENDRA KUMAR SINGH
MEMBER (TECHNICAL)

-Sd-
SHAMMI KHAN
MEMBER (JUDICIAL)

Alpesh/P.S.