

**IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
BENCH-VI**

**I.A- 4255/2023
IN
CP(IB)-510/PB/2019**

(Under Section 54 of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF:

M/S DENA BANK.

... FINANCIAL CREDITOR

VS

M/S ROYAL WOOD PRIVATE LIMITED.

... CORPORATE DEBTOR

AND IN THE MATTER OF:

MR. PRAWINCHARAN PRAFULCHARAN DWARY
LIQUIDATOR OF CORPORATE DEBTOR

... APPLICANT

Coram:

Shri Rahul Bhatnagar (Member Technical)

Shri Mahendra Khandelwal (Member Judicial)

Appearance

For the Applicant/ Liquidator: Adv Uday Bedi in IA 4255/2023

ORDER

PER: RAHUL BHATNAGAR, MEMBER (TECHNICAL)

Date of pronouncement: 01.05.2024

1. This is an application for dissolution of Corporate Debtor M/s Royal Wood Private Limited that has been filed by the Liquidator in accordance with Section 54 of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as IBC, 2016).

The prayer made by the Liquidator in the Application is as follows –

- i. Kindly allow the present application;*
- ii. Pass an order under Section 54 of the Insolvency and Bankruptcy Code, 2016 for dissolution of the Corporate Debtor;*
- iii. Grant any other relief as this Hon'ble Tribunal may deem fit in the interest of justice.*

2. To put it briefly, the facts of the case are as under: -

- i. That an application in accordance with the Section 7 of the Code was filed by Dena Bank (now known as Bank of Baroda) before this Adjudicating Authority to initiate Corporate Insolvency Resolution Process (hereinafter referred to as "CIRP") against the Corporate Debtor in Company Petition no. IB- 510/PB/2019.
- ii. This Adjudicating Authority vide order dated 24.05.2019 ("Admission Order") admitted the aforesaid petition and appointed Mr. Prawincharan Prafulcharan Dwary as the Interim Resolution Professional (hereinafter referred to as 'IRP') for the Corporate Debtor.

- iii. Consequently, the IRP issued the requisite announcements and invited claims from creditors of the Corporate Debtor and constituted Committee of Creditors (hereinafter referred to as 'CoC').
- iv. In the 2nd meeting of CoC held on 09.08.2019, the members of CoC appointed the Applicant as the Resolution Professional in the matter.
- v. That only one EOI was received however, no Resolution Plan was received for resolution/ revival of the Corporate Debtor, therefore the members of the CoC in its 6th meeting held on 15.02.2020 passed a resolution for initiation of Liquidation Process of the Corporate Debtor and further resolved to appoint the Applicant as Liquidator in the matter.
- vi. This Adjudicating Authority in IA 1613/2020 vide order dated 12.02.2021 initiated Liquidation Process of the Corporate Debtor and the Applicant was appointed as Liquidator in the matter.
- vii. The Liquidator made the public announcement in the prescribed "Form B" as required under the Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and invited the claims from all stakeholders of Corporate Debtor and constituted Stakeholders Consultation Committee.
- viii. As per Regulation 41 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, the Applicant opened a new bank account in Bank of Baroda.
- ix. The details of the properties of the Corporate Debtor are as under: -

S. No.	Property details
1	Land and Factory Shed/ Building situated at Survey no. 129, Near Green Gold timber, seamtal of village Modvadartal, Taluka: Anjar, District: Kutch
2	Plant and Machineries/ their scrap situated at Survey no. 129, Near Green Gold timber, seamtal of village Mondvadartal, Taluka: Anjar, District: Kutch

- x. The details of the realized amount from the sale of assets of the Corporate Debtor are as under: -

Sr. No	Date of E- Auction	Asset of the CD	Amount Realized
1.	14.05.2021	Land and Building including Plant and Mmachineries/Scrap	2,51,00,000/-
2.	20.01.2022	Trade Receivables	10,000/-
Total			2,51,10,000

- xi. That M/s. Reliable Buildtech LLP become the Highest bidder in the said E-auction convened on 14.05.2021 for the sale of assets of the Corporate Debtor at the sale price of Rs. 2,51,00,000/- (Rupees Two Crore Fifty-One Lakhs) who subsequently took over the aforesaid asset of the CD and Sale Certificate was issued in their favour.

- xii. Mr. Mangilal Patel became the Highest bidder for the sale of Financial Assets of the Corporate Debtor i.e., Trade Receivables at the sale price of Rs. 10,000/-(Rupees Ten Thousand) and subsequently sale certificate was issued in his favour.
- xiii. The Applicant had concluded the full and final distribution of the assets of the Corporate Debtor. The total receipt has been utilized for unpaid CIRP and Liquidation Cost and remaining amount has been distributed to Dena Bank (now known as Bank of Baroda) being the only Secured Financial Creditor who had relinquished their security interest into Liquidation Estate of the Corporate Debtor.
- xiv. The Applicant has submitted that there are no pending litigations against the CD before any Court/Tribunal/ Forums, hence the present application.
3. We have heard the submissions made by the Applicant and perused the Application filed by the Liquidator. Here, it is worthwhile referring to Section 54 of IBC, 2016 and Regulation 45 IBBI (Liquidation Process) Regulations, 2016:

“Section 54 IBC-Dissolution of corporate debtor.

(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.”

“IBBI (Liquidation Process) Regulations, 2016

45. Final report prior to dissolution.

1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor’s assets have been liquidated.

(2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.

(3) The liquidator shall submit an application along with the final report and the compliance certificate in Form H to the Adjudicating Authority for –

- (a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or*
- (b) for the dissolution of the corporate debtor, in cases not covered under clause (a).”*

4. That from the conjunct reading of the above provisions, this Adjudicating Authority is required to see whether the assets of the Corporate Debtor are completely liquidated or not. In the instant case, the Liquidator had concluded the full and final distribution of the assets of the Corporate Debtor. The total receipt has been utilized for unpaid CIRP and Liquidation Cost and remaining amount has been distributed to Dena Bank (now known as Bank of Baroda) being the only Secured Financial Creditor and further there are no assets of the Corporate Debtor which are required to be disposed of.

5. The amount distributed to stakeholders as per Form H dated 09.02.2022 are as under: -

Sr. 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	-	-	11,88,760	-	CIRP cost directly paid by the CoC member
2	(a): Liquidation Costs	-	-	20,27,094	-	Liquidation cost will be paid by the applicant / SCC member
3	(b)(i)					
4	(b)(ii) Bank of Baroda	18,92,32,000	18,92,32,000	2,18,94,833	11.57%	Rs 10,30,000/- was contributed by the Stakeholder towards CIRP Costs
5	(c)					
6	(d) Unsecured Creditors	23,35,45,194	23,35,45,194	Nil	0%	
7	(e)(i)					
8	(e) (ii)					
9	(f)					
10	(g)					
11	(h)					
Total		42,27,77,194	42,27,77,194	2,51,10,687		

6. The Liquidator has stated that all the requirements of IBBI (Liquidation Process) Regulations, 2016 have been fulfilled, therefore, we are inclined to allow the present Application to dissolve the Corporate Debtor.

7. Accordingly, there being no other impediment, the present application is **allowed** and the Corporate Debtor is ordered to be dissolved with immediate effect
8. The Registry is directed to send a copy of this order passed under Section 54(2) to the ROC Delhi & Haryana, with which the Corporate Debtor is registered and the IBBI within seven days from the date of this order.

SD/-
(Rahul Bhatnagar)
Member (Technical)

SD/-
(Mahendra Khandelwal)
Member (Judicial)