

NATIONAL COMPANY LAW TRIBUNAL

GUWAHATI BENCH

GUWAHATI

I.A/16/2021 in I.A /18/2019 in CP (IB) No.03/GB/2018

Coram: Hon'ble Shri H. V Subba Rao, Member (J) : Hearing through

Hon'ble Shri Prasanta Kumar Mohanty, Member (T) : Video Conference

ATTENDANCE-CUM-ORDER SHEET OF THR HEARING OF THE NATIONAL COMPANY TRIBUNAL, GUWAHATI BENCH ON 05/05/2021

C.A Purshotam Gaggar, Liquidatator- M/s Farmville
Agrovet Ltd.....Applicant
And

Name of the Company

-M/s Multichemical Industries Pvt Ltd
.....Operational Creditor
V/S
M/s Farmville Agrovet LimitedCorporate
Debtor

Section

Under Section 54 IBC, 2016

Sl.No. NAME (CAPITAL LETTERS) DESIGNATION REPRESENTATION SIGNATURE

1.	Purshotam Gaggar	CA	Petitioner	Present in video Conference
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ORDER

The Parties are represented through their respective Counsel(s).

Today, the present matter is kept for pronouncement of order.

The present Petition is admitted.

The detailed order is recorded vide separate sheet.

Sd/-

**(PRASANTA KUMAR MOHANTY)
MEMBER (TECHNICAL)
&
Adjudicating Authority**

Sd/-

**(H.V. SUBBA RAO)
MEMBER (JUDICIAL)
&
Adjudicating Authority**

Dated this the 5th of May , 2021

ORDER

[Per se: Shri Prasanta Kumar Mohanty, Member (T)]

1. The present Interlocutory Application filed by Mr. C.A Purshotam Gaggar, Liquidator of M/s Farmville Agrovet Ltd, under Section 54(2) of Insolvency and Bankruptcy Code, 2016 in CP (IB) No. 03/GB/2018 with a prayer

“That the Hon’ble Tribunal passes an order for dissolution of the Corporate Debtor.”

2. The Petitioner submits that the Hon’ble Tribunal has vide its order dated 1st August 2018 in application C.P(IB)/03/GB/2018 filed by Multichemical Industries Pvt Ltd under section 9 of Insolvency and Bankruptcy Code,2016 (the Code) ordered commencement of Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor. The Hon’ble Tribunal also appointed the Applicant (CA Purshotam Gaggar) as Interim Resolution Professional.
3. The Applicant constituted the Committee of Creditors (CoC) as per Section 21 of the Code, comprising the Operational Creditors of the Corporate Debtor as there was no claim from any Financial Creditors. CoC is comprised of Five Operational Creditor as given below:

Name of Creditor	Claim Admitted (Rs.)	% of Voting
Poddar Business Private Limited	10,33,667.00	3.89
Pratishtha Commercial Private Limited	1,98,84,765.00	74.85
Multichemical Industries Private Limited	25,56,619.00	9.62
Stallen South Asia Private Limited	7,36,144.00	2.77
Jeco Agrovet Private Limited	23,55,657.00	8.87
Total	2,65,66,852.00	100.00

The CoC in its first meeting held on 12th October 2018 appointed the Applicant as the Resolution Professional (RP) of the Corporate Debtor.

4. During the Continuation of CIRP, two Registered Valuers were appointed as per Rule 27 of the IBBI (Insolvency Resolution Process for Corporate Persons_) Regulation ,2016 namely Mr. Dipak Borgohain and M/S S. Dey and associates who conducted valuation of assets of the Corporate Debtor. Following is the summary of the valuation of the Fair market value of the property of the company certified by the valuers:

Valuation by Mr. Dipak Borgohain :

Sr. No	Assets	Cost of Acquisition(Rs)	Fair Market value (Rs)
1	Hyundai Grand i10 Era	5,85,446.00	1,83,000.00
2	Mahindra Balero SLE1WD7	7,55,540.00	2,28,735.90
3	Hero Honda motorcycle	44000.00	14,287.00
4	Miscellaneous Scrap (representing distress sale value of Office furniture, office equipments and other miscellaneous fixed assets)	-	1,16,641.05
	Total		5,42,663.95
	Add:Towards betterment for unintentional/ unavoidable errors & omissions of items during physical inspection L.S @10%		54,266.40
	Grand Total		5,96,930.35

Valuation by M/s Dey and Associates:

Sr. No	Assets	Costs of Acquisition (Rs)	Fair Market value (Rs)
1	Hyundai Grand i10 Era	5,85,446.00	1,85,000.00
2	Mahindra Balero SLE1 WD&	7,55,540.00	2,34,000.00
3	Hero Honda motorcycle	44,000.00	14,500.00
4	Miscellaneous Scarp (Representing distress sale value of office furniture, office equipments and other miscellaneous fixed assets)	-	1,21,560.00
	Total		5,55,060.00

The valuation reports show the distress sale value of scarp as the items of fixed assets were not in use for last three years and have deteriorated due to non-maintenance. Copies of the Valuation Report received from both the valuers are enclosed herewith and marked as Annexure 1 of the application.

5. The Resolution professional circulated Invitation of Expression of interest through newspaper advertisements. However, no Expression of Interest was received from any Resolution Applicant. The matter was discussed in the CoC meeting dated 6th February, 2019 and the CoC passed necessary resolution with the consent of all the members, authorizing Resolution Professional to approach Hon'ble NCLT to obtain necessary order under Section 33 of the IB Code, 2016, For liquidation of the Corporate Debtor.
6. It is submitted that this Hon'ble Tribunal has vide its order dated 14th March, 2019 in I.A No 18/2009 in C.P(IB)/03/GB/2018 ordered commencement of liquidation of the Corporate Debtor. The Hon'ble Tribunal vide the said order also appointed the applicant as the Liquidator of the Corporate Debtor. A copy of the Liquidation order is enclosed as Annexure 2.
7. The Applicant carried on the liquidation process of the Corporate Debtor as per the provision of Insolvency and Bankruptcy Code, 2016 and Regulations prescribed under Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016. The detailed flow of events during liquidation period is given in the Final Report enclosed with the Application and marked as Annexure 3.

8. The liquidator has disposed of the assets of the Corporate Debtor through private sale at a consideration of Rs 6,47,800.00 The details of the assets disposed of are mentioned in the 'Asset sale Report' a copy of which is enclosed in the final Report as Annexure C.
9. The liquidator opened a liquidation account with ICICI Bank, Guwahati Fancy Bazar Branch and transfer all the amounts realized by the liquidator and other funds lying in the bank accounts of the Corporate Debtor.
10. There are number of pending litigations under Section 138 of the Negotiable Instruments Act, instituted by the Corporate Debtors. The status of the pending litigations given by Advocate Sourav Paul, Kolkata is enclosed in the final Report as Annexure D.
11. The amount available in the liquidation account was distributed among the stakeholders after deducting the cost of liquidation including liquidator's fee on 11.12.2020, 18.12.2020 and on 03.03.2021. The amount distributed to the stakeholders was calculated in proportion to the amount of claim admitted by the Liquidator. Audited liquidation account giving details of receipts and payments during liquidation period including amount distributed to the stakeholders is enclosed in the final Report as Annexure F.
12. The liquidation process of the Corporate Debtor should have been completed before 10.06.2020 as per the extended time granted by this Hon'ble Tribunal (Copy of order is enclosed in the final Report as Annexure E). This Hon'ble Tribunal had allowed further extension vide its order dated 09.02.2021 in I.A No 06 of 2021 In IA No. 18 of 2019 in C.P 2019 in C.P (IB) No.03/GB/2018 and directed the Liquidator to complete the liquidation process on or before 13.03.2021 (Copy of order is enclosed in the final Report a Annexure G)
- 13. As on date there is no realisable property of corporate Debtor to recover outstanding amount of stakeholders and other costs as the assets of the Corporate Debtors are disposed of and realized by the liquidator and held in the account of the Corporate Debtor is distributed among the stakeholders as per section 53 of the Code. The affairs of the Corporate Debtor do not require any further investigation; the Applicant prays for dissolution of the Corporate Debtor.**

14. The liquidator filed an application before Hon'ble NCLT for dissolution of the Corporate Debtor in IA No06 of 2021 in IA no 18 of 2019 in C.P(IB) No No.03/GB/2018. This Hon'ble NCLT disposed of the said application with the directions to the liquidator to Form Stakeholders Consultation Committee and to take up with the Debtors (Receivables) of the Corporate Debtors for recovery of dues by sending necessary letters to the Debtors. The Hon'ble NCLT, Guwahati Bench further directed the Liquidator to make a fresh application for Dissolution of the Corporate Debtor along with revised form H-compliance Certificate on or before 15.03.2021.
15. The liquidator has complied with the aforesaid directions issued by this Hon'ble Tribunal. An Affidavit with regard to compliance of the said order is already submitted before this Hon'ble Bench a copy of which is enclosed in the Final Report as 'Annexure H' which is stated as :

“ Purshotam Gaggar, S/O Late Bhagwaniram Gaggar aged about 56 years and the liquidator of Farmville Agrovet Limited (Corporate Debtor) Solemnly affirms and sincerely states as follows:

1. He is the applicant of the above application.
2. With regard to the above Application, he received an order from the Hon'ble NCLT, Guwahati Bench dated 09.02.2021 with Directions to form Stakeholders Consultation Committee and to follow up with the Debtors of the Corporate Debtors for recovery of dues by sending necessary letters to the Debtors.
3. He submits that stakeholder's consultation Committee ('Committee') has been formed consisting of the two stakeholders (Pratishtha Commercial Private Limited and Multi Chemical Industries Private Limited) with highest claim amount and a meeting of the committee was held on 01.03.2021. Copy of the minutes of the Committee is enclosed herewith as Annexure I.
4. He further submits that necessary demand notice has been served to the Debtors of the Corporate Debtors through Registered Post Ad on 25.02.2021. However he has not received any response from the Debtors till the date of filing this affidavit.
5. **Also further submits that the proceeds of the Fixed Deposit of Rs 811939.00 with HDFC bank have also been received along with interest. The balance available in the liquidators account (including FD proceeds) have also been distributed**

among the stakeholders of the company on 03.03.2021 after deducting expenses incurred for realization and distribution of such amount.”

16. The Applicant has submitted the compliance Certificate along with the application which is marked as Annexure 4 where it is stated that:

“I, CA Purshotam Gaggar, an Insolvency Professional enrolled with Indian Institute of Insolvency Professionals of ICAI and registered with the Board with registration number IBBI/IPA-001/IP-P00487/2017-18/10875, AM THE Liquidator for the Liquidation Process of Farmville Agrovet Limited.

2. The details of the Liquidation Process are as under :

Name of the Corporate Debtor	Farmville Agrovet Limited
Case No. & NCLT Bench	CP(IB)/03/GB/2018 Guwahati
Date of initiation of liquidation	14.03.2019
Date of appointment of liquidator	14.03.2019
Date of commencement of CIRP	07.09.2018
Name of RP during CIRP and his registration No.as IP /Name of the Liquidator and his registration No as IP	CA Purshotam Gaggar Regn Regn no.IBBI/IPA-001/IP-P00487/2017-18/10875
Date of Publication of Public Announcement	18.03.2019
Date of handover of charge by RP	14.03.2019
Date of opening of liquidation account with Bank	18.12.2019
Date of constitution of Consultation Committee	19.02.2021
No. of meetings of Consultation Committee	one
Date of filing of preliminary report & assets	23.05.2019

Fair Value	24,63,059/-
Liquidation value	24,63,059/-
Date of permission of AA for private sale	07.08.2019
Modified list of stakeholder and date of submission to AA	11.08.2019
Date of First realization	14.05.2019
Date of second realization	21.10.2019
Date of first distribution	11.12.2020
Date of Second Distribution	18.12.2020
Date of submission of Quaterly Progress Report –I (FY-)	08.04.2019
Date of submission of Asset Sales Report to AA	13.01.2020
Date of submission of Quarterly Progress Report-II	18.07.2019
Date of submission of Quarterly Progress Report-III	04.10.2019
Date of submission of Quarterly Progress Report-IV,V & Audit Report	13.01.2020,12.11.2020
Date of submission of Quarterly Progress Report- (FY-2)	24.11.2020
Date of submission of Quarterly Progress Report- II	24.11.2020
Date of intimation to statutory authority as applicable. a) PF b) ESI c) Income Tax Dept d) Inspector of Factory e) GST/VAT	15.06.2019
Date of Final Report to AA (Prior to dissolution application)	21.12.2020

3. The details of the assets as per Asset Memorandum and Final Sale Report are as under:

Sl. No	Assets	Mode of Sale	Estimated Liquidation Value	Realisation Amount (Rs.)	Date of Transfer to Liquidation Account
1	2	3	4	5	6
1	Hyundai Grand i10 Era		1,93,150	5,03,500 for serial no 1&2	21.10.2019
2	Mahindra Bolera SLE1WD7		2,42,805		31.10.2019
3	Hero Honda Motorcycle		15,108	15,800	22.10.2019
4	Miscellaneous Scrap (representing distress sale value of office furniture, office equipment and other miscellaneous fixed assets)	Through Private Sale	1,24,933	1,28,500	22.10.2019
	Total		5,75,996	6,47,800	

4. (a) Liquidation value of the liquidation estate: Rs 5,75,996/-

(b) Amount realized from sale of liquidation estate: Rs 6,47,800/-

(c) The amounts distributed to stakeholder as per section 52 or 53 of Code are as under:

SL No.	Stakeholders under Section 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
1	Liquidation	1.70	1.70	1.70	100%	

	Costs					
2	Operational Creditors	298.31	298.31	26.26	8.80%	
	Total	300.01	300.01	27.96		

Chartered Accountants M/s GUPTA PRIYANKA and Associates has certified on 04/03/2021 (page no 46) that Rs 811939.00 has been received from HDFC Bank as deposit proceeds and distributed among the stakeholders between the period 20/12/2020 to 04/03/2021

7. The dissolution application has been filed after expiry of one year. Please state details of any extension sought with the reason and granted:

The Corporate Debtor was supposed to be liquidated on or before 13th March, 2020 (One year from the liquidation commencement date i.e. 14.03.2019). The liquidator made an application before the Adjudicating Authority under the said regulation for allowing additional period of 90 days for liquidation. The Adjudicating Authority vide its order date 18.03.2020 allowed additional period of 90 days (i.e. up to 10th June, 2020 for completion of liquidation process of the Corporate Debtor. However due to lockdown and restrictions due to Covid pandemic, the process of liquidation could not be completed within the extended time. The Hon'ble NCLT allowed further extension vide its order dated 09.02.2021 in I.A No 06 of 2021 in IA No 18 of 2019 in C.P (IB) No. 03/GB/2018 and directed the liquidator to complete the liquidation process on or before 15.03.2021.

10. The Applicant Shri Purshotam Gaggar, has certified that the contents of the certificate submitted are true and correct to the best of his knowledge and belief and nothing material has been concealed there from.

17. In view of the submission made, facts mentioned above and circumstances of the present application, we have examined the relevant provisions of Section 54 of the I.B. Code, 2016 which reads as under:

(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. Having heard the submissions of the Learned Liquidator, Advocate for the Liquidator, Respondents and gone through the documents including Form H annexed with the present petition, we observe that the petitioner Liquidator has duly complied with the prescribed procedure of Liquidation and prayed for dissolution of the company. It is also found that affairs of the company are completely closed down and the assets of the company have been completely liquidated.

19. Therefore, the Company M/S Farmvile Agrovet Limited necessitates to be dissolved. Accordingly, this Adjudicating Authority hereby orders that the Company shall stand dissolved with effect from the date of this order i.e. 05/05/2021

20.. If any amount has been received/is received as interest or other receipt/refund, subsequent to this order, the said amount is to be distributed as per the Section 53 of IBC, 2016.

21. The liquidator is directed to prepare a report in the form of an affidavit, giving details of the cost incurred in the entire Liquidation process including fees of auditors, advocates and liquidator from 14/03/2019 till 05/05/2021 The said report is to be filed with the Registry within 7 days of this order and the Liquidator C.A Purshotam Gaggar, shall be discharged automatically from his duty as Liquidator of the Corporate Debtor on filing of the above report with the Registry.

22. The Applicant/Liquidator is further directed to serve an authentic copy of this order to the concerned Registrar of Companies, within fourteen (14) days from the date of receipt of this order. The Registrar of Company, Guwahati is directed to take necessary action in respect of dissolved company as per law upon receipt of a copy of this order.

23. Accordingly, the present IA. No 16 of 2021 is admitted on 05/05/2021 and stands disposed of with the above observations and directions.

Sd/-

(Prasanta Kumar Mohanty)
Member (Technical)
&
Adjudicating Authority

Sd/-

(H.V Subba Rao)
Member (Judicial)
&
Adjudicating Authority

K.Y