

**NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH (Court-II), CHANDIGARH**

**IA No.393/2021**

**In**

**CP (IB) No. 339/Chd/Hry/2019  
(admitted matter)**

[Application for dissolution of Corporate Debtor under Section 54 of the Insolvency & Bankruptcy Code, 2016]

**Through**

**Amar Nath**

Liquidator of M/s Karan Processors Private Limited,  
IBBI/IPA-001/IP-P01639/2019-20/12530,  
Chamber No.: F-627, Lawyers Chamber,  
Karkardooma Court, DELHI - 110032.

**Applicant/Liquidator**

**IN THE MATTER OF :**

**M/s Ultratreat Industrial Services**

**Operational Creditor**

**Versus**

**M/s Karan Processors Private Limited**

**Corporate Debtor**

**Order Delivered on: 09.04.2025**

**Coram: Hon'ble Mr. Harnam Singh Thakur, Member (Judicial)  
Hon'ble Mr. Kaushalendra Kumar Singh, Member (Technical)**

**Present:**

For the Applicant/Liquidator

: Mr. Saurabh Jain, Advocate,  
with Mr. Amar Nath, Liquidator,  
in person, present through  
video conferencing mode.



**ORDER**


1. The instant application has been filed by Mr. Amar Nath (hereinafter referred to as '**Applicant/Liquidator**'), the liquidator of M/s Karan Processors Private Limited Corporate Debtor under Section 54 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "**Code**") for the dissolution of the Corporate Debtor, i.e., **M/s Karan Processors Private Limited**, on the ground that the assets of the Corporate Debtor have been fully liquidated.

2. The main Company Petition bearing CP (IB) No. 339/Chd/Hry/2019 was filed by M/s Ultratreat Industrial Services -Operational Creditor under Section 9 of IBC and was admitted by the Adjudicating Authority, by order dated 22.01.2020 for initiating the Corporate Insolvency Resolution Process (hereinafter referred to as "**CIRP**") and Mr. Sameer Rastogi was appointed as Interim Resolution Professional.

3. The facts as narrated by the applicant are summarized hereunder:

(i) The first Committee of Creditors (hereinafter referred to as "**CoC**") meeting was held on 20.02.2020, wherein CoC had unanimously decided to replace IRP and appoint Mr. Amar Nath, bearing registration no. IBBI/IPA-001/IP-PO1639/2019-2020/12530, as Resolution Professional (hereinafter referred to as "**RP**") of the Corporate Debtor. The Adjudicating Authority vide order dated 11.03.2020,





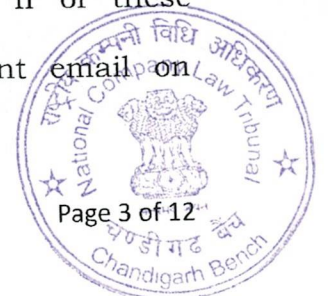
confirmed the CoC decision and appointed Mr. Amarnath as RP. The RP had then taken charge on 26.05.2020 due to the nationwide lockdown imposed by the Government of India owing to the outbreak of novel coronavirus (Covid-19), thereafter carried out various activities as prescribed under Code.

(ii) The plant and machinery were in junk condition since the factory had not been in operation since February 2019, and it was unsafe to conduct any business there. Thus, the CoC in its 3rd meeting resolved to directly liquidate the Corporate Debtor.

(iii) All the CoC members present, which constitute 67.63% of total CoC members, unanimously decided to liquidate the Corporate Debtor and not to continue CIRP in this case.

(iv) The RP filed an Application under Section 33(2) of the Code for Liquidation of Corporate Debtor. Accordingly, the Adjudicating Authority vide its order dated 26.11.2020, passed an order to liquidate the Corporate Debtor, in the manner as laid down in Chapter III of the Code and appointed RP as Liquidator.

(v) Thereafter, the Liquidator made the public announcement on 29.11.2020 in two newspapers namely Financial Express (English) and Jansatta (Hindi), for inviting claims from the Stakeholders along with Financial Creditors with proof by electronic means only on or before 26.12.2020 in accordance with Regulation 12(3) of the IBBI (Liquidation Process) Regulation, 2016 and in Form B of Schedule II of these Regulations. In addition, the Liquidator had sent email on



02.12.2020 and 11.12.2020 respectively to all the Operational Creditors to submit their claims in Form C.


(vi) Pursuant to the public announcement in the newspapers, Liquidator formulated the Stakeholders Consultation Committee (hereinafter referred to as "**SCC**"). The Liquidator had received 29 Nos. of stakeholder claims (all are operational creditors) of the Corporate Debtor, along with Form 'C' (Schedule II) under Regulation 17 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016, duly filled and signed.

(vii) The Liquidator filed "first progress report" for the 3rd quarter ending 31.12.2020 on 15.01.2021 vide diary No. 0404116006772020/4 containing the copies of publications made, list of stakeholders, SCC, list of assets of Corporate Debtor and receipts and payments for the quarter ending 31.12.2020.

(viii) Thereafter, the "Preliminary Report" was filed on 21.01.2021 vide Diary No. 0404116006772020/5 before the Adjudicating Authority, containing the Statement of Share Capital as of Liquidation Commencement Date (hereinafter referred to as "**LCD**"), i.e., 26.11.2020; Statement of Assets and Liabilities as on LCD, Agenda and Minutes of the SCC meeting held on 18.01.2020, Liquidation Estate and Asset Memorandum.

(ix) Pursuant to Regulation 35 of IBBI (Liquidation Process) Regulation, 2016, the Liquidator appointed two Valuers for Plant and Machinery and two valuers for Financial Assets of the Corporate Debtor on 01.06.2020, namely Mr. Lakshya Malhotra





and Mr. Alok Kaushik (for Plant & Machinery) and Mr. Amandeep Kaur and Ms. Aashlesha (for Securities or Financial Assets), respectively. As per Form-H, the fair value and liquidation value are Rs. 10,91,278/- and Rs. 9,72,322/- respectively.

(x) It is averred that in the SCC meeting held on 18.01.2020, it was decided to sell the assets of Corporate Debtor on a slump sale basis through e-auction. The sale of assets of the Corporate Debtor was conducted via e-auction on 06.02.2021. A total of 20 Nos. parties participated in the e-auction process as per Annexure - F and against the liquidation value of Rs. 10 lakhs, final auction went upto Rs.39 lakhs, by the highest bidder, M/s Mahadev Enterprises.

(xi) The sale letter was issued to the highest bidder on 22.02.2021, and after receipt of full sale consideration of Rs. 39 lakhs, machinery and other miscellaneous assets of Corporate Debtor was handed over to M/s Mahadev Enterprises on 11.03.2021, and vacant premises (which was taken on lease by the Corporate Debtor) were then handed over to the owner on 11.03.2021. As per the requirements of Regulation 5(d) and 36 of the Liquidation Regulations, the "Asset Sale Report" has been annexed as Annexure - G of the Application.

(xii) After receipt of full sale consideration, the amount was distributed amongst all the claimants (as per the list of stakeholders finalized) after meeting out expenses related to CIRP



and Liquidation, as per Section 53 of Code and Regulation 42 of Liquidation Process Regulations.

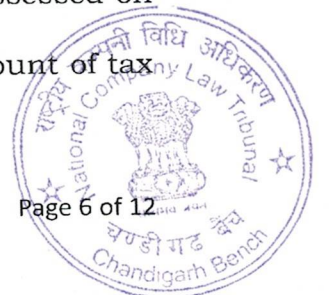
(xiii) The final list of stakeholders, their claims, admitted claims, and the amount distributed to them has been attached as Annexure - H of the Application.


(xiv) The amount realized by the liquidator was deposited in the account of the Corporate Debtor and the same was distributed among the stakeholders as per section 53 of the Code. As on date, there is no realizable asset of the corporate debtor left for recovery.

(xiv) The final report has been submitted on 22.06.2021 vide dairy no. 0404116006772020/7, hence the present application is filed to dissolve the Corporate Debtor.

4. While the said application filed by the Liquidator under Section 54 of the Code for dissolution was pending, the Excise and Taxation Commissioner, through its Excise and Taxation Officer, Faridabad (East), filed an application under Section 42 of the Code bearing I.A. No.486/2021 seeking a direction to the liquidator to accept the claim filed by the respondent in Form-C in terms of IBBI (Liquidation Process), Regulations 2016.

4.1 In the application filed by the Excise and Taxation Commissioner (hereinafter referred to as "**Department**"), it is stated that the accounts of the Corporate Debtor, for the assessment years 2014-2015 and 2016-2017 were assessed on 15.03.2018 and 05.02.2020, respectively, and an amount of tax



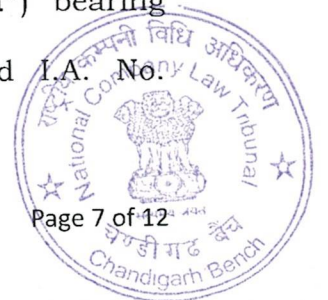



was found due of Rs. 3,39,157/- and Rs. 14,82,357/-, total amounting to Rs. 18,21,513/-. The Department came to know that the liquidation proceedings against the Corporate Debtor is pending, therefore, they filed an application on 01.03.2021 and informed the liquidator through email. The Liquidator replied on 03.03.2021 that the date of submission of the claim was upto 26.12.2020 and the claim received much beyond the period prescribed cannot be entertained.

4.2 The Adjudicating Authority while relying on the judgment of the Hon'ble Supreme Court in the case of **State Tax Officer vs. Rainbow Papers Limited, Civil Appeal No. 1661 of 2020 and Civil Appeal No. 2568 of 2020**, decided on 06.09.2022, held that the filing of dues within the prescribed period does not apply to the taxation department, as Section 26 of Haryana Value Added Tax, 2003, creates a first charge on the property of the defaulter.

4.3 On this premise, the Adjudicating Authority issued a direction to the Liquidator to ensure that the stakeholders who have received any money beyond their entitlement at the time of distribution forthwith return the same as per Regulation 43 of IBBI (Liquidation Process) Regulation, 2016 so that the dues of the respondent are paid as directed.

4.4 An appeal was filed before the Hon'ble National Company Appellate Tribunal (hereinafter referred to as "**NCLAT**") bearing Company Appeal (AT/INS) No. 221 of 2023 and I.A. No.





795/2023, 796/2023. The Hon'ble NCLAT, vide Order dated 11.01.2024, set aside the impugned order and remanded it back to the Adjudicating Authority to decide it again on the ground that the Adjudicating Authority has not taken into consideration the practical difficulties to be faced by the Liquidator for the purpose of recovering the amount from 29 stakeholders after the entire proceedings were over. Also, the decision rendered in the case of Rainbow Papers Limited (supra) is distinguishable on the facts because it has been rendered in the matter where the CIRP proceedings were pending, whereas it is the case where even the liquidation proceedings are over.

4.5 The Adjudicating Authority in the matter remanded back from the Hon'ble NCLAT, ruled that since the claim was filed after the liquidator had already distributed the funds and the liquidator had expressed his inability to consider the claim of the Excise and Taxation Department, Haryana, there were no remaining funds to honour the applicant's claim. As a result, IA No. 486/2021 was dismissed vide Order dated 01.05.2024.

5. Since the liquidator has conducted and completed the liquidation process and disposed of the assets of the Corporate Debtor, there remains nothing in the Corporate Debtor. Hence, the Corporate Debtor is required to be dissolved under Section 54(2) of the Code.

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



Sl. No.	Assets	Mode of Sale	Estimated Liquidation Value	Realisation Amount (Rs.)	Date of Transfer to Liquidation Account
(1)	Plant & Machinery	E-Auction	Rs. 9,72,322	Rs. 39,00,000	18.02.2021

7. The details of the distribution of sale proceeds to claimants/stakeholders has been annexed as Annexure H of the application, and the same has been reproduced below.

NAME OF THE CORPORATE DEBTOR - KARAN PROCESSORS PRIVATE LIMITED (IN LIQUIDATION)					
DETAILS OF DISTRIBUTION OF SALE PROCEEDS TO CLAIMANTS / STAKEHOLDERS					
Sl. No.	Name of Claimant	Claimed Amount (in Rs.)	Claim Accepted (in Rs.)	AMOUNT PAID	
1	Rashmi Dugal	3299145	1886478		284701
2	Textile Dye Chem	3068349	3068349		463066
3	Anusha Enterprises	4572826	2881124		434810
4	Kohli Dyes & Chemicals	1792732	1792732		270554
5	Nicholas Pigments & Inks	2165124	1558724		235238
6	Mangla Chemicals	1458397	1429873		215792
7	SRF Tex Chem Agencies	1227329	1227329		185225
8	AJ Dye Chem Co., Delhi	1112730	1112730		167930
9	Reckon Performatt	1411042	1259859		190134
10	Shree Tex	1457422	964929		145624
11	Kailash Coal & Coke Co. Ltd.	1097464	928099		140066
12	LG Fuel Corporation	1083037	731782		110438
13	Renuka Industries	741662	691405		104345
14	Hind Rang Udyog	653647	653647		98646
15	Shanti Chemtrade Pvt. Ltd.	491663	491663		74200
16	RSG Dye Chem	360000	360000		54330
17	Gurara Ganpati Agencies	323320	323320		48794
18	Aditya Rang Rasyan Corporation	376715	270029		40752
19	A J Dye Chemicals Haryana	252486	252486		38104
20	V K Roadlines	290364	227705		34365
21	Raj Sales Agencies	179525	179381		27072
22	S. B. Traders	197062	196962		29725
23	Shri Laxmi Narayan Enterprises	150089	150089		22651
24	H. S. Chemicals Supplier	120000	120000		18110
25	BBM Enterprises	153622	116820		17630
26	Ultratreat Industrial Services	115851	115851		17484
27	Krishan Lal Maqsood Lal	60357	60357		9109
28	Gopichand Anand Prakash	42853	42853		6467
29	Mazar Enterprises	185000	185000		27920
	<b>TOTAL</b>	<b>28439813</b>	<b>23279576</b>		<b>3513282</b>

NOTE : AFTER CIRP AND LIQUIDATION EXPENDITURE AN AMOUNT OF Rs. 35,13,282/- WAS AMONGST THE STAKEHOLDERS AS PER DETAILS ABOVE.

OPENING BALANCE IN BANK AS ON LCD - 26.11.2020	289735
REALISATION FROM E-AUCTION	3900000
<b>TOTAL</b>	<b>4189735</b>
LESS	
CIRP COST	228000
LIQUIDATION COST	448453
<b>BALANCE FOR DISTRIBUTION AMONGST STAKEHOLDERS</b>	<b>3513282</b>

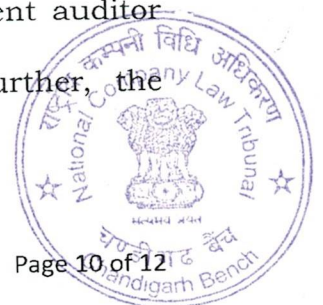


8. The details of the amount available for final distribution as per Form H (annexed as Annexure-J) in terms of Section 53 of the Code, 2016, are mentioned as below:

Sl. No.	Stakeholders* under Section 53 (1)	Amount Claimed (Rs.)	Amount Admitted (Rs.)	Amount Distributed (Rs.)	Amount Distributed to the Amount Claimed (%)	Remarks
1	(a): CIRP Costs	2,28,000	2,28,000	2,28,000	100%	-
2	(a): Liquidation Costs	4,48,453	4,48,453	4,48,453	100%	-
3	(f): Remaining Debt and Dues	2,84,39,813	2,32,79,576	35,13,281	15%	-
Total		2,91,16,269	2,39,56,029	41,89,734		

9. It is submitted that since the Corporate Debtor has been liquidated successfully and the realized amount has been distributed to the stakeholders as per Section 53 of the Code read with Regulation 42 of the Liquidation Regulations, the bank account in the name and style of the Corporate Debtor, maintained at Punjab National Bank, Mewla Maharajpur, Faridabad, was closed on 19.06.2021.

10. During the course of the hearing on 26.11.2024, the liquidator was directed to place on record the audited financial statements as on the date of the CIRP and as on the date of the liquidation order. In compliance with the above order, a compliance affidavit was filed vide Diary No. 00793/11 dated 28.11.2024 (taken on record on 04.12.2024). However, the financial statements as on 22.01.2020 submitted by the liquidator do not contain the independent auditor report as well as the UDI number of the auditor. Further, the



Liquidator was directed to rectify the same, and in compliance of the Order dated 04.12.2024, an Affidavit was filed vide diary No.00793/12 dated 26.12.2024 and refilled on 30.12.2024 (taken on record on 10.03.2025).

11. We have heard the learned counsel for the applicant and perused the material available on record carefully.

12. The present application is filed under Section 54 of the Code.

The relevant provisions of Section 54 of the Code read as follows:

*“Section 54 of the IBC*

- 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 data is registered.”*

13. The above facts and circumstances of the case established that due process of Liquidation, as per extant provisions, was followed by the Liquidator to liquidate the assets of the company, and the realized amounts were also distributed to the respective claimants. Therefore, the liquidation process is deemed to have been completed under Chapter III of Part II of the Code, and thus it would be just and proper for the Adjudicating Authority to dissolve the company. No party is going to be affected adversely by dissolving the company.

14. In the result, by exercising powers conferred on the Adjudicating Authority, under Section 54(2) of the Code, the interim application



bearing IA No.393/2021 in CP (IB) No. 339/Chd/Hry/2019 is disposed of with the following directions:

- (i) M/s Karan Processors Private Limited, the Corporate Debtor, is hereby dissolved with immediate effect;
- (ii) The Registry is directed to forward a copy of this order to the Registrar of Companies, NCT of Delhi & Haryana (email: [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)) within a period of two weeks from the date of this order for information and necessary action;
- (iii) The Liquidator is also directed to forward copies of this order to all other statutory authorities connected with the affairs of the Company;
- (iv) The Liquidator, Mr. Amar Nath, is discharged from his duties and responsibilities as the liquidator of the Corporate Debtor Company.

15. Accordingly, IA No.393/2021 in CP (IB) No. 339/Chd/Hry/2019 stands allowed and disposed of.

Sd/-

**(Kaushalendra Kumar Singh)**  
**Member (Technical)**

Gitesh

Sd/-

**(Harnam Singh Thakur)**  
**Member (Judicial)**



DD / DR / AR / Court Officer  
National Company Law Tribunal  
Chandigarh Bench, Chandigarh

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