IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
BENCH-VI

I.A- 3384/ND/2022
IN
CP(IB)-558/ND/2019

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

IN THE MATTER OF:

Punjab National Bank

...Applicant

Versus

M/s. Rathi Ispat Ltd.

...Respondent

AND IN THE MATTER OF:

Debashis Nanda

Liquidator of M/s. Rathi Ispat Ltd.

.... Applicant/Liquidator

Coram:
Shri Rahul Bhatnagar (Member Technical)
Shri P.S.N Prasad (Member Judicial)

Appearance
For the Applicant: Mr. Debashis Nanda, Liquidator

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ORDER

PER: RAHUL BHATNAGAR, MEMBER (TECHNICAL)

Date of pronouncement: 28.11.2022

1. This application bearing I.A. 3384/ND/2022 in CP(IB) 558/ND/2019 has been filed by the Liquidator under Section 54 of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as IBC, 2016 for dissolution of the Corporate Debtor praying for the following:

   1. *To pass an order to dissolve the Corporate Debtor under section 54 of the IBC, 2016*
   2. *To pass an order under Section 347 of the Companies Act, 2013 allowing liquidator for disposal/destruction of the records of the Corporate Debtor.*
   3. *Pass such orders as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case.*

2. To put it briefly, the facts of the case are that the petition for initiating CIRP was admitted by this Tribunal vide order dated 17.12.2019 and Mr. Raj Kumar Gupta (Registration No:

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IBBI/IPA-002/IP-N00064/2017-2018/10142) was appointed as IRP from the IBBI approved panel.

3. That the IRP, in order to discharge his duties and to comply with Section 15 of the Code read with Regulation 6 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations ("CIRP Regulations"), 2016, made the public announcement in Form-A, in two widely circulated newspapers namely Financial Express (English) and Jansatta (Hindi) in Delhi/NCR Edition, on 20.12.2019, inviting the claims with proofs from the creditors of Corporate Debtor till the last date i.e. 02.01.2020 for submission of claims in accordance with the provisions of the Code.

4. That the IRP verified the claims received by his office and constituted the Committee of Creditors ("CoC') on 09.01.2020 and the report on constitution of CoC was filed with this Bench on 22.01.2020.

5. That the IRP after constituting the CoC, conducted the first meeting of the CoC which was scheduled and convened on

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16.01.2020 and discussed therein various steps taken by the IRP from the date of initiation of CIRP.

6. That the third meeting of the CoC was scheduled and convened on 17.03.2020. In the said third CoC meeting, the appointment of Insolvency Professional namely Debashis Nanda having IBBI Reg No. IBBI/IPA003/1P-N00040/2017-18/10316 to act as Resolution Professional was approved by 100% votes.

7. That the members of CoC were of the view that since the factory of the Corporate Debtor was un-operational since 2007 and setting up a plant on said premises would involve multi crores of investment, therefore, the CoC informed the IRP to proceed with the initiation of liquidation in the next CoC meeting.

8. That the Applicant on receipt of order dated 29.05.2020, replacing the IRP, in order to discharge his duties and to comply with the provisions of the Code communicated with erstwhile IRP Mr. Raj Kumar Gupta and took over the charge and handover of the Corporate Debtor.

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9. That the Applicant after taking the charge and handover from erstwhile IRP, conducted the fourth meeting of the CoC which was scheduled and convened on 16.06.2020. The members of the CoC unanimously approved the resolution for initiation of liquidation process in the 4th meeting of creditors. The Applicant preferred an application under Section 33 of the Code, for commencement of the Liquidation Process of Corporate Debtor. The said application was duly heard and admitted by this Bench vide order dated 26.08.2020 and Mr. Debashis Nanda was appinted to act as Liquidator in the matter.

10. That the Liquidator, in order to comply with Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred to as "Liquidation Regulations"), immediately after receipt of the aforementioned order dated 26.08.2020 made a Public Announcement in Form B in two widely circulated newspapers i. e. Business Standard (English) & (Hindi) Delhi/NCR Edition on 31.08.2020. In response to the said public announcement made, the office of the Liquidator received total 6 claims from the stakeholders of Corporate

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Debtor till the last date for submission of claims i.e 25.09.2020 including financial creditors & operational creditors other than workmen and employees.

11. That the Applicant,complying with Regulation 31 of the Liquidation Regulations, verified all the claims received and prepared a list of stakeholders and filed a list of stakeholders with the Adlydicating Authority on 13.10.2020.

12. That the Applicant, complying with Section 36 of the Code read with Regulation 34 of the Liquidation Regulations, prepared Liquidation Estate and Assets Memorandum, of the Corporate Debtor, which comprised of the only asset i.e. Leasehold Industrial Plot, of Uttar Pradesh State Industrial Development Authority (hereinafter referred to as "UPSIDA") situated at A-2, South Side, Industrial Area, Ispat Nagar Ghaziabad admeasuring about 85717.27 Square Meter (Approx.), owned by UPSIDA and leased to Corporate Debtor.

13. That the Applicant, complying with Regulation 31A of the Liquidation Regulations constituted a Stakeholders' Consultation Committee, to assist him on the matters specified therein which includes the manner of the Sale of

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the Assets of the Corporate Debtor as elucidated in Regulation 32 of IBBI (Liquidation Process) Regulations, 2016 wherein Regulation 32(e) provides for the sale of the Corporate Debtor as going concern. The Applicant conducted the 1st meeting of stakeholders on 03.11.2020. The composition of SCC was as follows:

Name of Financial Creditor	Voting Share in SCC (%)
State Bank of India	56.44
Punjab National Bank	37.15
Indian Bank	6.41

14. That the Liquidator, complying with Regulation 13 of IBBI (Liquidation Process) Regulations, 2016, prepared and filed a preliminary report along with the Asset Memorandum and Liquidation Estate with this Bench on 21.10.2020.

15. That the Applicant prepared and filed 7 Progress Reports apprising therein the status of the case from time to time.

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16. That the financial creditors namely State Bank of India, Punjab National Bank and Indian Bank submitted their claim in Form D. Punjab National Bank and Indian Bank relinquished their security interest in favor of liquidation estate. Further, State Bank of India had not communicated anything about the relinquishment in their claim form and their security interest was deemed to be relinquished in accordance with the provisions of Regulation 21A of IBBI (Liquidation Process) Regulations, 2016.

17. That the liquidator, to safeguard the interest of the stakeholders, appointed two IBBI registered valuers namely Mr. Anil Kumar Saxena bearing IBBI Registration No. IBBI/RV/02/2018/10004 and Mr. Sudhanshu Srivastava bearing IBBI Registration No. IBBI/RV/02/2020/13134, to carry out the fresh valuation. The valuers submitted their reports on 24.10.2020 and the average Liquidation value based on these two valuations was Rs. 100,57,00.000/-.

18. The exact valuation report is given as under: -

1. Valuation Report -1

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The Realizable Value of Industrial Land of M/s Rathi Ispat Limited situated at Plot No. A-2, Industrial Area, South Side of G.T. Road, Ghaziabad, Uttar Pradesh as on 21st September, 2020 is estimated at ₹ 90.00 Crore.

SUDHANSHU SRIVASTAVA
IBBI Registered Land & Building Valuer
IBBI/RV/02/2020/13134

2. Valuation Report -2

Valuation Summary of Assets of M/s Rathi Ispat Limited — in INR

Particulars	Area (in Sq. Mtr)	Realizable Value
Industrial Plot No. A-2, Industrial Area, South of G.T. Road, Ghaziabad, U.P	83,766	1,10,98,00,000

Submitted by:

Anil Kumar Saxena, L&B
IBBI/RV/02/2018/10004
October 15th, 2020

19. That the Applicant conducted 1st e-auction dated 27.11.2020 at a reserve price of Rs. 1,00,57,28,000/- for the sale of assets of Corporate Debtor but in the said e-auction not a single bidder participated nor even submitted an EoI to participate in the same.

20. That the Applicant by all means tried to sell the industrial land belonging to Corporate Debtor but after analyzing the market situation, the Applicant was seized with the situation

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that there was liquidity problem in the market due to COVID-19 pandemic as it had impacted all kinds of businesses in the country whether small or big due to which selling whole piece in one lot would fetch lower value and setting up the plant on the said premises would require Rs.300-400 Crores investment. In view of the above challenge, the Applicant decided to sell the land in parcels and the Applicant filed an application bearing I.A No. 5569 of 2020 seeking directions of this Tribunal for sale of the land in parcels. This Bench vide its order dated 28.12.2020 in principle approved the sale of land into parcels after getting relevant approval from the concerned authorities. Therefore, in compliance of such order Applicant issued a letter dated 28.12.2020 to Uttar Pradesh State Industrial Development Authority (hereinafter referred to as "UPSIDA"), intimating about the order passed by this Bench and requesting to allow approval for sale of assets belonging to Corporate Debtor in parcels at the earliest.

21. That the Applicant, pursuant to aforesaid order, conducted the 2nd round of e-auction dated 18.01.2021 which was later postponed to 25.01.2021 at a reserve price of Rs.

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80,45,82,400/- by reducing 25% of the reserve of the 1st auction in accordance with Schedule 1 of Liquidation Regulations. Unfortunately, again not a single bidder participated in the 2nd e-auction despite reducing the reserve price by 25 percent.

22. The Applicant after facing challenges in selling the asset of Corporate Debtor, called the second meeting of Stakeholders Consultation Committee, on 19.02.2021 to discuss about reducing the reserve price of land to conduct another round of e-auction.

23. That upon non receipt of any reply from UPSIDA, the Applicant visited the head office of UPSIDA situated in Kanpur, Uttar Pradesh for taking necessary permissions/ approvals for selling the said land into parcels and thereby informed the concerned officials engaged in subdivision of land about the current situation of land belonging to Corporate Debtor and the difficulties being faced to sell such land as a whole. The Applicant requested the concerned government officials that the company is already under liquidation, so keeping in view of the same, the liquidator

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shall be permitted to sell such land into parcels as early as possible. The officials, in view of request made by the Applicant, handed over a policy namely "Amendment in UPSIDA Land Development and Building Regulation, 2018" which had to be complied to fulfill the criteria of sub-division of land.

24. The concerned authorities further informed the Applicant that in case the Liquidator opts for sub-division of Industrial Land as per the UPSIDA policy he had to deposit certain charges i.e sub-division fees/ transfer fees as per the sub-division formula mentioned in the UPSIDA policy .As per the calculation, the UPSIDA sub-division fees was around Rs 12,50,00,000 (Rupees Twelve Crore Fifty Lakhs) approx. that had to be paid in lieu of getting necessary permissions/approvals in regard to sub-division of such land. In addition to this, the UPSIDA authorities further informed the Applicant that there was no exception for the sick units or companies under liquidation for waiver of such fees in any event.

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25. That the Applicant informed the concerned authorities that in the instant matter the company is undergoing liquidation process and complying with the requirements of UPSIDA sub-division policy would jeopardize the interest of the secured financial creditors of the Corporate Debtor against the principle and intent of IBC. In response to the Applicant's request, the UPSIDA authorities informed that there was a buy-back provision for leasehold land that UPSIDA can buy-back its leasehold land rights as per the current market rate with suitable discount which could be good alternative in a present situation rather than applying for sub-division of land.

26. That the Applicant in view of such buy back policy of UPSIDA, visited the office of UPSIDA, Ghaziabad along with his representative, for getting detailed information on the buy-back policy. The regional officer apprised the procedure for the buy-back of leasehold land but insisted upon to write an official letter in this regard addressing their concerned department then only they can proceed to take further action in the matter.

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27. That in view of the interaction with the Regional manager of UPSIDA, Ghaziabad, the Applicant sent a letter dated 07.04.2021 to the UPSIDA for taking necessary actions for the buy-back of land, being the only asset belonging to Corporate Debtor.

28. That the Applicant had already informed the concerned authorities that the company is going under liquidation and due to delay in realization from sale of land of the Corporate Debtor the stakeholders were ultimately suffering since 10 months had already passed in liquidation wherein liquidator by his all means and efforts had tried to sell the land but at this juncture of time buy back of the said land by the UPSIDA seemed the only way out to liquidate the asset of Corporate Debtor at the earliest.

29. That the Applicant, keeping in view the timeline of liquidation period and to complete the process in time bound manner, requested the UPSIDA to expedite the matter of buy back of the land belonging to Corporate Debtor so as to distribute the realization to the stakeholders as soon as possible.

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30. That the Applicant conducted 3rd and 4th round of e-auction dated 12.02.2021 and 06.03.2021 by reducing the reserve price by 10 percent in accordance with Liquidation Process, Regulations, 2016. However, not a single bidder showed up interest to participate in the said e-auction despite reducing the reserve price of sale of asset belonging to Corporate Debtor.

31. That the delayed actions of UPSIDA stalled the liquidation process due to which stakeholders were ultimately suffering.

32. That the Applicant had filed an application bearing IA No. 2456/2021 seeking directions of this Tribunal against the UPSIDA, Ghaziabad to approve and expedite the matter of buy back in the interest of stakeholders.

33. That owing to failure of 4 round of e-auctions, the Applicant attempted with UPSIDA for buy-back of leasehold land by the UPSIDA itself at a reasonable price as per the UPSIDA Buy Back policy so as to get realization at the earliest in the interest of stakeholders but no tangible result was forthcoming even after repeated notices issued by this

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Tribunal in IA No 2456 of 2021, the Applicant in consultation with stakeholders went ahead with e-auction as parallel action to close the Liquidation Process in time bound manner.

34. That the Applicant conducted 5th, 6th and 7th round of e-auction dated 18.03.2021, 29.10.2021 and 22.11.2021 respectively to sell the assets on standalone basis by reducing the reserve price of each auction by 10 percent. Despite such reduction in the reserve price, not a single bidder submitted EoI to participate in the same. The reserve price of the said 7th e-auction was kept at Rs. 60,75,00,000/-.

35. That the Applicant in accordance with Regulation 31A of the Liquidation Process Regulations, 2016 had scheduled and convened fourth Stakeholders Consultation Committee Meeting dated 26.11.2021 and discussed the matter with stakeholders pertaining to mode and manner of the sale of the assets of the Corporate Debtor. In the said meeting dated 26.11.2021, the Applicant had informed the

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stakeholders about the key issue i.e. challenges being faced by the Applicant in selling the only asset belonging to the Corporate Debtor. The Applicant had apprised the stakeholders that even after conducting 7 rounds of e-auction, the Applicant did not receive a single bid from any of the prospective bidders. In view of the same, the Applicant was of opinion to sell the Corporate Debtor as a going concern as provided in the manner of sale of assets under Regulation 32 IBBI (Liquidation Process) Regulations, 2016, for which Applicant had conducted the 4th meeting to obtain consent from its stakeholders because at the time of the first meeting of the Stakeholders Consultation Committee, stakeholders after due deliberations, observed and noted that the Corporate Debtor had shut down its operation 12 years back and at present there is no plant and machinery existing at the site of Corporate Debtor, therefore feasibility of sale of the Corporate Debtor as going concern was found negligible by the stakeholders. In addition to this, the CoC in its fourth meeting of creditors dated 16.06.2020, while recommending for Liquidation, did not discuss the

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aspect of sale as going concern as there was no other asset of Corporate Debtor except only one Leasehold Land belonging to Corporate Debtor. The members of stakeholders consultation committee took note of the same. The stakeholders were of view that an application seeking directions for sale of Corporate Debtor as a going concern may be filed before adjudicating authority for taking relevant directions for the same.

36. The Applicant, pursuant to suggestions made by stakeholders in 4th meeting of stakeholder's consultation committee, filed an application bearing IA no. 5630/2021 seeking directions of this Adjudicating Authority for allowing sale of Corporate Debtor as a going concern beyond 90 days time period as restricted under Regulation 32A of the IBBI (Liquidation Process) Regulations. 2016.

37. That during the pendency of aforesaid application bearing IA 5630/2021, UPSIDA filed their reply in IA 2456/2021 stating that they were not going to waive off transfer charges in any case and shall be strictly

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bound to be paid by the purchaser. In view of such reply from UPSIDA, the Applicant understood that this whole process would consume lot of time which would directly impact the stakeholders. Therefore, the Applicant on 15.02.2022, through his counsel submitted that in view of the reply received from UPSIDA, the Applicant sought to withdraw the same and go ahead with the sale of assets through e-auction as the only way available. In view of the same, this Bench vide its order dated 15.02.2022 dismissed both the applications as withdrawn.

38. That the Applicant after withdrawing the aforesaid applications, appointed a Marketing Agency to get the serious buyer from the market. In the meantime, the Applicant conducted 8th round of e-auction dated 19.02.2022 at a reserve price of Rs. 54,67,50,000/- by reducing the reserve of last failed e-auction by 10 percent. Pursuant to sale notice of 8th round of e-auction, two bidders submitted their EoI alongwith Earnest Money Deposit (EMD) but then also not a single bidder participated in the said e-auction and backed out from

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the said e-auction at the last moment due to the reasons best known to them.

39. That after the failure of 8 rounds of e-auctions, the said marketing agency was able to secure two buyers from the market namely Krishna Ventures Pvt Ltd. & Joint Venture of 4 Parties namely K.L Steels Limited, Yuvraj Bareja, PTC Engineering Private Limited and Paramjit Gandhi who showed their willingness to purchase such property at a price of Rs. 55,00,00,000/- under Private Treaty in accordance with the Regulation 33(2) of IBBI (Liquidation Process) Regulations in their joint name or an entity to be formed by them at a later stage.

40. That one of the parties Krishna Ventures Limited vide his email dated 15.02.2022 submitted a proposal of purchase of asset of Corporate Debtor along with the schedule of complete payment which stated a tenure of 6 months on the other hand Joint Venture of 4 Parties submitted a proposal vide email dated 24.02.2022 which stated a period of 3 months for making the complete payment.

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41. The Liquidator requested both the parties to deposit 5% EMD of the total offered price before 25.02.2021 i.e date scheduled for conducting the 5th meeting of Stakeholders Consultation Committee. In view of the same, Joint Venture of 4 Parties namely K.L Steels Limited, Yuvraj Bareja, PTC Engineering Private Limited and Paramjit Gandhi deposited Rs. 2,75,00,000/- i.e 5% of EMD amount in the Liquidation Bank A/c of the Corporate Debtor whereas the other party namely Krishna Ventures Pvt Ltd. partially deposited the EMD amount of Rs 1,25,00,000/- in the liquidation account of the Corporate Debtor.

42. That the Applicant for the sake of transparency in the process of private sale, invited both the interested parties to attend the 5th meeting of stakeholders' consultation committee for discussion and due negotiations for the sake of stakeholders. The stakeholders after due deliberation and negotiations with the intending buyers, decided to move forward with Joint Venture of 4 Parties namely K.L Steels Limited, Yuvraj Bareja, PTC Engineering Private Limited and Paramjit Gandhi for the reason being shorter payment schedule as proposed by the later party. The Joint Venture

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of 4 Parties, pursuant to discussion in 5^{th} meeting of Stakeholder Consultation Committee, further deposited Rs. 2,00,00,000/-(Rupees Two Crore) in the liquidation account. The Applicant, as per the decision taken in the stakeholder consultation committee, executed the Letter of Intent (LOI) in favour of aforesaid 4 parties jointly on 28.02.2022.

43. The Applicant in view of the above, filed an application bearing no. IA No. 1112 of 2022 for seeking directions of this Tribunal to allow private sale in favor of joint parties. Vide order dated 21.03.2022, this Tribunal allowed the application for private sale.

44. That the Applicant conducted the 6^{th} Stakeholders consultation meeting on 25.03.2022 wherein it was mentioned that on getting confirmation from the buyer, the Applicant will ask the buyer to pay balance amount as per the LOI dated 28.02.2022 before 31.03.2022 as agreed and will distribute the realization proceeds among the stakeholders in proportion to their share. It was mentioned during the meeting that since Indian Bank did not pay their share of CIRP expenses, it will accordingly be adjusted while

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making distribution and as PNB has paid Rs. 3,71,500/- in advance for meeting Liquidation expenses the same shall be added in their share. Further, post the meeting, the final buyer i.e. the 4 joint Applicants vide email dated 26.03.2022 confirmed that they will comply with the terms and conditions imposed by this Tribunal and subsequently paid an amount of Rs. 14,50,00,000/- on 30.03.2022.

45. That the Liquidator sold the only asset of Corporate Debtor i.e Industrial Leasehold land and realized full amount of bid from the purchaser through private sale at a cumulative price of Rs. 55,00,00,000/- (Rupees Fifty-Five Crores) which was received in the bank account maintained for liquidation of the Corporate Debtor.

46. That the Applicant conducted 7th and 8th meeting of the stakeholders on 30.05.2022 and 05.07.2022 respectively, thereby informing the status of receipt of total bid amount from the prospective joint Applicants and further intimated them about the distribution of sale proceeds to the stakeholders.

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47. That the distribution of the proceeds or amount realized by sale of Assets was done strictly in accordance with the provisions of the Code and rules and regulations made thereunder and the Distribution made to State Bank of India, Punjab National Bank and Indian Bank is reproduced below:

Date	Particulars	Amount
30-03-2022	Distribution-SBI	5,00,00,000.00
31-03-2022	Distribution-SBI	4,89,63,608.00
01-06-2022	Distribution- SBI	5,16,47,408.00
28-06-2022	Distribution-SBI	12,74,90,412.00
28-06-2022	Distribution-SBI	75,05,762.00
	TOTAL	**28,56,07,190**
04-04-2022	Distribution-PNB (Including 3,71,500 advance paid by PNB towards liquidation expenses)	6,18,08,676.00
01-06-2022	Distribution-PNB	3,20,63,007.00
16-06-2022	Distribution-PNB	3,20,63,007.00
27-06-2022	Distribution-PNB	4,70,83,771.00
28-06-2022	Distribution-PNB	46,37,542.00
30-06-2022	Distribution-PNB	50,000.00
30-06-2022	Distribution-PNB	4,000.00
	TOTAL	**17,77,10,003**
30-03-2022	Distribution-Indian Bank	1,25,00,000.00
31-03-2022	Distribution-Indian Bank	1,39,01,012.00
01-06-2022	Distribution-Indian Bank	1,37,89,585.00
15-06-2022	Distribution-Indian Bank	1,37,89,585.00
27-06-2022	Distribution-Indian Bank	2,02,71,428.00
28-06-2022	Distribution-Indian Bank	19,67,541.00
	TOTAL	**7,62,19,251**
	GRAND TOTAL	**53,95,36,444**

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48. The amounts distributed to stakeholders as per Section 52 & 53 of the Code are reproduced as under:

Sl. No.	Stakeholders* under section53 (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					
	(i):IRP	2,41,836	2,41,836	241836	100%	Directly paid by Bank
	(ii): RP	3,39,290	3,39,290	3,39,290	100%	Rs.21,748 were recovered from Indian Bank while making final payment to them
2	(b): Liquidation Costs	98,66,584	98,66,584	98,66,584	100%	
3	(c) State Bank of India (FC)	2,82,94,40,784.92	2,82,94,40,784.92	28,56,07,190	10.10%	
4	(d) Punjab National Bank (FC)	1,75,65,33,064.18	1,75,65,33,064.18	17,77,10,003	10.12%	
5	(e) Indian Bank (FC)	75,54,45,723.64	75,54,45,723.64	7,62,19,251	10.10	
6	(f) Goyal MG Gases Pvt. Ltd. (OC)	46,43,11,541	46,43,11,541	NIL	0%	No funds are left for distribution to the Operational Creditor
	Total	5816178823.74	5816178823.74	54,99,84,154		

49. That the Applicant in terms of Regulation 41 of IBBI (Liquidation Process) Regulations, 2016 has kept a contingent fund of Rs. 10,00,000/- in the liquidation account of Corporate Debtor for the purpose of meeting legal expenses if in any. The said amount if remains unutilized or partly utilized,shall be transferred to State Bank of India, Punjab National Bank and Indian Bank on pro rata basis. Thereafter, such liquidation account shall also be closed by the Applicant.

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50. That the Liquidator sent intimation(s) to statutory authorities as applicable to the CD as detailed below.

Date of intimation to statutory authority as applicable.	
a) PF	
b) ESI	
c) Income Tax Department	01.09.2020
d) Inspector of Factory	01.09.2020
e) GST/VAT	01.09.2020
f) Others	

51. That Applicant/Liquidator filed application(s) and various documents/Reports which was required to be submitted as per the provisions of IBC, 2016 read with relevant regulations.

52. That the Liquidation process has been conducted as per the timeline indicated in regulation 47 details of which has been given in Form-H accompanied with this application.

53. That as required by Regulation 45(3) of IBBI (Liquidation Process) Regulations, 2016, Final Report was filed on

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11.07.2022 and the same is taken on record by the Hon'ble Tribunal vide order dated 22.07.2022.

54. That compliance report in form H in terms of regulation 45(3) is placed on record by the Applicant.

55. That in view of the facts and circumstances, it is submitted that all the assets of CD has been completely liquidated and/ or distributed to stakeholders as the provisions of law and there is nothing left to be further liquidated.

56. Thus in view of the facts and circumstances, the Applicant has prayed that the Corporate Debtor may be dissolved under Section 54 of IBC, 2016.

57. We have heard the submissions made by the Applicant, perused the Application and the compliance Affidavit filed by the Liquidator. Here, it is worthwhile referring to Section 54 of IBC, 2016 and Section 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*

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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)."

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58. In the Preliminary Report dated 21.10.2020 filed by the Liquidator, the Liquidation expenses as proposed are reproduced below:

B. LIQUIDATION EXPENSES PROPOSED TO BE INCURRED.

S.No.	Particulars	Amount
1.	Cost of Public Announcement of filing of list of stakeholders	40,000/-
2.	Stationery and Cost of filing reports and other applications before Hon'ble NCLT	60,000/-
3.	Liquidation fees	Would be calculated as per Regulation 4
4.	Staff expenses	4,50,000/-
5.	Registered Valuer (Two Valuers)	1,00,000/-
6.	Transaction Auditor	1,00,000/-
7.	Legal Expense	3,00,000/-
8.	Marketing PR expenses for early realisation and to increase the value	3,00,000/-
9.	Travelling & Tour	1,25,000/-
	TOTAL	14,75,000/-

TRUE COPY

LIQUIDATOR IBBI/IPA-002/IP-N00048/2017-18/10116

In the above estimate, the fees of Liquidation has not been added in the proposed expense of Liquidation. The final cost incurred on liquidation is Rs. 45,72,413 which has been explained by the Liquidator as reproduced below:

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Liquidation Expenses Till Date (26.08.2020 to 30.06.2022)

S No.	Particulars	Amount incurred till 30th, June 2022
1	Public Announcement	7,560
2	Sale Notice Publication	2,03,788
3	E-auction charges	86,140
4	Valuers Fees	4,04,000
5	Legal Expenses	12,00,000
6	Other Expenses (Travelling, Conveyance & Stationary & filing)	3,15,925
7	Salary of two Employee (For liasion with Govt. Authorities, Deskwork and Site visit for intending bidders)	8,80,000
8	Marketing Expenses	12,00,000
9	Anil Shalini & Associates-Auditor	59,000
10	GST on Legal Expenses	2,16,000
Total		45,72,413

59. From the conjunct reading of the above provisions, this Adjudicating Authority is required to see that whether the assets of the Corporate Debtor are completely liquidated or not. In the instant case the Liquidator has furnished his Final Report and Form-H.

60. The Liquidation value as per the provisions of IBC, 2016 was Rs. 1,00,57,28,000/- and total realization on disposal of

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assets was Rs. 55,00,00,000. On perusal of the application, it is seen that the Liquidator in order to maximize the value of assets tried to dispose the assets at maximum value and has conducted multiple e-auctions.

61. In the 8th Meeting of SCC, it was approved by the members of SCC to distribute the realized amount under section 53 of IBC, 2016 and accordingly, the Liquidator has stated that he has distributed the entire amount. Since in the instant case, all the assets of the Corporate Debtor have been liquidated and all the requirements of Regulation 45 of IBBI (Liquidation Process) Regulations, 2016 have been fulfilled, therefore, we are inclined to allow the present Application under Section 54(2) of the IBC, 2016.

62. Accordingly, there being no other impediment, the present Application is allowed and the Corporate Debtor is ordered to be dissolved with the immediate effect. With respect to the prayer of the Liquidator for disposal/destruction of the records of the Corporate Debtor, in terms of Regulation 5(2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 the Liquidator is directed to

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preserve a physical as well as an electronic copy of the reports and minutes referred to in sub-regulation (1) of Regulation 5 for eight years after the dissolution of the Corporate Debtor.

63. 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.

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(Rahul Bhatnagar)

Member (Technical)

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(P.S.N Prasad)

Member (Judicial)