

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

ITEM No.306
IA(Dis) No.5 of 2024
In
CP (IB) No.458 of 2018

Order under section 54(1) of the IBC, 2016 r.w. Regulation 44 to 45 of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of the NCLT Rules, 2016

IN THE MATTER OF:

Mr. Pradeep Kumar Kabra
Liquidator of M/s. Eagle Cotton Private Limited

.....Applicant

Order delivered on: 02/04/2024

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sameer Kakar, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

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

-Sd-

SAMEER KAKAR
MEMBER (TECHNICAL)

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

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

IA(Dis) No.5 of 2024 in CP (IB) No.458 of 2018

(An application filed by the Liquidator for dissolution of the Corporate Debtor under section 54(1) of the Insolvency and Bankruptcy Code, 2016 r.w. Regulation 44 to 45 of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of the NCLT Rules, 2016)

In the matter of **M/s. Eagle Cotton Private Limited**

Mr. Pradeep Kumar Kabra
Liquidator of M/s. Eagle Cotton Private Limited
Having address at:
301, 3rd Floor, Reegus Business Centre,
Above Mercedes-Benz Showroom,
New Citylight Road, Bharthana-Vesu,
Surat – 395007.

... Applicant Liquidator

Order Pronounced on 02.04.2024

CORAM:

Mr. SHAMMI KHAN, MEMBER (JUDICIAL)
Mr. SAMEER KAKAR, MEMBER (TECHNICAL)

APPEARANCE:

For the Applicant: Mr. Aditya Raval, Advocate

ORDER
[Per: Bench]

1. The present application being I.A.(Dis)5/NCLT/AHM/2024 in CP(IB): 458/7/NCLT/AHM/2018 has been filed by Mr. Pradeep Kumar Kabra, Liquidator of the Corporate Debtor, M/s. Eagle Cotton Private Limited, under Section 54(1) of the

Insolvency and Bankruptcy Code, 2016 for an order of dissolution by seeking relief as follows:

- (a) *To direct the dissolution of liquidation process of Corporate Debtor, M/s. Eagle Cotton Private Limited pursuant to section 54 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 44 and 45 of the Insolvency and Bankruptcy Board of India (Liquidation process) Regulation, 2016.*
- (b) *To pass any other necessary orders as deem fit by the Hon'ble NCLT in the interest of justice.*

2. It is Submitted that the Petition for Corporate Insolvency Resolution Process was filed by a Financial Creditor, M/s. Bank of India under Section 7 of the I.B. Code, 2016 against the Corporate Debtor M/s. Eagle Cotton Private Limited bearing CP(IB) No. 458/7/NCLT/AHM/2018. Pursuant to which, an order for initiation of CIRP was passed by this Bench vide order dated 19.07.2019 wherein Mr. Chandra Prakash Jain was appointed as the Interim Resolution Professional.
3. It is submitted that the Corporate Debtor, M/s. Eagle Cotton Private Limited is a company incorporated on 18.01.2012 under the Companies Act, 1956 bearing CIN:U17121GJ 2012PTC068665 and having registered address at: Office No.13, Sarathi Complex, Opp. Diamond Market, Liliya Road, Amreli, Gujarat – 365601. It is stated that the company was engaged in the activities of spinning, weaving and finishing off textiles.

4. It is stated that in the 11th CoC Meeting held on 18.07.2020, it was resolved to liquidate the Corporate Debtor M/s. Eagle Cotton Private Limited. It was further decided to appoint the then RP (the applicant herein) as a Liquidator.
5. Order for liquidation in I.A. No. 476 of 2020 was passed on 06.11.2020 and Mr. Pradeep Kumar Kabra was appointed as “Liquidator” of the Corporate Debtor Company.
6. As stated in the pleadings, the Liquidator made a public announcement on 09.11.2020 in prescribed form B. The said public announcement was published newspapers in English edition of Business Standard and in vernacular language, Sandesh Gujarati newspapers. The applicant has annexed copies of the said public announcement as Exhibit-B.
7. The Applicant has also submitted the details of assets held by the Corporate Debtor as under:

Sr. No.	Assets
1.	Plot No. 1,2,3 Revenue Survey No. 90/Paiki, Laxminagar Industrial Estate C, Near Narayan Spinning, Amreli Kukavav Road, Mangvapal, Amreli
2.	Plant and Machinery located at Plot No. 1,2,3 Revenue Survey No. 90/Paiki, Laxminagar Industrial Estate C, Near Narayan Spinning, Amreli Kukavav Road, Mangvapal, Amreli

8. It is submitted that the Applicant/ Liquidator held e-auction of the properties of the Corporate Debtor on various dates as mentioned below:

E-Auction	Date
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First E-auction	24.02.2021
Second E-auction	05.04.2021
Third E-auction	26.04.2021
Fourth E-auction	10.05.2021
Fifth E-auction	26.05.2021
Sixth E-auction	10.06.2021
Seventh E-auction	24.06.2021
Eighth E-auction	07.07.2021
Ninth E-auction	19.07.2021
Tenth E-auction	02.08.2021
Eleventh E-auction	16.08.2021
Twelfth E-auction	01.09.2021
Thirteenth E-auction	23.09.2021
Fourteenth E-auction	04.10.2021

As submitted, the copies of e-auctions are annexed as Exhibit-C (Colly) to the present application.

9. As submitted, consequent upon the auctions, two successful bidders expressed their interest to purchase the property of the Corporate Debtor. The details of bidder is submitted as under:

Sr. No.	Asset	Name of Successful Bidder
1	Plot No. 1,2,3 Revenue Survey No. 90/Paiki, Laxminagar Industrial Estate C, Near Narayan Spinning, Amreli Kukavav Road, Mangvopal, Amreli	Mr. Brijeshkumar Shivilal Dhorajiya

2	Plant and Machinery located at Plot No. 1,2,3 Revenue Survey No. 90/Paiki, Laxminagar Industrial Estate C, Near Narayan Spinning, Amreli Kukavav Road, Mangvopal, Amreli	M/s. Global Corporation
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10. It is submitted that the successful bidders deposited the sale considerations in the account of the Corporate Debtor as under:

(I) M/s. Global Corporation:

Sr. No.	Particulars	Date of Receipt	Amount
1	EMD	31.03.2021	Rs. 11,50,000/-
2	Balance Consideration	26.08.2021	Rs. 1,24,20,000/-
Total			Rs. 1,15,00,000/-
3	GST		20,70,000/-
Total			Rs. 1,35,70,000/-

(II) Mr. Brijeshbhai Shivram Dhorajiya:

Sr. No.	Particulars	Date of Receipt	Amount
1	EMD	30.09.2021	Rs. 12,56,000/-
2	Balance Consideration	30.04.2022	Rs. 1,14,04,000/-
Total			Rs. 1,26,60,000/-
3	Interest received	07.06.2022	Rs. 7,72,191/-
Total			Rs. 1,34,32,191/-

As submitted, the bank statements of receipt of amount of sale considerations and sale certificates are annexed by the applicant as Exhibit-D (page-46).

11. It is submitted that the Applicant/Liquidator has submitted the entire sale proceeds as per Section 53 of the Insolvency and Bankruptcy Code, 2016. The applicant has tabulated the details of realisation as per the following table:

SI No.	Assets	Mode of Sale	Estimated Liquidation Value	Realization amount (In Rs.)	Date of Transfer into Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)
1	Plant & Machinery	e-auction (sale on parcel basis)	Rs 1,21,00,000/-	Rs 1,15,00,000/-	01/07/2021 05/07/2021 06/07/2021 16/07/2021 19/07/2021 26/07/2021 28/07/2021 26/08/2021
2	Land & Building	e-auction (sale on parcel basis)	Rs 4,19,00,000/-	Rs 26,60,000/-	04/01/2022 27/04/2022 28/04/2022 29/04/2022
					30/04/2022 07/05/2022 07/06/2022

12. The details of claims received and accepted/rejected during the process of liquidation are as under:

Sr. No.	Creditor Type.	Name of Creditor	Amount Claimed in Rs.	Amount Admitted in Rs.
1	Financial Creditor	Bank of India	42,70,60,710/-	38,02,39,671/-
2	Operational Creditor	The Deputy Commissioner of Customs	2,44,19,126/-	2,25,69,126/-
TOTAL			45,14,79,836/-	40,28,08,797/-

13. It is stated that a company secretary was appointed for completion of ROC Compliance and the same was completed for the F.Y. ending on 31.03.2021. Further, the audited balance sheet at the time of liquidation and audited liquidator receipt and payment of account as on 31.03.2023, the details of M/s. Eagle Cotton Private Limited are annexed as Exhibit-E to the present application.
14. It is stated that in compliance of Section 54 of the Insolvency and Bankruptcy Code, 2016, the entire assets of the Corporate Debtor was sold by way of E-Auction sales.
15. The applicant submitted the details of Stakeholder Consultancy Committee meetings held on various dates as per the following details:
- First Meeting of SCC held on 29/01/2021
 - Second Meeting of SCC held on 08/04/2021
 - Third Meeting of SCC held on 25/06/2021
 - Forth Meeting of SCC held on 13/09/2021
 - Fifth Meeting of SCC held on 22/12/2021
 - Sixth Meeting of SCC held on 17/01/2022
 - Seventh Meeting of SCC held on 27/01/2022
 - Eighth Meeting of SCC held on 07/03/2022
 - Ninth Meeting of SCC held on 18/04/2022
 - Tenth Meeting of SCC held on 07/05/2022
 - Eleventh Meeting of SCC held on 17/06/2022

The copies of minutes of all the above SCC meetings are annexed by the applicant as Exhibit-F (Colly).

16. As per the Regulation 15 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016 and till date all the progress reports are filed before this Tribunal. The applicant states that he filed the report certifying the list of Creditors and Stakeholder Consultancy Committee with this Bench. The reports are filed as per the following details:

- List of Stakeholders filed on 07.01.2021
- Preliminary Report Filed on 11.01.2021
- First Progress Report Filed on 13.01.2021
- Second Progress Report Filed on 09.04.2021
- Third Progress Report Filed on 15.07.2021
- Fourth Progress Report Filed on 15.10.2021
- Fifth Progress Report Filed on 16.01.2022
- Sixth Progress Report Filed on 15.04.2022
- Seventh Progress Report Filed on 15.07.2022
- Eighth Progress Report filed on 15.10.2022

The applicant has annexed all the aforementioned reports as Exhibit-G to the present application.

17. It is submitted that pursuant to Section 54 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 44 and 45 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016, the process of liquidation was completed and the present application has been made along with final report of liquidator of Dissolution of liquidation process in terms of the Corporate Debtor, M/s. Eagle Cotton Private Limited along with asset sales report. The asset sale

report, Form-H and Final Report are annexed to the present application as **Exhibit-H (Colly)**.

18. It is submitted that the applicant distributed all the proceeds as per the norms and tabulated the details as below:

Sl. No.	Stakeholders * under section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest					
2	CIRP Cost			36,69,647/-		
3	Liquidation Cost [Sec. 53(1)(a)]			a) 60,92,644 b) Liquidation expenses paid directly by Bank of India and further reimbursed to Bank of India : 318711 c) Interest on liquidation costs: 33870 Total: Rs. 64,45,225		
4	Workmen's Dues[Sec. 53(1)(b)(i)]	None	None	None		
5	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	42,70,60,710/-	38,02,39,671/-	1,77,21,155.65		
6	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	None	None	None		
7	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	None	None	None		
8	Government Dues + Amount Unpaid following Enforcement of Security Interest	2,44,19,126	2,25,69,126			



	[Sec.53(1)(e)]					
9	Any remaining Debts and Dues [Sec. 53(1)(f)]	None	None	None		
10	Preference Shareholders [Sec. 53(1)(g)]	None	None	None		
11	Equity Shareholders [Sec.53(1)(h)]	None	None	None		
Total		45,14,79,836	40,28,08,797	2,78,36,028		

19. As submitted, the Liquidator has opened Liquidation account with Bank of India, in the name of “Eagle Cotton Private Limited, in Liquidation” bearing account no. 310020110001145. As per Section 53 of IBC, 2016, the Liquidator distributed the proceedings to stakeholders. The applicant annexed a copy of letter issued by the Branch Manager, Bank of India declaring that account was having **zero balance as on 09.02.2023 and the same is closed** on the same day. The letter from Bank of India is annexed as Exhibit-J at page 332 of the present application.

20. The details of the relevant compliances as mandated under Section 54(1) of the Insolvency and Bankruptcy Code, 2016 read with IBBI (Liquidation Process) Regulations, 2016 are listed hereunder:-

Sr. No.	Compliance	Reference Page Number
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1	(Regulation 12) Public Announcement in Form B within five days of the appointment of the liquidator	Exhibit B, page 28
2	(Regulation 35(2)) Appointment of Registered valuers in matters where no valuation conducted during the CIRP	Appointment of valuers details mentioned in Minutes of 1 st SCC meeting page No.87-88
3	(Regulation 31(2)) Filing the List of Stakeholders within forty-five days of LCD	At page nos. 144-150
4	(Regulation 31A) Constitution of SCC within sixty days from LCD.	At page no.150
5	(Regulation 13) Filing 'Preliminary Report' before the Adjudicating Authority within seventy-five days from the LCD.	At page nos. 151-169
6	(Regulation 34) Preparation of Memorandum within seventy-five days from LCD.	At page nos. 163-165
7	Regulation 41) Opening of Bank Account in the name of the Company followed by the words 'in liquidation' in a Scheduled Bank.	Mentioned at page 88 in 1 st SCC meeting
8	Proof of Closure of the above Bank Account and any other account in the name of the Company.	Annexed as Exhibit J A/c. Closed on 09.02.2023
9	(Regulation 15) Quarterly Progress Reports and proof of filing the same before the Adjudicating Authority.	Annexed as Exhibit G Page 144
10	(Regulation 36) Asset Sale Report after sale of Assets.	Annexed as Exhibit H at page nos. 290-307
11	(Regulation 42(2)) Proof of distribution within ninety days from the receipt of realization.	Annexed as Exhibit K Bank statement at Page 333-334
12	(Regulation 45(3)) with 'Final Report' along Compliance Certificate in Form H to be filed along the Application.	Annexed as Exhibit H at page nos.308-328
13	(Regulation 5(1)(e)) (Compilation of the Minutes of SCC).	At page no.85-143

14	(Regulation 15) Audited accounts of receipts and payments. (Page No. of the Auditor Certificate in the Application Typeset)	At page nos. 80-84
15	(Regulation 37) Completion of liquidation process within one year from LCD or extension if any, date of the order & period.	Liquidation commencement date: 06.11.2020 Extensions: 1. 02.11.2021 for six months 2. 31.05.2022 for two months Copies of extension orders at Exhibit-I at pages 329-331
16	To furnish of details of any application pending before the Adjudicating Authority if any.	N.A.
17	Whether any application pending before this Tribunal in relation to the Corporate Debtor, if any. (Details to be furnished)	No litigation Pending

21. We heard the Learned Counsel for the Applicant and perused the material available on record. 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.”

22. 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. No assets are left with for any further disposal. Since the assets of the Corporate Debtor are completely liquidated, there remains nothing and no applications are pending in the matter. In the circumstances, as averred and as prayed for by the Applicant that an order for dissolution is to be passed by this Tribunal under Section 54(1) of the Code.

23. Accordingly, in exercise of the powers conferred under Section 54(1) of IBC, 2016. Hence, we pass the following order:-

i) The Adjudicating Authority in exercise of powers conferred to it under Section 54(2) of the IBC, 2016 orders that the Corporate Person (Applicant Company) viz., **M/s. Eagle Cotton Private Limited** having CIN No. **U17121GJ2012PTC068665** stands dissolved from the date of this order.

ii) Consequently, the liquidator Mr. Pradeep Kumar Kabra is hereby discharged from his duties and responsibilities as the liquidator of the Corporate Debtor.

- iii) 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.
- iv) The Registry of this Bench and the liquidator is directed to serve a copy of this order to the RoC concerned, Income Tax Department and also to the IBBI within seven days from this order for information and necessary action.

16. In terms of the above, **IA(Dis.)No.5 of 2024** in **CP(IB) No. 458/7/AHM/2018** is **allowed and stands disposed of.**

-Sd-

SAMEER KAKAR
MEMBER (TECHNICAL)

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

AT