



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

**I.A. (Dis.)/02/ND/2024
IN
CP IB/948/PB/2018**

(Under Section 54 of the Insolvency and Bankruptcy Code, 2016 read with regulation 45(3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.)

IN THE MATTER OF:

IDBI BANK LIMITED

...Financial Creditor

Versus

M/s SANTOSH OVERSEAS LIMITED

...Corporate Debtor

AND IN THE MATTER OF

**ROHIT SEHGAL, LIQUIDATOR
SANTOSH OVERSEAS LIMITED**

581, Top Floor, Sector 27,
Gurgaon, Haryana-122009

... Applicant

Order Delivered on: 19.02.2025

CORAM:

SHRI MAHENDRA KHANDELWAL, HON'BLE MEMBER (JUDICIAL)

DR. SANJEEV RANJAN, HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Liquidator

: Mr. Shashwat Anand, Mr. Deepanshu
Badiwal, Mr. Rishabh Kumar, Advs.



ORDER

PER: MAHENDRA KHANDELWAL, MEMBER (JUDICIAL)

1. The instant application is filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 (“Code”) read with regulation 45(3) of the Insolvency and Bankruptcy Board of India [Liquidation Process] Regulations, 2016 (“Liquidation Process Regulations”) by Mr. Rohit Sehgal (“Liquidator”/Applicant”) of M/s Santosh Overseas Limited (CIN: U52100DL2007PLC161735) (“Corporate “Debtor”) praying for dissolution of the Corporate Debtor under Section 54 of the Code, 2016.
2. The facts giving rise to filing of the instant application as stated by the Applicant are narrated hereunder: -
 - a) The Applicant submits that the Corporate Debtor having CIN No. U52100DL2007PLC161735 was incorporated on 09.04.2007. The Corporate Debtor was in the business of rice processing industry and was registered with the Registrar of Companies, Delhi on 09.04.2007 having its registered office at Unit No. DPT 501, DLF Prime Towers, Okhla Phase I, South Delhi, New Delhi-110020.
 - b) The Applicant submits that the IDBI Bank Limited (‘Financial Creditor’) had filed a petition bearing CP IB No. 948/PB/2018 under Section 7 of the Code, 2016 for initiating Corporate Insolvency Resolution Process (‘CIRP’) against the Corporate Debtor and the petition was admitted by the Hon’ble Principal Bench of NCLT at Delhi (‘Hon’ble Principal Bench’) vide order dated 08.02.2019, consequently CIRP was initiated against the Corporate Debtor and the Applicant herein was appointed as the Interim Resolution Professional (IRP) of the Corporate Debtor who was subsequently confirmed to act as the Resolution Professional of the Corporate Debtor.
 - c) The Applicant submits that during the CIRP proceedings, no resolution plan was received by the Resolution Professional, consequently, the Hon’ble Principal Bench passed an order for the liquidation of the Corporate Debtor on 27.09.2019 and confirmed for the continued engagement of the Applicant herein as the Liquidator of the Corporate Debtor.



- d) In compliance of Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 the liquidator made the public announcement in Form-B on 30.09.2019. The last date for submission of the claims was 27.10.2019.
- e) In compliance of Regulation 31A of the Liquidation Process Regulations, 2016, the Applicant Liquidator constituted a Stakeholders' Consultation Committee (SCC) on 26.11.2019 i.e. within sixty days from the Liquidation Commencement Date. Further, the Liquidator filed the Preliminary report, List of stakeholders and the Asset Memorandum before the Hon'ble Principal Bench on 12.12.2019. The Liquidator further submitted the Revised Asset Memorandum before the Hon'ble Principal Bench on 15.04.2020.
- f) The Liquidator reconstituted the SCC and submitted the constitution of new SCC to the Hon'ble Principal Bench on 14.10.2022.
- g) In compliance of Regulation 41 of the Liquidation Process Regulations, 2016, the Liquidator opened the bank account in the name of 'Santosh Overseas Limited- In Liquidation' with the HDFC Bank bearing Account No. 50200045249887 on 28.10.2019 for deposit of liquidation proceeds and distribution of sale proceeds.
- h) The Liquidator vide six e-auctions auctioned all the fixed and tangible assets of the Corporate Debtor and realised a total amount of Rs. 32,09,98,006/-, however, the Trade Receivables remained pending to be realised.
- i) The Liquidator conducted four subsequent e-auctions for selling the Trade Receivables, however, failed to realise the Trade Receivables. Thereafter, the SCC in its 14th meeting held on 08.05.2023 with 88.18% assenting vote approved the proposal of M/s Noida Holdings Pvt. Ltd. (NHPL) to take over the assignment of the Not-Readily-Realisable-Asset (NRRRA). On 31.10.2023, the Assignment Agreement was duly executed between the Corporate Debtor and NHPL.
- j) In compliance of Regulation 37 of the Liquidation Process Regulations, 2016, (a) the NRRRA which includes account receivables including advances and other receivables collectively amounting to Rs. 236.65 crores; and (b) transactions classified as avoidance transactions under Section 66 of the



Code were assigned to M/s Noida Holdings Pvt. Ltd. for an upfront consideration of INR 31,00,000/- and 90% share of recovery to the financial creditors. The Liquidator has issued Letter of Intent dated 01.06.2023 to M/s Noida Holdings Pvt. Ltd. and the same is placed on record as 'Annexure- J'.

k) The liquidation value of the Liquidation Estate is Rs. 37,19,31,701/- and the amount realised from the Liquidation Estate is Rs. 32,20,29,406/-. The Liquidator has so far made a total of five distributions to the stakeholders totalling to Rs. 30,46,37,848/-. The amount distributed to stakeholders as per Section 52 or 53 of the Code are as under:

1st Distribution

<u>Date</u>	<u>Particulars</u>	<u>Amount (Rs.)</u>
25.09.2020	Bank of Baroda	3,98,910
25.09.2020	IDBI Bank Limited	9,38,97,883
25.09.2020	Punjab National Bank	7,88,986
25.09.2020	State bank of India	5,44,290
25.09.2020	Union Bank of India	3,62,145
25.09.2020	ICICI Bank	3,26,218
25.09.2020	Oriental Bank of Commerce	5,16,395

2nd Distribution

<u>Date</u>	<u>Particulars</u>	<u>Amount (Rs.)</u>
24.11.2020	Bank of Baroda	1,39,06,563
24.11.2020	IDBI Bank Limited	6,07,31,304
24.11.2020	Punjab National Bank	2,75,01,485
24.11.2020	State bank of India	1,89,78,126
24.11.2020	Union Bank of India	1,09,83,251
24.11.2020	ICICI Bank	1,26,99,399
24.11.2020	Oriental Bank of Commerce	1,79,99,835



3rd Distribution

Date	Particulars	Amount (Rs.)
20.02.2021	Bank of Baroda	28,49,920
20.02.2021	IDBI Bank Limited	1,15,82,719
20.02.2021	Punjab National Bank	56,35,974
20.02.2021	State bank of India	38,89,253

20.02.2021	Union Bank of India	22,50,835
20.02.2021	ICICI Bank	26,02,532
20.02.2021	Oriental Bank of Commerce	36,88,768

4th Distribution

Date	Particulars	Amount (Rs.)
29.09.2023	Bank of Baroda	2,19,225
29.09.2023	IDBI Bank Limited	8,90,978
29.09.2023	Punjab National Bank	4,33,536
29.09.2023	State bank of India	2,99,173
29.09.2023	Union Bank of India	1,73,141
29.09.2023	ICICI Bank	2,00,195
29.09.2023	Oriental Bank of Commerce	2,83,751

5th Distribution

Date	Particulars	Amount (Rs.)
21.12.2023	Bank of Baroda	8,76,898
21.12.2023	IDBI Bank Limited	35,63,914
21.12.2023	Punjab National Bank	17,34,146
21.12.2023	State bank of India	11,96,693
21.12.2023	Union Bank of India	6,92,565
21.12.2023	ICICI Bank	8,00,779
21.12.2023	Oriental Bank of Commerce	11,35,006



- 1) The Liquidator has incurred the liquidation cost of Rs. 1,58,28,592/- so far and in the 6th meeting of CoC held on 30.08.2019, the CoC had approved that the fees of the Liquidator would be settled in terms of Regulation 4 of IBBI (Liquidation Process) (Amendment) Regulations, 2019 read with Regulations 33 and 34(B) and 39(D) of IBBI (IRCP), Regulations, 2016.
 - m) The Liquidator submits that after the distribution of the amount to the stakeholders, there is nothing left in the Liquidation Estate, hence, the Applicant is filing the instant application for dissolution of the Corporate Debtor.
3. This Adjudicating Authority vide its Order dated 19.07.2024 directed the Applicant/ Liquidator to file an affidavit mentioning the closure of the liquidation bank account. In compliance of the Order dated 19.07.2024, the Liquidator had filed an affidavit dated 05.09.2024 for placing on record the certificate dated 02.09.2024 from the HDFC Bank disclosing that the Liquidation Bank Account opened in the name of the Corporate Debtor M/s Santosh Overseas Limited has been closed on 02.09.2024.
 4. It is further observed that vide aforesaid Affidavit dated 05.09.2024, the Applicant has also placed on record the Distribution Sheet dated 14.08.2024 disclosing that after deducting the pending Liquidator fees, Liquidation Expenses and contingency amount, the Liquidator distributed an amount of Rs. 54,86,614/- to the stakeholders as per Section 53(1) (b) (ii) of the Code on 14.08.2024.
 5. Additionally, it is observed that an Assignment Agreement dated 31.10.2023 was entered into between the Corporate Debtor and M/s Noida Holdings Pvt. Ltd., whereby, the Not-Readily-Realisable-Assets (NRRA) and avoidance transactions under Section 66 of the Code were assigned to M/s Noida Holdings Pvt. Ltd. Further, the Assignment Agreement dated 31.10.2023 is placed on record.
 6. It is further observed that the Applicant has filed an application under Section 66 of the Code bearing CA No. 2424/PB/2019 for contribution of Rs. 236.26 crores on account of fraudulent transaction. However, it is observed that Regulation 44(1) of the Liquidation Process Regulations, 2016 allows for filing of the application for Liquidation of the Corporate Debtor during the pendency of



application for avoidance of transactions under Chapter III of Part II of the Code. The relevant extract of the aforesaid Regulation 44 is reproduced hereunder as:

“44. Completion of liquidation.

(1) The liquidator shall liquidate the corporate debtor within a period of one year from the liquidation commencement date, notwithstanding pendency of any application for avoidance of transactions under Chapter III of Part II of the Code, before the Adjudicating Authority or any action thereof:

(2) XXXXX

7. We have gone through the present Application filed by the Liquidator praying for closure of liquidation process and dissolution of the Corporate Debtor and in terms of Section 54 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 45 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. We have heard the Ld. Counsel appearing on behalf of the Liquidator and have carefully gone through the contents of the present petition.
8. The Applicant has filed the Final Report dated 02.01.2024 and also filed the Compliance Certificate in Form-H as required by Regulation 45(3) of IBBI (Liquidation Process) Regulations, 2016,
9. 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.
10. In view of the facts and circumstances, it emerges that all the assets of the Corporate Debtor have been completely liquidated and/or distributed to stakeholders as the provisions of law and there is nothing left to be further liquidated.
11. We have duly considered the merits thereof, in the light of the statutory provision of Section 54 of IBC, 2016 and Regulation 45 IBBI (Liquidation Process) Regulations, 2016. For the sake of convenience, the relevant provisions of Section



54 of IBC, 2016 and Regulation 45 IBBI (Liquidation Process) Regulations, 2016, are being reproduced herein below: -

“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).”*

12. Upon the perusal of the averments made in the application along with the perusal of the final report and the compliance certificate filed in Form-H of the petition, we observe that all the reports required to be filed under Regulation 5 of the Liquidation Regulations, 2016 has been filed. Further, the stakeholders of the Corporate Debtor had been paid off and the NRRA had been assigned to M/s

 Noida Holdings Pvt. Ltd. vide Assignment Agreement dated 31.10.2023. Therefore, it appears that affairs of the Corporate Debtor have been completely wound up and its assets have been completely liquidated.

13. In view of the above facts and circumstances, there is no legal impediment to the Corporate Debtor being dissolved. Accordingly, **I.A. (Dis.) No. 02/ND/2024 in C.P. IB/948/PB/2018 stands allowed** and the Corporate Debtor i.e., M/s Santosh Overseas Limited (CIN: U52100DL2007PLC161735) **is ordered to be dissolved with the immediate effect.**
14. The Liquidator is directed to serve a copy of this order upon the Registrar of Companies, NCT of Delhi & Haryana and the Insolvency and Bankruptcy Board of India, immediately and, in any case, within fourteen days of receipt of this order. The Registrar of Companies shall take further necessary action upon receipt of a copy of this order.
15. The Liquidator shall stand discharged from his responsibilities, subject to completion of procedural compliances, if any.
16. The Registry is directed to send e-mail copies of the order forthwith to all the parties for information and for taking necessary steps.

File be consigned to the record.

Sd/-
(DR. SANJEEV RANJAN)
MEMBER (TECHNICAL)

Sd/-
(MAHENDRA KHANDELWAL)
MEMBER (JUDICIAL)