

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II**

IA No. 3556/2022

In

C.P.(IB)312(MB) 2018

Under section 54(1) of the Insolvency
and Bankruptcy Code, 2016

Subha Pal

Having address at 475, Sector A,
Pocket C, Vasant Kunj,
New Delhi.

.... Applicant/Liquidator

IN THE MATTER OF

European Projects & Aviation Limited

Gala No. B-15, 3rd Floor, Electronic
Sadan-I MIDC, TTC Industrial Area,
Mahape Navi Mumbai-400710

[CIN: U64200MH1996PLC103693]

.... Operational Creditor

Versus

Spruce Trading Private Limited,

Flat No.2898, Building No.67,

Gandhinagar Jalkiran CHS, Bandra (E),

Mumbai-400051

[CIN: U74120MH2009PTC195064]

.... Corporate Debtor

Order Delivered on :-12.12.2023

Coram:

**Mr. Anil Raj Chellan
Member (Technical)**

**Mr. Kuldip Kumar Kareer
Member (Judicial)**

Appearances:

For the Applicant/Liquidator : Aniruth Purusothaman G

ORDER

Per:- Coram

1. This Interlocutory Application has been filed by Ms. Subha Pal, the Liquidator of Spruce Trading Private Limited ('the Corporate Debtor') under Section 54 of the Insolvency and Bankruptcy Code, 2016 ('the Code') read with Regulation 45(3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016 ('Liquidation Regulation') and Rule 11 of the National Company Law Tribunal Rules, 2016 ('NCLT Rules') seeking dissolution of the Corporate Debtor.

The Brief facts of the case are as under:

2. The Corporate Debtor was incorporated on 19.08.2009 and was engaged in trading of equipments related to telecom industry. The Corporate Insolvency Resolution Process (CIRP) was ordered to be commenced on 05.10.2018 by the Tribunal on the basis of an

application filed by one of the Creditors, European Projects and Aviation Limited.

3. Considering the stress prevailing in the telecom sector, the Committee of Creditors ('CoC') at its third meeting decided to liquidate the Corporate Debtor and did not call for the expression of interest. Based on the recommendation of CoC, the Tribunal passed an order on 04.03.2020 and appointed the Applicant who was acting as Resolution Professional to act as Liquidator.

4. The Public announcement regarding commencement of liquidation process as provided under Regulation 12 of the Liquidation Regulation was made by way of an advertisement in the prescribed Form B on 11.10.2020 in Financial Express (English) and Navshakti (vernacular) inviting claims till 09.11.2020 from the stakeholders of the Corporate Debtor. On the basis of the claims received and admitted, the Applicant constituted Stakeholders Consultation Committee ('SCC') on 08.12.2020 which comprised of.
 - (i) State Tax officer;
 - (ii) GTL Limited;
 - (iii) Liquidator of Infolink Solutions Private Limited; and
 - (iv) European Projects and Aviation Limited;

Since there was no claim from the secured financial creditors, unsecured financial creditors and workmen, the SCC was formed only with the representations of statutory dues and Operational Creditors.

5. The Applicant, in compliance of Regulation 41 of Liquidation Regulations opened the liquidation account and transferred Rs.65,03,637.07/- from existing current accounts of the Corporate Debtor to the liquidation account.
6. The Applicant prepared and submitted asset memorandum as per Regulation 34 of the Liquidation Regulations on 24.12.2020. The Liquidation estate of the Corporate Debtor included investment in shares, bank balance and advance paid to other companies. The liquidator had not carried out fresh valuation in order to limit the liquidation expenses and decided to use the valuation carried out in CIRP under which the fair value was Rs. 94,44,254/- and liquidation value was Rs. 91,80,702/-.
7. The Liquidator undertook sale of assets of the Corporate Debtor and recovered amounts as under:

Sr. No.	Assets	Mode of Sale	Estimated Liquidation Value	Realisation Amount (Rs)	Date of Transfer of
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					Liquidation Account
1.	237 equity shares of Canara Bank	Shares have been sold through stock exchange as per market price.	63,163.00	34,750.00	22.03.2021
2.	18,00,000 equity shares of European Projects & Aviation Ltd. (unlisted share)	Shares have been sold through e-auction conducted on 02.05.2022	0	9,54,000.00	10.05.2022
3.	5 shares of Kapol Co-op Bank Ltd.	No Realisation	0	0	NA
4.	3290 shares of Savyasachin Estates Pvt. Ltd.	No Realisation	0	0	NA
5.	Loans & Advances i) Rs. 60180287 to global Proserv Ltd. ii) Rs. 80532548 to Network Tele links P Ltd. iii) Rs. 547490332 to Venerate Trading P. Ltd. iv) Rs. 6102000 to Acasia Teleservices P. Ltd.	Realisation from debtors as part of distribution under Section 53 in the liquidation process of these debtors	0	78,357.22 (Note 1)	22.04.2022 29.10.2022
6.	VAT receivables	No realisations	6180063	0	NA

Note 1: An amount of Rs. 70,06,271 was realised from the distribution of funds in the liquidation process of debtor 'Global Proserv Limited' before commencement of liquidation process of corporate debtor and accordingly transferred to the liquidation account once the liquidation process commenced.

Note 2: All receipts in the cumulative receipts and payments account have been mentioned here. Post realisations from debtors and expenses during CIRP, an amount of Rs. 6656407.61 (balance in bank accounts & cash in hand) was then transferred to the liquidation account.

An amount of Rs. 10,32,778.35 was transferred to bank account on sale of assets & realisation from debtor. Rs. 3,38,956 was earned on the fixed deposits in liquidation account. Rs. 4,633.10 were miscellaneous receipts.

8. The summarised details of receipts and payments in the liquidation account of the Corporate Debtor for the period 10.10.2020 to 10.08.2022 is as under:

Sr. No.	Receipts (Income)	Amount (Rs.)
A	Transfer of funds from existing bank accounts	65,03,637.07
B	Transfer of funds on closure of Canara Bank account	1,51,985.54
C	Cash in hand deposited	785.00
D	Realisation from assets (debtors & sale of assets)	10,32,778.35
E	Interest earned on fixed deposits	3,38,956.00
F	Misc. Receipts	4,633.10
G	Total (A+B+C+D+E+F)	80,32,775.06
H	Liquidation cost	15,00,323.50
I	Distribution to stakeholders (excluding liquidation cost) *	65,32,451.56
J	Total (H+I)	80,32,775.06
	Balance in liquidation account	NIL

Receipts and payments post closure of Liquidation Account and

Audit of Accounts:

Sr. No.	Receipts	Amount (Rs.)
A	Amount confirmed to be distributed by 'Network Telelink Pvt. Ltd. To Spruce Trading Pvt. Ltd. As per Section 53	34,329.00
	Payments (Direct transfer of funds to stakeholders by Network Telelink Pvt Ltd.)	
B	Sales Tax Department – MUM-VAT-C-513	743.57
C	Sales Tax Department – MUM-VAT-C-710	3601.46
D	Sales Tax Department – MUM-VAT-C-710	982.50
E	GTL Limited	1,151.05
F	European Project & Aviation Limited	27,848.71
G	Infolink Solution Private Limited	0.69
H	Dayanand G Sharma	1.03
I	Total (B+C+D+E+F+G+H)	34,329.00
	Balance (A-1)	NIL

9. The Applicant submitted that the Liquidator had distributed the funds in accordance with Section 53 of the Code and no recovery is expected from the sale of 5 shares of Kapol Co-Operative Bank Limited and 3290 shares of Savyasachin Estate Private Limited.
10. The SCC, at its meeting held on 27.07.2022 passed a resolution for the dissolution of the Corporate Debtor. No PUFEE application is pending in the matter.

11. The Liquidation account opened with Axis Bank was closed on 10.08.2022 and the Demat account maintained by the Corporate Debtor with Axis Securities was also closed on 15.06.2022.
12. We have heard the learned counsel for the Applicant and perused the materials available on records.
13. The Liquidator has filed the final report and Compliance Certificate in Form-H in compliance with Regulation 45 of the Liquidation Regulations which contains the details of the liquidation process and distribution of liquidation estate consisting of investment in shares, bank balance and advance paid to companies. Investment in most of the shares has been liquidated but the investment in few shares could be recovered. The receivable in respect of the advance paid to companies have also been recovered to the extent possible. The Liquidation estate does not consist of any land or other movable assets. Thus, no realizable asset of the Corporate Debtor was left with for any further disposal. Since the assets of the Corporate Debtor are completely liquidated, the Corporate Debtor is required to be dissolved under Section 54 (2) of the Code. It is noted that the liquidator has held four SCC meetings and submitted quarterly progress reports. IA.No.1625/2020 filed for exclusion of 151 days for the period

01.10.2021-28.02.2022 from calculation of the period required for the completion of liquidation alone is pending before this Tribunal. The above application stands allowed by a separate order.

14. In view of the above, we pass an Order of dissolution of the Corporate Debtor as under:

- (a) The liquidation of the Corporate Debtor, Spruce Trading Private Limited (CIN.U74120MH2009PTC195064) stands dissolved from the date of this Order as per Section 54(2) of the Insolvency and Bankruptcy Code, 2016.
- (b) Consequently, the liquidator Ms. Subha Pal is discharged from her duties and responsibilities as the Liquidator of the Corporate Debtor. The Liquidator shall preserve physical or electronic copy of the reports, registers and books of account referred to in Regulation 45A of the IBBI (Liquidation Process) Regulation, 2016 for at least 8 years after the dissolution of the Corporate Debtor, either with herself or with an information utility.
- (c) The Liquidator and the Registry are directed to send the copy of this Order within 7 days from the date of this Order to the Registrar of Companies, Maharashtra along with all the books

and files of the Corporate Debtor (Spruce Trading Private Limited).

(d) A copy of this Order shall also be forwarded to IBBI and concerned parties for their record.

15. With the above direction, **IA.No.3556/2022 in CP(IB)No.312/2018 is allowed and disposed of.**

Sd/-

**ANIL RAJ CHELLAN
(MEMBER TECHNICAL)**

Sd/-

**KULDIP KUMAR KAREER
(MEMBER JUDICIAL)**