(Through Videoconference)

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI, COURT II

IA No. 222 of 2023
IN
CP No. 639/IBC/NCLT/MB/MAH/2017

Under Sections 54 (1)of the Insolvency & Bankruptcy Code, 2016 r/w Regulation 45(3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations 2016.

In the matter of :-

Mr. Mahesh Sureka,

Liquidator of Nvento Foods Technologies Pvt. Ltd.

...Applicant

In the matter of :-

HDFC Bank Ltd.
Vs.
Nvento Foods Technologies Pvt. Ltd.

...Petitioner

V/s

Evershine Advisory Services Private Limited
204, 2nd Floor, D-Definity, Jai Prakash Nagar,
Goregaon East, Mumbai - 400063

...Corporate Debtor

<u>Order delivered on: 03.02.2023</u>

Coram:

Hon'ble Member (Judicial) : Justice P. N. Deshmukh (Retd.)

Hon'ble Member (Technical) : Mr. Shyam Babu Gautam

Appearance:

For the Appicant : Adv. Arjun Sathees

ORDER

Per: Justice P.N. Deshmukh, Member Judicial

1. This is an Application by the Liquidator of Nvento Foods Technologies Pvt. Ltd. (hereinafter referred to as the Corporate Debtor) under Sections 54 and 60(5) of the Insolvency & Bankruptcy Code, 2016 (the Code) read with Regulation 45(3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations 2016 seeking dissolution of the Corporate Debtor.

2. The Company Petition over numbered under Section 7 of the Code seeking Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was admitted by this Tribunal by order dated 23.08.2017, where in Mr. Sanjay Lunkad was appointed as the Interim Resolution Professional (IRP). But it was noted that as the Registration of the IRP had expired hence Mr. Rajeev Mannadiar was appointed as IRP. In the first CoC meeting held on 29.12.2017, the IRP was confirmed as RP.

3. In the sixth CoC meeting held on 26.05.2018, CoC resolved to extend the CIRP period by 90 days. Further in the eighth CoC meeting held on 25.10.2018, since no resolution plan was received, the CoC

considering the facts recommended that the Corporate Debtor be liquidated. Accordingly vide Order dated 28.01.2019 liquidation was commenced, and the Applicant herein was appointed as the liquidator.

4. Public announcement in Form A was published on 09.02.2019 in the newspapers namely Free Press and Navshakti Mumbai Edition. It is further stated that the former RP informed the Applicant that the former RP relied only on the statements made by the members of the Suspended Directors.

5. As per the Code, the Applicant appointed two registered valuers namely Mr. Sanjay Dayal and Mr. P Madhu for valuation of Plant and Machinery. The valuers were only been able to complete the valuation of the assets located at Hyderabad, since the assets in Pune were under the custody of the Court Receiver, High Court, Bombay.

6. Further, in accordance with Regulation 31A (1) of the Liquidation Regulations, the Stakeholders Consultation Committee (SCC) was formed on 25.07.2019. In the first SCC meeting, the suspended director expressed its interest in buying the Corporate Debtor as a going concern.

7. The Applicant advertised in the newspaper in Hyderabad to study the market value of the assets of the Corporate Debtor. a single response was received but the amount offered was much lower than the liquidation value.

8. Further, as per the last audited accounts of the Corporate Debtor dated 27.01.2019, the fixed assets of the Corporate Debtor were valued at Rs. 25,92,081 which primarily consists of the factory building premise the existence of which the suspended directors have denied. The remaining value is of the moveable property such as equipment lying at the

Hyderabad premises. The assets lying in Pune could not be valued since they are in the custody of the Court Receiver, High Court of Bombay. Further due to non-cooperation from the suspended directors the Applicant was not able to ascertain the value or existence of any other assets, loans and advances. Further, due to the standstill of the affairs caused by Covid-19, the available assets such as Plant and Machinery have deteriorated and reduced to scrap and hence no buyers are available for the same.

9. Thee realizable value of the assets of the Corporate Debtor located at Hyderabad as per the valuation report of the registered valuers is as under :-

Fixed Assets (Plant and Machinery)	**Purchase Value (in Rs.)**	**Liquidation Value (in Rs.)**
Valuation by Mr. Sanjay Dayal	13,00,000	4,15,500
Valuation by Mr. Pagolu Madhu	7,22,491	3,79,702

10. It is submitted that the liquidation cost is estimated at Rs. 2,64,000/-. It is further submitted that the total claims received by the Applicant amount to Rs. 2,69,01,552/- which exceeds the value of the assets left with the Corporate Debtor that are not even sufficient to cover the liquidation cost. Since, there are no fixed assets of value to be sold, there is hardly any scope for distribution under Section 53 of the Code.

11. In the sixth SCC meeting held on 28.11.2022, the Applicant apprised the members of the SCC about the status of the liquidation of the Corporate Debtor and also indicated that since the realizable value of the assets of the Corporate Debtor are not sufficient to cover the liquidation costs, it would be appropriate to assign nil value to the existing assets lying at Hyderabad and Pune, and to file an Application for dissolution. The said was approved by 100% voting in the sixth SCC meeting.

12. A Final Report in accordance with Regulation 45 of the Liquidation Regulations. That the Applicant prepared the compliance certificate under Regulation 45(3) of the Regulations in Form-H.

13. An account ending in "4724" maintained with IDFC Bank for liquidation process was closed. Therefore, Applicant submits that the Applicant has fulfilled all duties as per the Code and has done all the compliances as per the time-line provided under the Regulations. Hence this Application.

14. On examining the submissions made by the Counsel appearing for the Applicant and the documents annexed to the Application, it appears that the affairs of the Corporate Debtor have been wound up and its assets have been completely liquidated. We are satisfied from the documents on record that the liquidation is not with intent to defraud any person. The bank account for the purpose of liquidation has been closed. The above facts and circumstances indicate that due process of liquidation, as per extant provisions and in the manner indicated in the Code and Regulations, have been followed by the Liquidator to liquidate the assets of Company and there realized amounts have also

been distributed among there claimants. The liquidation process has been duly completed as per the provisions of the Code. Thus, it would be just and equitable for this Authority to dissolve the Corporate Debtor. No party is going to be adversely affected thereby. In view of the above the Corporate Debtor deserves to be dissolved. Hence ordered.

ORDER

The Application be and the same is allowed, as follows :-

i. Nvento Foods Technologies Private Limited, the Corporate Debtor, is hereby dissolved with immediate effect;

ii. The Registry is directed to forward a certified copy of this order to the Registrar of Companies, Mumbai within a period of seven days;

iii. The Liquidator is discharged.

iv. C P No. 639/IBC/NCLT/MB/MAH/2017 also stands closed.

Sd/-	**Sd/-**
SHYAM BABU GAUTAM **MEMBER (TECHNICAL)**	**JUSTICE P.N. DESHMUKH** **MEMBER (JUDICIAL)**