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**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

C.P.(IB)No.65/BB/2017
U/s 10 of IBC, 2016
R/w Rule 7 of I&B (AAA) Rules, 2016 &
I.A.No.677 of 2019
U/s 54 (1) of the IBC, 2016

In the matter of:

Shri Gorur Narasimhamurthy Venkataraman

Liquidator of

M/s.Eolane Electronics Bangalore Pvt. Ltd.

(in Liquidation)

8, 1st Floor, 4th Main,

Chamarajpet,

Bengaluru – 560 018.

- Applicant/Liquidator

Date of Order: 18th December, 2019

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Parties/Counsels Present:


Liquidator : Shri G. N. Venkataraman

ORDER

Per: Rajeswara Rao Vittanala, Member (J)

1. I.A.No.677 of 2019 in C.P.(IB)No.65/BB/2017 is filed by Shri Gorur Narasimhamurthy Venkataraman, (hereinafter referred to as 'Applicant/Liquidator') of M/s.Eolane Electronics Bangalore Pvt. Ltd. ('Petitioner/Corporate Applicant') U/s 54 (1) of the IBC, 2016, by *inter alia* seeking to pass orders for Dissolution of Corporate Applicant namely




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
M/s.Eolane Electronics Bangalore Private Limited and to permit file a copy of the order to the ROC Bangalore etc.

2. Brief facts of the case, as available in the Application and Company petition, are as follows:

(1) The main Company Petition bearing C.P.(IB)No.65/BB/2017 is filed by M/s.Eolane Electronics Bangalore Pvt. Ltd.(Corporate Applicant), U/s 10 of the IBC, 2016, R/w Rule 7 of I&B (AAA) Rules, 2016, seeking for initiation of CIRP in respect of M/s.Eolane Electronics Bangalore Pvt. Ltd. on the ground that it has committed default for total amount of Rs.144,99,49,809/-. The Adjudicating Authority, on perusal of the documents and averments made in the Petition, admitted the Petition vide order dated 31.08.2017 by appointing Shri G.N.Venkataraman bearing Registration No.IBBI/IPA-003/IP-N00075/2017-2018/10585 as IRP, imposing moratorium etc.

(2) The CoC consist of Operational Creditors and workers, as there were no Financial Creditor. CoC consist of mainly (a) workers representative for unpaid wages, (b) Lessor for unpaid rent, (c) One manufacturing company of Japan for unpaid amount on supply of LED and Electronic items and (d) Other members of CoC were for supply of goods and services. After appointment of two Registered Valuers, the liquidation value was determined by Resolution Professional and liquidation value is Rs.12.99 Crores. RP called for Expression of Interest for Resolution Plan from the intended Resolution Applicants, and there was no Resolution Plan from any intended Resolution Applicants, and as such CoC decided and recommended for liquidating the Corporate Applicant, U/s 33 of the IBC, 2016, during their 4th meeting of the CoC which Resolution Professional submitted to the Adjudicating Authority. The Bench on receipt of submission made by the Resolution




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Professional of the recommendation of CoC to liquidate the Corporate Applicant has ordered for liquidation of Corporate Applicant, U/s 33 of the IBC, 2016, vide order dated 20.12.2017 on 112th day of CIRP.

- (3) After submitting all the Asset Memorandum, Preliminary Report and List of Stakeholders to the Bench, the Liquidator made Public Announcement for conducting Public Auction of sale of assets of Corporate Applicant as per the order dated 26.03.2018 and conducted Public Auction and realized around Rs.230.30 Crores, and out of the realization on sale of assets, 30% of the re-determined claims of 137 workers amount of Rs.1.42 Crores credited to their bank accounts. As the Bench directed the Liquidator to sell the assets through Public Auction, and the Liquidator could not reduce reserve price beyond 25% under old Rule and as such assets worth Rs.9.97 crores remained unsold as of 31.08.2019. Hence, Liquidator is not able sell these assets as these assets were of electronic items like electronic machinery, components, raw materials etc. which had lasts its performance value on account of obsolescence and non-maintenance under required whether condition like air condition, proper ventilation etc. as the Corporate Applicant closed factory leaving assets as such since November 2016 and the bidders did not offer even 30% of the reserve price. The Liquidator did voluntarily conducted Stakeholders meeting even though it was not indicated under old rule as the new amendments of liquidation process were made effective from 25.07.2019 and that too several Clauses were not made retrospective. The amendments of 25.07.2019 of liquidation process the reduction of 10% of reserve price for every failure of Public Auction was introduced and if this was available earlier the Liquidator could have sold all these items.

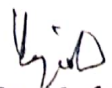


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- (4) It is further stated that the Liquidator invoked the Regulation 38 of REGOO5 of IBC, 2016, and filed an I.A.No.409 of 2019 by inter alia seeking a permission to distribute the unsold assets amongst the Stakeholders. The Bench ordered to allow Liquidator to distribute the unsold assets amounts Stakeholders on 17.09.2019 and directed to apply to Adjudicating Authority, U/s 54 of the IBC, 2016, to dissolve the Corporate Applicant after distributing unsold assets. Accordingly, the Liquidator taken action and completed the distribution of unsold assets amongst the Stakeholders by identifying assets and distributed Rs.10.32 Crores worth of assets to Stakeholders as per the directions of the Bench, and the Liquidator distributed all the assets to Stakeholders. The Liquidator has communicated to lift the distributed assets within 19.12.2019 as Stakeholder have to sell these assets and distribute amount proportionally amongst them from the realization and as such the Authorized representative of workers has agreed to lift the assets within 19.12.2019.
- (5) It is stated that the Lessor whose premises occupied by the Corporate Applicant is pressurizing the Liquidator to vacate the premises as per the IBC, 2016, liquidation process period for which Liquidator is making arrangement to vacate the premises on the last day of liquidation process i.e. on 19.12.2019. While the Liquidator is able to meet all the liquidation cost up to 16.12.2019 and Liquidator fee till 16.12.2019 as per the enclosed Cumulative receipts and payments amount up to 16.12.2019. The Liquidator is falling short of the amount to claim part of Liquidator fee on the distribution of unsold assets to the extent of assets distributed to 134 workers, which is around value of assets Rs.4.07 Crores. As and when if any amount realized by the Liquidator will be claiming his fees of Rs.11.47 Lakhs otherwise Liquidator will not have any




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funds to claim the fee and may have to forgo his fee. The Liquidator as per IBC 2016 is continuously submitting monthly Status Report to IPA of Institute of Cost Accountants of India and the latest monthly Status Report as of 05.12.2019 is submitted to the Bench now.

3. The Liquidator's receipts & payments account for the period of 01st October 2019 to 16th December 2019 is as follows:

Particulars	Amount in Rs.
Receipts	
Opening Balance	
Cash	1,783.00
Credit Agricole Corporate & Investment Bank	8,941.82
Credit Agricole Corporate & Investment Bank – FD Account	Nil
State Bank of India, Electronic City Branch	41,899.26
Vijaya Bank, Electronic City	Nil
Vijaya Bank, Gandhi Bazar Branch – Eolane Electronics Bangalore Pvt. Ltd. (in Liquidation)	18,77,659.87
Vijaya Bank, Gandhi Bazar Branch – Eolane Electronics Bangalore Pvt. Ltd. (in Liquidation) FD-Account	11,36,245.00
Receipts:	
Receipts from Book debts	Nil



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Interest received on Fixed Deposit	76,231.00
Miscellaneous Receipts	Nil
Income Tax Refund	81,160.00
Sale of assets	2,71,000.00
TOTAL	34,94,919.95

4. The Liquidator's receipts & payments account for the period of 01st October 2019 to 16th December 2019 is as follows:

Particulars	Amount in Rs.
<u>Payments</u>	
Bank Charges	118.80
City Office Infrastructure	77,500.00
Consultancy Services (Professionals)	3,98,000.00
Power & Fuel	30,000.00
Public Announcement	Nil
Security on subcontracting	5,45,630.00
Supervision Charges	90,780.00
Computer Maintenance	2,590.00
Travelling & conveyance	170,880.00



Printing & Stationery	7,100.00
PF Administration Charges	Nil
Liquidator's Fee (Inclusive of GST 18%)	19,27,129.00
Distribution of Creditors (Workers)	Nil
Telephone Expenses	5,365.00
Maintenance Expenses	82,150.00
Water Expenses	4,500.00
Meeting Expenses	54,940.00
Public Auction Expenses	Nil
Internet Expenses	Nil
Miscellaneous Expenses	1,440.00
Selling Expenses	6,685.00
Shifting Expenses	38,400.00
Secretarial expenses	4,970.00
Court Fee	1,050.00
Legal Expenses	4,500.00
Total Payments	34,55,027.80
Cash	25,963.00
Bank	
Credit Agricole Corporate & Investment Bank	41.82



State Bank of India, Electronic City Branch	124.26
Vijaya Bank, Gandhi Bazaar Branch	13,763.07
Vijaya Bank, Gandhi Bazaar Branch-FD Account	Nil
TOTAL	34,94,919.95

5. The Liquidator's Cumulative receipts & payments account for the period of 20th December 2017 to 16th December 2019 is as follows:

Particulars	Amount in Rs.
Receipts	
Opening Balance	
Cash	-
Credit Agricole Corporate & Investment Bank	38,31,935.43
Credit Agricole Corporate & Investment Bank - FD Account	50,00,000.00
State Bank of India, Electronic City Branch	94,100.26
Vijaya Bank, Electronic City Branch	52,844.37
Receipts:	
Receipts from Book debts	11,85,956.25
Interest received on Fixed Deposit	3,07,414.39
Miscellaneous Receipts	15,595.00



Income Tax refund	4,69,161.00
Sale of assets	2,30,30,499.50
TOTAL	3,39,87,506.20

6. The Liquidator's Cumulative receipts & payments account for the period of 20th December 2017 to 16th December 2019 is as follows:

Particulars	Amount in Rs.
Payments	
Bank Charges	15,061.90
City Office Infrastructure	6,25,300.00
Consultancy Services (Professionals)	26,69,782.00
Power & Fuel	14,52,342.00
Public Announcement	5,67,942.00
Security on subcontracting	63,45,456.00
Supervision Charge	9,09,046.00
Insurance	88,500.00
Computer Maintenance	20,390.00
Travelling & Conveyance	15,02,050.00



Printing & Stationery	50,684.00
TDS Receivables	7,614.00
PF Administration Charges	13,932.00
Liquidator's Fee (inclusive of GST 18%)	37,30,735.00
Distribution of Creditors (Workers)	1,42,35,383.00
Meeting Expenses	5,32,276.00
Public Auction Expenses	1,63,995.00
Telephone Expenses	50,102.00
Maintenance Expenses	5,47,240.00
Water Expenses	44,270.00
Internet Expenses	10,370.00
Miscellaneous Expenses	4,333.00
Postage Expenses	3,960.00
Selling Expenses	1,04,180.15
Shifting Expenses	2,42,150.00
Secretarial Expenses	4,970.00
Court Fee	1,050.00



Legal Expenses	4,500.00
Total Payment	3,39,47,614.05
Cash	25,963.00
Bank	
Credit Agricole Corporate & Investment Bank	41.82
State Bank of India, Electronic City Branch	124.26
Vijaya Bank, Gandhi Bazaar Branch	13,763.07
Vijaya Bank, Gandhi Bazaar Branch-FD Account	Nil
TOTAL	3,39,87,506.20

7. Heard Shri G.N.Venkataraman, the Liquidator. We have carefully perused the pleadings of the party and the extant provisions of Code and the rules made thereunder.
8. Shri G.N.Venkataraman, the Liquidator, while making the above contentions, has further submitted that he is having one Liquidation Account opened with Vijaya Bank (Now Bank of Baroda), Gandhi Bazar Branch, which will be closed after meeting the liquidation expenses of essential services like security charges, conveyance expenses, water etc. on realizing the some miscellaneous items available before vacating the premises to the lessor and the account will be closed on receipt of dissolution order from the Adjudicating Authority. Other accounts of the Corporate Debtor are with State Bank of India and Credit Agricole Bank,



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where small amount is remaining in the account to meet statutory payments like TDS, and on the last day of liquidation process i.e., on 19.12.2019 these two accounts will be closed. With the above all actions the Liquidator will be completing the liquidation process and on receipt of dissolution order from the Adjudicating Authority and a copy of Dissolution order will be forwarded to ROC of as per Section 54(3) of IBC, 2016.

9. The above facts and circumstance of the case has established that due process of Liquidation, as per extant provisions of Code and the rules were followed by the Liquidator to liquidate the Assets of Company and the realized amounts were also distributed to the respective claimants. Therefore, the liquidation process was deemed to have completed under Chapter III of Part II of Code, and thus it would be just and appropriate for the Adjudicating Authority to dissolve the Company, and no party would be going to be affected by dissolving the Company. And the Liquidator can be directed to close the Liquidation Account, and other accounts of the Company, on receipt of copy of this order.
10. In the result, both C.P.(IB)No.65/BB/2017 & I.A.No.677 of 2019 are hereby disposed of with the following directions:

- (1) It is hereby dissolved M/s.Eolane Electronics Bangalore Pvt. Ltd. the Corporate Applicant with immediate effect;
- (2) The Liquidator is permitted to close the pending viz. Liquidation Bank Account, State Bank of India and Credit Agricola Bank, as stated by him, within three weeks from the date of receipt of copy of this order.
- (3) The Liquidator is directed to forward a copy of this Order to all other Statutory Authorities connected with the affairs of the

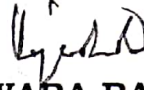


Company including the Registrar of Companies, Karnataka,
immediately;

(4) The Registry of NCLT is also directed to forward a copy of this order
to the Registrar of Companies, Karnataka.



ASHUTOSH CHANDRA
MEMBER, TECHNICAL




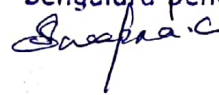
RAJESWARA RAO VITTANALA
MEMBER, JUDICIAL

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National Company Law Tribunal
Bengaluru Bench



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