

**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

IA No.463/2023 IN CP (IB) NO.376/ALD/2019

(An application under Section 54 of Insolvency and Bankruptcy Code, 2016 read with Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016)

IN THE MATTER OF:

RIDHI SIDHI GLASSES (INDIA) PRIVATE LIMITED

.... OPERATIONAL CREDITOR

Versus

ARM WINSYS TECH PRIVATE LIMITED

...CORPORATE DEBTOR

AND IN THE MATTER OF

DEEPAK KUMAR GARG

LIQUIDATOR FOR

ARM WINSYS TECH PRIVATE LIMITED

7A, ATMARAM HOUSE,

No. 1, TOLSTOY MARG

New Delhi

.....APPLICANT

Order pronounced on- 11th July, 2024

Coram:

Mr. Praveen Gupta. : Member (Judicial)

Mr. Ashish Verma : Member (Technical)

Appearances:

Sh. Karan Kohli : For the Applicant/Liquidator
with Sh. Abhishek Anand, Advs.

ORDER

1. This application bearing I.A. No. 463/2023 in CP(IB) 376/ALD/2019 has been filed for dissolution of Corporate Debtor under Section 54 of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as IBC) praying for the following reliefs:

- a. Allow the present Application and dissolve the Corporate Debtor, i.e., M/s Arm Winsys Tech Private Limited under Section 54 of the Insolvency and Bankruptcy Code, 2016;*
- b. Consequentially, discharge the Applicant, i.e., Mr. Deepak Kumar Garg from the duties of Liquidator of the Corporate Debtor;*
- c. Direct the Registrar of Companies to take necessary action in respect of the dissolved company as per law; and*
- d. Pass such other further order/ order(s) as may be deemed fit and proper in the facts and circumstances of the case.*

2. To put it briefly, the facts of the case are that the Application under section 9 of IBC for initiating CIRP was admitted by this Adjudicating Authority vide order dated 28.01.2021 and Mr. Deepak Kumar Garg was appointed as IRP.

- 3.** The Applicant submitted that the CoC on 14.06.2021 resolved that Corporate Debtor should be liquidated in accordance with the provisions of the IBC-2016.
- 4.** The Applicant further submitted that on the decision of CoC, an application for liquidation of Corporate Debtor was filed before this tribunal and this Adjudicating Authority passed an order u/s 33 (2) to liquidate the Corporate Debtor on 16.03.2022 and Mr. Deepak Kumar Garg was appointed as Liquidator.
- 5.** The Applicant submitted that pursuant to liquidation, public announcement in two newspapers namely, Business Standard (English) and Amar Ujala (Hindi), was issued on 24.03.2022 for invitation of claims. The specified deadline for submitting claims, as mentioned in the public announcement, was 15.04.2022. Additionally, a copy of the public announcement was uploaded on the Insolvency and Bankruptcy Board of India's website.
- 6.** Pursuant to the abovementioned publications the Applicant admitted claim of Financial Creditor of the Corporate Debtor summary of which are as under:

S. No	Name of creditor	Amount claimed (in Rs.)	Amount of claim admitted (in Rs.)	Nature of claim	Whether security interest relinquished?
1.	Bank of Maharashtra	1,49,24,097.32	1,41,18,867	Secured	Yes
	Total	1,49,24,097.32	1,41,18,867		

However, the Applicant did not receive any claim from Unsecured Financial Creditor or any Operational Creditor within the prescribed time period.

7. The Applicant submitted that in adherence to Regulation 41(1) of the Liquidation Regulations, 2016, he opened the current account for the Corporate Debtor to collect all funds owed to it. The particulars of the liquidation account are outlined below:

Payee Name: Liquidation a/c of Arm Winsys Tech Private Ltd

A/c No:-50200068983071

IFSC:-HDFC0001355

Bank Name: HDFC Bank Limited

Branch: - East Patel Nagar, Delhi-110008

8. The Applicant stated that in compliance with Regulation 13 of Liquidation Process Regulations, a Preliminary Report along with Asset Memorandum as prepared in accordance with Regulation 34 of Liquidation Process Regulations was

submitted before this Adjudicating Authority on 06.06.2022 i.e. within seventy-five days from the Liquidation commencement date. In pursuance of the same, the Applicant filed the same vide filing No. 0902109003262019/2 before this Adjudicating Authority.

9. The Applicant submitted that in accordance with Regulation 31A (1) of Liquidation Process Regulations, a "Stakeholders' Consultation Committee" (SCC) was constituted within the stipulated period of sixty days from Liquidation commencement date. The Applicant then on 30.5.2022 convened a meeting of SCC wherein the liquidator briefed and discussed with the committee about the actions taken / actions to be taken consequent to commencement of liquidation of Corporate Debtor, particularly, the terms and conditions of e-auction sale of the assets of the Corporate Debtor i.e. land and building situated at RIICO, Kushkhera (Bhiwadi), including reserve price in accordance with Regulation 35 of Liquidation Regulation, earnest money deposit and pre-bid qualifications etc. Since the only asset held by the Corporate Debtor was Land and Building admeasuring 1000 sq mtr. situated at G1-547, RIICO,

Kushkhera, Bhiwadi, Distt. Alwar, Rajasthan, the Applicant after due consultation with the SCC, issued a public notice advertisement in the newspapers viz, Financial express (English) and Jansatta (Hindi) (Delhi NCR Edition) and Rashtradoot (Jaipur Hindi edition) on 10.06.2022, inviting interested bidders to submit their bid and participate in the E- auction for purchase of asset of Corporate Debtor. The Applicant further extended the last date of submission of EOI for greater participation of the bidders and issued an addendum advertisement in the newspapers viz, Financial Express (English) and Jansatta (Hindi) (Delhi NCR Edition) and Rashtradoot (Jaipur Hindi edition) on 05.07.2022.

- 10.** The Applicant then received EOI's from seven bidders and after conducting the due diligence, found the seven bidders as qualified to participate in the E-auction process. which was conducted on 14.07.2022. All the seven bidders participated in the E-auction process on 14.07.2022 wherein one M/s MKSAP Packers and Traders Pvt Ltd was declared as the Successful Bidder with a bid of Rs. 1,70,00,000/-. Further, the Applicant has realized the entire sale consideration of Rs.1,70,00,000/- from the successful bidder

and distributed Rs.1,38,00,000/- to the Sole Secured Financial Creditor, i.e. Bank of Maharashtra in three tranches and received his fee (realization and distribution) in that regard as per Regulation 4(1)(b) of the Liquidation Regulations.

- 11.** Thereafter, the Applicant convened the 2nd SCC meeting of the Corporate Debtor on 28.09.2023 wherein the Applicant apprised the members of SCC regarding the successful sale of the Bhiwadi Property in favour of MKSAP Packers and Traders Pvt Ltd for a sum of Rs. 1,70,00,000/-.
- 12.** The Applicant sought extension of liquidation period by 90 days which was allowed by this Adjudicating Authority on 21.03.2023 as the liquidation process of the Corporate Debtor was expiring on 15.03.2023.
- 13.** Thereafter the Applicant convened the 3rd SCC meeting of the Corporate Debtor on 21.04.2023 wherein the Applicant apprised the members of SCC regarding the steps taken by the Applicant since commencement of the Liquidation Process of the Corporate Debtor. On the 4th SCC meeting of the Corporate Debtor held on 25.07.2023, the Applicant apprised the members of SCC regarding the steps taken by

him since commencement of the Liquidation Process of the Corporate Debtor. In the 5th SCC meeting of the Corporate Debtor held on 04.09.2023, the Applicant apprised the members of SCC regarding the steps taken by the Applicant since commencement of the Liquidation Process of the Corporate Debtor. The Applicant apprised the members of SCC that since all the assets of the Corporate Debtor have been liquidated and the consequent distribution has also been made, it would be appropriate to file the present Application under Section 54 of the Code seeking dissolution of the Corporate Debtor.

- 14.** The Applicant, after retaining the costs incurred during CIRP & Liquidation period in the matter, distributed an amount of Rs. 1,38,00,000/- in favour of the sole Financial Creditor of the Corporate Debtor. The details of the distribution are as follows:

S. No.	FINANCIAL CREDITOR	AMOUNT (In Rs.)	DATE
1.	Bank of Maharashtra	90,36,019	14.09.2022

2.	Bank of Maharashtra	29,63,981	15.09.2022
3.	Bank of Maharashtra	18,00,000	18.08.2023
	TOTAL	1,38,00,000	

Besides the abovementioned distribution, the Applicant also reimbursed the CIRP cost of Rs. 5,86,380/- to the Sole Financial Creditor who borne the said cost, on 23.05.2023.

- 15.** The Applicant being Liquidator in compliance of Regulation 15(1)(b) & 5(1)(c) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, duly filed the quarterly progress report. The details of the progress report are as under:

S. No.	Quarterly Progress Report	Report bearing Application No./Filing No & date of filing of quarterly report with this Adjudicating Authority
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1.	1st Progress Report (16.01.2022 to 31.03.2022)	I.A. No. 141 of 2022 (15.04.2022)
2.	2nd Progress Report (01.04.2022 to 30.06.2022)	0902109003262019/3 15.07.2022
3.	3rd Progress Report (01.07.2022 to 30.09.2022)	I.A. No. 361 of 2022 15.10.2022
4.	4th Progress Report (01.10.2022 to 31.12.2022)	I.A. No. 30 of 2023 16.01.2023
5.	5th Progress Report (01.01.2023 to 31.03.2023)	I.A. No. 159 of 2023 14.04.2023
6.	6th Progress Report (01.04.2023 to 30.06.2023)	I.A. No. 341 of 2023 15.07.2023

16. The Applicant submitted that the average liquidation value of the liquidation estate of the Corporate Debtor was Ra. 1,05,84,100/-, however, the Applicant with the aid and consultation of the SCC members realized an amount of Rs.1,70,00,000/-. The details of the amount distributed to the stakeholders as per Section 52 or 53 of the Code are as under:

S. No.	Stakeholders under Sec 53(1)	Amount claimed. (in Rs.)	Amount Admitted (in Rs.)	Amount Distributed (in Rs.)	Amount Distributed to the Amount Claimed (%)
1(a)	CIRP Cost	5,86,380	5,86,380	5,86,380	100
1(b)	Liquidation Cost	26,13,620	26,13,620	26,13,620	100
b (ii)	Bank of Maharashtra	1,49,24,097.32	1,41,18,867	1,38,00,000	92.46
	Total	1,81,24,097.32	1,73,18,867	1,70,00,000	

17. The Applicant distributed an amount of Rs. 1,38,00,000/- out of the total amount realized from the sale of the liquidation estate of the Corporate Debtor. Further, an amount of Rs.2,31,571/- was transferred by the Applicant in his personal bank account in order to meet the future/contingent Liquidation Expenses. The remaining amount after deducting future expenses would be remitted to the Bank of Maharashtra post dissolution order.

18. The Applicant has prepared a Final Report in compliance of Regulation 45 of the Liquidation Process Regulations, 2016, before the dissolution application, containing a Liquidation Statement of Assets and its realization which is used to meet part of the Liquidation Cost. The Compliance Certificate in

FORM-H as per Regulation 45(3) of the Liquidation Process Regulations, 2016 has also been filed with the present application.

- 19.** 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 also gone through the contents of the present petition.
- 20.** The Applicant has filed the Final Report and the Compliance Certificate in Form-H as required by Regulation 45(3) of IBBI (Liquidation Process) Regulations, 2016. Further, in pursuance to the order dated 13.10.2023, a convenience proforma has also been filed by the Ld. Counsel representing the Liquidator on 23.10.2023.
- 21.** In view of the facts and circumstances, since the Applicant submitted that all the assets of 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.

22. It is worthwhile referring to Section 54 of IBC, 2016 and Regulation 45 IBBI (Liquidation Process) Regulations, 2016:

“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).”

From the conjunct reading of the above provisions, this Adjudicating Authority is required to see that whether the assets of the Corporate Debtor are completely liquidated or not. In the instant case the Liquidator has furnished his Final Report and Form-H. Since in the instant case as discussed above, all the assets of the Corporate Debtor have been liquidated and all the requirements of Regulation 45 of IBBI (Liquidation Process) Regulations, 2016 have been

fulfilled, therefore, we are inclined to allow the present Application under Section 54(2) of the IBC, 2016.

23. Accordingly, there being no other impediment, the present Application namely, I.A. No.463 of 2023 is allowed and the Corporate Debtor is ordered to be dissolved with immediate effect and consequently CP (IB) No. 376 (ALD) of 2019 also stands disposed of.

24. As a result, in exercise of the powers conferred on the Adjudicating Authority, under Section 54 of the Code, the instant Application bearing I.A. No.463 of 2023 and CP (IB) No. 376 of 2019 are hereby disposed of with the following directions:

- a.** The Corporate Debtor, namely, Arm Winsys Tech Private Limited is dissolved, with immediate effect;
- b.** The Registry is directed to forward a copy of this Order to the Registrar of Companies Kanpur, within a period of two weeks from the date of receipt of this order, for further necessary action as prescribed under Law;
- c.** The Ld. Liquidator is directed to forward copies of this Order to all other Statutory Authorities connected with

the affairs of the Company, for further necessary action as prescribed under law.

d. With this, the instant I.A. No. 463 of 2023, and Petition bearing CP (IB) No. 376 of 2019 also stand disposed of accordingly.

-Sd-

(Ashish Verma)
Member (Technical)

Date: 11TH JULY, 2024

-Sd-

(Praveen Gupta)
Member (Judicial)