

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH, (Court – II)  
KOLKATA**

**IA(IBC)(DIS.)/24(KB)2024**

**C.P. (IB)/314(KB)2019**

***An application under Section 54(1) of the Insolvency &  
Bankruptcy Code, 2016 and read with Regulation 45(3)(b)  
of the Insolvency and Bankruptcy Board of India  
(Liquidation Process) Regulations, 2016.***

**In the matter of:**

**(1) Arvind Industrials.**

**... Operational Creditor**

**-Versus-**

**(2) Shree Gajapati Paints Private Limited.**

**... Corporate Debtor**

**-And-**

**(3) Mr. Rasik Singhania, having office at Chitrakoot Building, Room No. 98, 9<sup>th</sup> Floor, 230A, A.J.C. Bose Road, Kolkata – 700 020, having registration no. IBBI/IPA-001/IP-P00390/2017-2018/10708.**

**... Applicant/Petitioner/Liquidator**

**Date of pronouncing of the order: 02/07/2024**

**Coram:**

**SMT. BIDISHA BANERJEE : MEMBER (JUDICIAL)**

**SHRI D. ARVIND : MEMBER (TECHNICAL)**

**Appearances (via video conferencing/physically):**

**Mr. Rasik Singhania, Liq.-in-Person : For the Liquidator**

**ORDER**

**Per: Bidisha Banerjee, Member (Judicial)**

1. The court convened through hybrid mode.
2. Ld. Authorised Representative appearing on behalf of the liquidator was heard in extenso.
3. This application **IA(IBC)(DIS.)/24(KB)2024** has been preferred to seek the following reliefs, inter alia: -

*(a) To allow this application;*

*(b) This Tribunal may be pleased to declare closure of the Liquidation Process of the Corporate Debtor and be pleased to pass appropriate Orders/Directions to Order dissolution of the Corporate Debtor, i.e., **Shree Gajapati Paints Private Limited**;*

*(c) The Tribunal may be pleaded to discharge the Liquidator from his duty as Liquidator of the Corporate Debtor.*

*(d) Any other Orders/Directions be passed as deemed fit a necessary by this Court in the interest of justice and equity.*

**4. Factual matrix of the case is as under: -**

**(a)** On 18.03.2021, the applicant/petitioner herein was duly appointed as the Liquidator by this Tribunal to initiate the liquidation process against **Shree Gajapati Paints Private Limited** (hereinafter referred to as “Corporate Debtor”) under Section 33, Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.

- (b) Pursuant to the Order dated 18.03.2021, in compliance with Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 the applicant herein made a **Public Announcement in Form B** of Schedule II of the Liquidation Regulations on 22.03.2021, **“Financial Express & Business Standard” (in English) – Kolkata Edition** and **“Aajkal & Ekdin” (in Bengali – Vernacular Daily) – Kolkata Edition**, *inter alia*, inviting proof of claims from all stakeholders and also stating that the CD has entered the process of Liquidation. Further, **Public Announcement** was also made on **“Hindustan Times” (in English) – Jharkhand Edition** and **“Hindustan” (in Hindi – Vernacular Daily) – Jamshedpur Edition** as operations of the CD.
- (c) The Liquidator received claims from 5 (five) Creditors. The total amount claimed by them is Rs. 3,21,47,133/- and the total amount admitted by the Liquidator is Rs. 3,19,13,632/-. The Financial Creditors is a Secured Financial Creditor accounting for 89.67% of the total admitted claim and four Operational Creditor accounting for 10.33% of the total admitted claim.
- (d) The Corporate Debtor having land, building and plant & machinery of which valuation was done during the CIRP period wherein the Liquidation Value was estimated at Rs. 237.08 lakhs. The liquidator adopted the same value in accordance with regulation 35(1) as releasable value of the CD.
- (e) In Compliance with Regulation 31 of the Liquidation Regulations, a category wise list of stakeholders along with

details of each stakeholder, whether secured or unsecured in respect of each claim submitted was prepared by the Liquidator.

- (f)** In compliance with the Regulation 31A of the Liquidation Regulations, the Liquidator constituted Stakeholders Consultation Committee (in short “SCC”) on 20.05.2021 instead of 17.05.2021 as there was delay in nomination of representatives by Operational Creditors.
- (g)** The liquidator submitted the list of stakeholders prepared under regulation 31 before this Adjudicating Authority on 07.06.2021 and also the liquidator conducted four (4) meetings of the SCC on 15.11.2021, 15.12.2021, 07.06.2021 & 06.06.2024. The minutes of the said meetings have already been filed with the progress reports filed from time to time.
- (h)** The liquidator intimated the Office of the Registrar of Companies that this Adjudicating Authority has Ordered the liquidation of Corporate Debtor, by filing Form INC-28 through MCA portal on 12.04.2021.
- (i)** The Applicant states that as on Liquidation Commencement Date, the Corporate Debtor was not having any business operations. Further, there were no employees/workers presently working for the Corporate Debtor.
- (j)** In compliance with Regulation 13 and 34 of the Liquidation Regulations, the Preliminary Report and Asset Memorandum was prepared and submitted before this Adjudicating Authority on 01.06.2021, i.e., within 75 days

from the liquidation commencement date. Applicant craves leave to refer to the copy of the same at the time of hearing.

- (k) The liquidator has prepared and filed before this Adjudicating Authority, 13-quarterly progress reports from time to time on various dated in accordance with Regulation 15 of the Liquidation Regulations, 2016. The 14<sup>th</sup> Progress Report is being filed as a separate IA along with this application.
- (l) The liquidator has filed application from time to time under Regulation 44(2) of the Liquidation Process Regulations, 2016 for the extension of Liquidation Process period beyond the date of completion of one year of Liquidation Process Period, and has obtained approval of the same. Liquidation period extension was allowed from time to time by this Adjudicating Authority *vide* Order(s) dated 06.05.2022, 27.12.2022, 01.05.2023, 22.08.2023 & 11.03.2024 as per the last Order the date of completion of Liquidation is extended till 11.06.2024.
- (m) The current account in the name of “**Shree Gajapati Paints Private Limited – in liquidation**” bearing Account No. 000605035508 along with Address at R. N. Mukherjee Road Branch, Kolkata of ICICI Bank Ltd.
- (n) The Applicant submits that he has conducted four Auctions for the sale of entire property of the CD on 07.01.2022, 08.03.2022, 19.09.2022 and 04.12.2023. The applicant further submits that he was able to sale the entire property of the Corporate Debtor in the 4<sup>th</sup> Auction and had realised Rs. 1,92,04,000/-.

- (o) Sale process was completed towards transfer of Land & Building by way of execution of conveyance deed on 29.04.2024. For transfer of movable assets of the CD, the Liquidator obtained fresh GST registration and completed the entire process within May 2024. Subsequently, the after paying the due taxes, the GST Registration was cancelled on 24.05.2024.
- (p) The liquidator has completed the entire liquidation process on 10.06.2024, i.e., within the extended period of time and distributed the entire realized amount among the stakeholders.
- (q) As per the final report dated 10.06.2024, the assets of the CD have been realized by the liquidator to the extent possible in accordance with the provisions of the Code and Liquidation Regulations and the proceeds have been distributed among the stakeholders as per the waterfall mechanisms prescribed under Section 53 of the Code. Accordingly, the liquidator has completed the Liquidation process in the meantime.
- (r) It is evident from the '**Form H**' that assets as per Asset Memorandum and Final Sale Report are as under: -

3. The details of the assets as per Asset Memorandum and Final Sale Report are as under:

Sl. No.	Assets	Mode of Sale	Estimated Liquidation Value	Realisation Amount (Rs.)	Date of Transfer to Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)
1	Land & Building and Plant & Machinery	E- auction	2,37,08,303	1,92,04,000	04.12.2023 and 14.12.2023

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH (Court –II)  
KOLKATA**

4. (a) Liquidation value of the liquidation estate: ₹ 2,37,08,303  
 (b) Amount realised from sale of liquidation estate: ₹ 1,92,04,000  
 (c) The amounts distributed to stakeholders as per section 52 or 53 of Code are as under:

(Amount in Rs. Lakh)

Sl. No.	Stakeholders* under section 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	(a): CIRP Costs	16,84,701	16,84,701	16,84,701	100%	
2	(a): Liquidation Costs	9,63,213	9,63,213	9,63,213	100%	
3	(b)(i) Workmen dues for the period of twenty-four months preceding the liquidation commencement date;	NIL	NIL	NIL	N.A.	
4	(b)(ii) Debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in section 52	2,86,18,243	2,86,18,243	1,65,56,086	57.85%	
5	(c) wages and any unpaid dues owed to employees other than workmen for the period of twelve months	NIL	NIL	NIL	N.A.	



42

	preceding the liquidation commencement date;					
6	(d) financial debts owed to unsecured creditors;	NIL	NIL	NIL	N.A.	
7	(e)(i) any amount due to the Central Government and the State Government including the amount to be received on account of the Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the liquidation commencement date;	4,24,548	4,24,548	NIL	0%	
8	(e) (ii) debts owed to a secured creditor for any amount unpaid following the enforcement of security interest;	NIL	NIL	NIL	N.A.	
9	(f) any remaining debts and dues	31,04,342	28,70,841	NIL	0%	
10	(g) preference shareholders, if any	NIL	NIL	NIL	N.A.	
11	(h) equity shareholders or partners, as the case may be	NIL	NIL	NIL	N.A.	
<b>Total</b>		<b>3,46,95,047</b>	<b>3,45,61,546</b>	<b>1,92,04,000</b>		

\*If there are sub-categories in a category, please add rows for each sub-category.

5. Hence, the rival contentions were noted.
6. At this juncture, we would go through the various provisions of the Insolvency & Bankruptcy Code dealing with the dissolution of the Corporate Debtor which are as follows: -

**Section 54 of the Insolvency & Bankruptcy Code  
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.”*

**Rule 45 of Insolvency and Bankruptcy Board of India  
(Liquidation Process) Regulations, 2016:  
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) or the dissolution of the corporate debtor, in cases not covered under clause (a).*

7. We would note that the Applicant in compliance to the Code and its Regulations has discharged his duties diligently and has made several efforts for the maximum realization from the assets of the corporate debtor. The liquidation Process is fully complete. Thus, the Liquidator in compliance has filed the present application under Section 54 read with Regulation 45 of IBBI (Liquidation Process) Regulation, 2016, seeking an Order of dissolution of the corporate debtor.
8. In compliance of regulation 15 of the Liquidation Process Regulations, the Liquidator has filed six quarterly Progress Reports from time to time before this Adjudicating Authority and also the final report disclosing all the material facts and information with respect to the liquidation process of the Corporate Debtor. As per mandatory requirement under regulation 45(3) of the Liquidation Process Regulations, the Liquidator has prepared a compliance certificate under prescribed '**Form H**'. Both the final report and compliance certificate under form H is annexed with the application and marked as annexure **Annexure – 'O'**.

9. A conjoint reading of these the statutory provisions as noted supra, mandates upon completion of the liquidation of the assets of the corporate debtor, filing of subsequent application to the Adjudicating Authority to seek dissolution under Section 54 of the IBC where the assets of the Corporate Debtor either have been completely liquidated after distribution among the Stakeholders or for early dissolution under Regulation 14 of the Liquidation Process Regulations, or where the realizable properties of the corporate debtor are insufficient to cover the cost of the liquidation process, the liquidator may apply to the Adjudicating Authority for early dissolution.
10. In view of the above facts and circumstances, this Adjudicating Authority in exercise of the powers conferred under sub-section (2) of section 54 of the Code hereby Orders dissolution of the Corporate Debtor, i.e., **Shree Gajapati Paints Private Limited** from the date of this Order, thus stands **dissolved** and consequently, the Liquidator stands relieved from his responsibilities, subject to procedural compliances.
11. The Liquidator and the Registry are hereby directed to serve a copy of this Order upon the Registrar of Companies, West Bengal, 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.
12. Further, the Liquidator is directed to serve a copy of this Order upon the **Insolvency and Bankruptcy Board of India (IBBI)** within fourteen days of receipt of this order. The IBBI shall take further necessary action upon receipt of a copy of this Order.
13. All the assets of Corporate Debtor have been disposed of and distributed in accordance with the code and rules and regulations framed thereunder and the final report has been submitted.

14. **IA(IBC)(DIS.)/24(KB)2024** along with **C.P. (IB)/314(KB)2019** is **allowed** with the above directions and the **IA(IBC)(DIS.)/24(KB)2024** and **C.P. (IB)/314(KB)2019** are hereby **disposed of** accordingly.
15. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
16. Certified Copy of this Order may be issued, if applied for with the Registry, upon compliance of all requisite formalities.
17. File be consigned to records.

**D. Arvind**  
**Member (Technical)**

**Bidisha Banerjee**  
**Member (Judicial)**

**Order signed on: 02<sup>nd</sup> of July, 2024.**

*Ar. [steno]*