



DIVISION BENCH
COURT - I

M-2

**NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
KOLKATA**

IA(IB) NO. 687/KB/2023

In

C.P. (IB) NO. 898/KB/2018

**CORAM: 1. HON'BLE MEMBER(J), SMT. BIDISHA BANERJEE
2. HON'BLE MEMBER(T), SHRI BALRAJ JOSHI**

ORDER SHEET OF THE HEARING ON 21ST AUGUST 2024

IN THE MATTER OF	UNITED CHLORO PARAFFINS PRIVATE LIMITED
UNDER SECTION	IBC UNDER SEC 10

Mr. Shaunak Chanda, Adv.

CORRIGENDUM ORDER

1. This matter was not on board today and was taken up upon mentioning.
2. In the Order dated 13.08.2024, some typographical errors have occurred which are rectified as under:-
 - a. In Paragraph 8, the words "*Kotak Mahindra Bank*" shall be read as "*State Bank of India.*"
3. The rest of the contents of the order shall remain unchanged.

**Balraj Joshi
Member (Technical)**

**Bidisha Banerjee
Member (Judicial)**



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SPECIAL BENCH (Court-II)
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C.P. (IB) No. 898/KB/2018

*An application under Section 54 (1) of the Insolvency & Bankruptcy Code, 2016 read
with Rule 11 of the National Company Law Tribunal Rules, 2016;*

In the matter of:

United Chloro Paraffins Private Limited, having its registered office at 32,
Chowringhee Road, Om Tower Room No.907, 9th Floor, Kolkata -700071;

...CORPORATE DEBTOR

And

In the matter of:

Mr. S. V. Ramani, Liquidator of United Chloro Paraffins Private Limited, having
his office at Room No.207, 'A' Block, Anandalok, 227, Acharya Jagadish Chandra
Bose Road, Kolkata – 700020.

...LIQUIDATOR/APPLICANT

In the matter of:

1. United Chloro Paraffins Private Limited.

...CORPORATE DEBTOR

2. Mr. S. V. Ramani;

...LIQUIDATOR/APPLICANT

Date of pronouncement of order: **13.08.2024**

CORAM:

**SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)
SHRI BALRAJ JOSHI, HON'BLE MEMBER (TECHNICAL)**

Appearances (via Video Conferencing/Physical):

Mr. Shaunak Chanda, Adv.

] For the Liquidator Mr. S. V. Ramani

O R D E R

Per: Bidisha Banerjee, Member (Judicial)

1. The Court congregated in a hybrid mode.

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2. **I.A. No. 687/KB/2023 is filed by the Applicant seeking following reliefs:**

- 2.1. To pass necessary orders for dissolution of the Corporate Debtor and closure of the liquidation process of the Corporate Debtor;
- 2.2. To pass any other or further order or orders and/or direction or directions be given as this Hon'ble Tribunal may deem fit and proper under the facts and circumstances of the present case and in interest of justice.

3. **Facts of the Case:**

- 3.1. This application is being filed by Mr. S. V. Ramani, the Liquidator/Applicant of United Chloro Paraffins Private Limited (hereinafter referred to as “Corporate Debtor”) for sale of Company as going concern along with Compliance Certificate in Form H under Section 54 (1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016.
- 3.2. That vide Order dated 12th October, 2018 this Tribunal admitted the CP No.(IB) No.898/KB/2018 under Section 10 of Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) against United Chloro Paraffins Private Limited (hereinafter referred to as “Corporate Debtor”). Mr. S. V. Ramani was appointed as the Interim Resolution Professional, who was later replaced by Mr. Jitendra Lohia as Resolution Professional vide order dated 1st January, 2019.
- 3.3. That this Tribunal vide Order dated 19th July, 2019 was pleased to pass liquidation Order under Section 33 of the Insolvency and Bankruptcy Code, 2016 and thereby appointed Mr. S. V. Ramani as the liquidator. The Copy is annexed as **Annexure A-2**.
- 3.4. That the Liquidator, as per Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Regulations), 2016 (“Liquidation Process Regulations”), made Public Announcement in Form B in two newspaper, namely, Financial Express and EK Din on 27th August, 2019 inviting claims form the stakeholders.

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- 3.5. That, the Liquidator made further publication in daily newspaper (Ekdin in Bengali) and (Financial Express in English) were published on 15th January, 2022 for the assets and properties of the Corporate Debtor on “As is where is basis” and “Whatever there is basis”.
- 3.6. That, on e-auction held on 20th January, 2022 the applicant received bidders for sale of the two factories of the Corporate Debtor situated at Ganjam and Domjur to M/s Suntek Chlorides Pvt Ltd and M/s Ashamony Polly Products Pvt Ltd respectively in the following ways:

Sl. No.	Bidder	Quotations received	Factory situated at
1	M/s Suntek Chlorides Pvt Ltd	1,22,00,000	Ganjam
2	M/s Ashamony Polly Products Pvt Ltd	1,31,00,000	Domjur

- 3.7. The quotations received from the bidders being M/s Suntek Chlorides Pvt Ltd and M/s Ashamony Polly Products Pvt Ltd were placed before the members of 4th Stake-holders Meeting where they declared as the successful bidders for the two factories situated at Ganjam and Domjur and the final sale letters were issued on 4th March, 2022.
- 3.8. That, again on 2nd December, 2022 paper announcement was made for the fully furnished office space in Suite No. 907, measuring a super Built up area 868 sq ft on 9th floor, B+G+16 storied building, “OM tower”, situation at 32, J.L. Nehru Road, Kolkata – 700 001 “As is where is” “As is what is” and “Whatever there is basis”, “No recourse basis” and “Without any claim/compensation in future” fixed at a reserve price of Rs.76,00,000/-.
- 3.9. That on 6th December, 2022 pursuant to the paper publication e-auction was held and the applicant received bid from Phynax Biotech Pvt Ltd, Kolkata who deposited 10% of the EMD out of the total consideration amount of Rs.76,50,000/- and further agreed to pay the remaining

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balance amount in three instalments i.e. on 26th December, 2022, 26th January, 2023 and 26th February, 2023.

- 3.10. That the Applicant upon receipt of all the instalments from Phynax Biotech Pvt Ltd, Kolkata, the successful bidder issued final sale letter dated 27th February, 2023 to the successful bidder.
- 3.11. That the liquidator has filed the preliminary reports and asset memorandum with this Adjudicating Authority in compliance of Regulation 13 of Liquidation Process Regulations on 15.10.2019 the liquidator has also filed progress reports with this Tribunal in compliance of Regulation 15 of Liquidation Process Regulations in which he continued to act as Liquidator of Corporate Debtor and describing all the major events of liquidation.
- 3.12. That in accordance with Regulation 31A of Liquidation Process Regulations, the Liquidator formulated the Stakeholder Consultation Committee within sixty days of Commencement of Liquidation comprising of one Secured Financial Creditors. The liquidator did not receive any claim other than State Bank of India.
- 3.13. That in accordance with Regulations 35 of the Liquidation Process Regulations, the Liquidator appointed registered Valuers, namely, Mr. Shyama Pada Nandi and Mr. Sandip Bhattacharjee of the Corporate Debtor in terms of Clauses (a) to (f) of Regulation 32 of Liquidation Process Regulations. Both the Registered valuers submitted their valuation reports which was submitted before this Hon'ble Tribunal and the Asset Memorandum was also submitted before this Hon'ble Tribunal in terms of Regulation 34 of Liquidation Process Regulations. The summary of the said valuation as on liquidation commencement date are as under:

	Amount in Lakhs	
Particular of Assets	Average Valuation as Per Regulation 32(e) and 32 (f)	Average Valuation as per Regulation 32(a), (b),(c) and (d)

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Security Interest Relinquished – Liquidation estate Sale Value			
1	Gunjam Factory	64.19 Lacs	131 Lacs
2	Domjur Factory	120.50 Lacs	122 Lacs
3	Kolkata Office	69.85 Lacs	76.50 Lacs
	Vide SBI letter no SAMB II Kol/BR/RS/939, Date 19.09.2019		
	Total – Liquidation estate	257.04 Lacs	329.50 Lacs

3.14. That immediately after receipt of sale consideration, Liquidator distributed the proceeds of Rs.253/- Lacs against sale of Ganjam and Domjur factory on 29.07.2022, 21.08.2022 and Rs.76.50 lacs against sale of Kolkata 25.02.2023, in accordance with Section 53(1) of the Code among Secured Creditors. The certificate of sale dated 29.07.2022 to M/s Suntek Cholorides Pvt Ltd for Gunjam Factory and 21.08.2022 to M/s Ashamony Polly Products Pvt Ltd for Domjur Factory and Kolkata Property Final sale Letter dated 27.02.2023 to M/s Phynax Biotech Pvt Ltd (hereinafter referred to as the “Effective Date”) was issued by the Applicant in favour of the Successful Bidder and consequently the title and ownership of the two factories and the office premise of the Corporate Debtor stood vested with the Successful Bidder in terms of the provisions contained in Certificate of Sale and in accordance with E-Auction Process Information Document. A Statement of distribution of the proceeds is as given in the table below:

Particulars	Amount Distributed (in Rupees)
Opening Balance as on liquidation a/c	
Sale Realization from the Successful Bidder (M/s Suntek Cholorides Pvt Ltd) on 29.07.2022	1,31,00,000.00

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Sale Realization from the Successful Bidder (M/s Ashamony Polly Products Pvt Ltd) on 21.08.2022	1,22,00,000.00
Sale Realization from the Successful Bidder (M/s Phynax Biotech Pvt Ltd) on 27.02.2023	76,50,000.00
<u>Total available for Distribution</u>	3,29,50,000.00
<u>Less:</u> Distribution to Stakeholders under Section 53(1) of IBC, 2016 (as under)	NIL
Section 53(1) (a) Pending CIRP Cost	NIL
Section 53(1) Liquidation Cost	8.85/-
Employee Dues	NIL
Statutory Dues	NIL
Other Costs including Liquidator's Fee	4.72/-
Section 53(1)(b)(i) Workmen dues	NIL
Section 53(1)(b)(ii) Secured Creditors	NIL
Section 53(1)(c) Employee Dues	NIL
Section 53(1)(d) Financial Debt to unsecured creditors	NIL
Section 53(1)(e)(i) Government Dues	NIL
Section 53(1) (e) (ii) unpaid amount of secured creditors for security interest	NIL
Section 53(1) (f) remaining debts and dues	
Related	NIL
Not Related	NIL
Section 53(1) (g) Preference shareholders	NIL
Section 53(1) (h) Equity Shareholders	NIL
Balance available in Liquidation Account as on Rs 12,03,732/- on 27.03.2023 to meet out any Liquidation Costs pending till closure of the application	

3.15. This Adjudicating Authority vide order dated 1st February, 2024 had directed the Liquidator to file a complete **Form H** along with bank

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statements. In pursuance of there of the Liquidator has filed an affidavit on 08.07.2024 whereby in addition to Form H, a bank statement is also enclosed at Page Nos.23 and 24 of the said affidavit. It is seen that the entire amount of Rs.1203732.65 has been appropriated and the balance in the Liquidation as shown to be zero is on 07th March, 2024.

- 3.16. It has also been averred at Page No.10 of the said affidavit that the entire amount of Rs. 329.5 lakhs along with the amount of Rs.42 lakhs received from the forfeiture of the EMD amount, totalling to **Rs.371.5 lakhs was transferred to SBI (the only member of SCC and the only financial creditor)** as per Section 53 of IBC, 2016.
- 3.17. The Learned Counsel for the Liquidator would submit that as no amount was left after meeting the claims of secured financial creditors, hence nothing was payable to unsecured creditors. The sale consideration amount is also less than the total claim amount of secured Financial Creditors, therefore, no further distribution was made to other class of stakeholders as referred in the Section 53(1) of the Code.
- 3.18. That the Sale Agreement executed on 29th July, 2022 with M/s Suntek Cholorides Pvt Ltd for Gunjam Factory and copy of the Sale Agreement executed on 12th August, 2022 with M/s Ashamony Polly Products Pvt Ltd for Domjur Factory and the Final sale letter dated 27th February, 2023 given to M/s Phynax Biotech Pvt Ltd for Kolkata Property are annexed herewith and marked as Annexure A-4, A-5 and A-6 respectively.
- 3.19. Further, it is submitted that the Liquidator has completed the liquidation process in accordance with the provisions of the Code read with the Liquidation Process Regulations and there remains no assets of the Corporate Debtor, therefore, necessary orders be passed for dissolution of the Corporate Debtor.
4. Various provisions of the Code dealing with the dissolution of the Corporate Debtor are as follows:

“54. Dissolution of corporate debtor. -

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(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.”

5. A conjoint reading of these two provisions leads to the requirement of completion of the liquidation of the assets of the corporate debtor and subsequent application to the Adjudicating Authority by the liquidator for dissolution under section 54 of the IBC where the assets of the Corporate Debtor has been completely liquidated after distribution among the Stakeholders for the Liquidation Process Regulations when 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 dissolution.
6. 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 order dissolution of the Corporate Debtor, viz., **United Chloro Paraffins Pvt Ltd** from the date of this Order, and the Corporate Debtor stands dissolved. Consequently, Liquidator stands relieved subject to all procedural compliances.
7. The Liquidator and the Registry are hereby directed to serve a copy of this order upon the Registrar of Companies, West Bengal, immediately and, in any case, 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.
8. We also direct the Kotak Mahindra Bank Limited to make the payment of due

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liquidation cost, if not paid already.

9. **IA(IBC)/687(KB)2023** and **CP(IB)/898(KB)2018** is allowed and **disposed of** with the above directions.
10. 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.
11. Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

Balraj Joshi
Member (Technical)

Bidisha Banerjee
Member (Judicial)

Signed on this, the **13th August, 2024.**

S.Ghose, (Steno)